



Bristol
Power
Co-op



Share Offer

Open Until 31st December 2012

You are invited to be one of the first investors in Bristol Power Co-operative Ltd (“Bristol Power”), a not-for-profit, community-owned enterprise, growing Bristol’s local green energy supply and making the benefits of green energy open to all.

In a starter share-offer, we are seeking up to £268,000 of investment for solar PV systems installed on our pilot schemes – a mixture of 25 community buildings and domestic properties in Bristol:

This document details the opportunity for individuals or organisations across Bristol to buy up to 20,000 shares at £1 each in Bristol Power. The capital raised will be used to:

- Buy 38.5kWp (that is: a peak electricity generation capacity of 38.5kW) of solar photovoltaic (“solar PV”) systems installed on 13 roofs of domestic properties in Lockleaze, Bristol.
- Buy a 20kWp solar PV system installed on the community hub at Hamilton House, Stokes Croft, Bristol.
- Install a 40kWp solar PV system on Lockleaze Primary School.
- Install up to 30kWp of solar PV systems on 10 domestic properties in Lockleaze, Bristol.

We invite you to:

- Join in the first stage of an exciting ethical investment community.
- Support community centres, private home owners, and businesses in your local community by allowing them to source free/subsidised green energy from the solar PV systems on their roofs.
- Earn up to a projected 6% return on your investment (with potential for up to 50% SEIS/EIS tax relief).

The Hamilton House solar PV system was installed in December 2011 and benefits from an older and higher contractually set Feed-in Tariff (FIT) income (see an explanation of FITs in main text below). Since then the FIT rates have been subject to predictable ‘degression rates’, set at regular intervals in line with falling installation costs as the market for solar PV in the UK matures. The first set of 13 solar PV installations on domestic properties in Lockleaze were installed in July. We are now looking to undertake the next set of installations on Lockleaze Primary School and 10 further domestic properties in Lockleaze.

Each year, the 25 solar PV systems together will provide over 110,000kWh of green electricity and save 59 tonnes of CO₂. This is enough to power 25 average houses and save more than 1,100 tonnes of CO₂ over their 20 year+ lifetime.

Now we need you to help us get 40kW of panels onto the Lockleaze Primary School, 30kW onto 10 domestic roofs in Lockleaze, and bring the existing 38.5kW of domestic solar PV systems in Lockleaze and the 20kW solar PV system on Hamilton House into community ownership! At Directors discretion, the offer may be extended if over-subscribed, and used to fund further similar solar installations.

Bristol Power Co-op was established by Bristol Power CIC, a community interest company set up to support communities across Bristol and promote and develop community-owned solar electricity generation and other sustainable energy programmes. In future, we envisage Bristol Power to become part of “Streets of Solar”, a plan for locally-owned co-ops to work together to install and own solar PV on thousands of roofs throughout Bristol, giving control of energy production back to local people.

Share offer open:	31st October 2012 – 31st December 2012
Amount sought:	£268,000
Minimum investment:	£500
Maximum investment:	£20,000

The information contained in this Share Offer has been prepared under the supervision of the Directors of Bristol Power Co-operative Ltd, who take responsibility for its contents. To the best of their knowledge, all information is accurate.

The Bristol Power Co-operative share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. A community benefit 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. An investment in the shares offered in this Share Offer carries risks and you may lose the whole value of your investment. Please consider it carefully in the context of this complete share offer document and related information and, if needed, seek independent advice.

Introduction

Community-owned energy is a growing idea, locally, nationally and internationally. And solar energy is the fastest growing renewable, and easiest to add to your home

A co-operative is an ideal vehicle for such ownership, as it is democratically controlled by its members (on a "one vote per member" basis) and encourages community involvement.

Renewable energy from solar PV is not only clean, it also attracts Government grants called Feed-in Tariffs (FITs) paid for every unit of electricity generated by the solar PV system, regardless of where the electricity is used, and they are payable over twenty years, based on the amount of electricity generated each quarter.

After paying a modest, but realistic, return to investors, the surpluses can create a revolving fund to finance further energy schemes, or be used to finance other community projects.

At the same time, the renewable energy is provided free to the roof owner, lowering the costs of running the home and so helping to reduce fuel poverty: **Win-Win!**

Bristol Power is proud to be part of the movement towards clean energy.

What is Bristol Power?

Bristol Power Co-operative ('Bristol Power') is a community-owned social enterprise, aiming to support and finance democratic, community-owned renewable energy and energy efficiency projects in Bristol.

We are working to make Bristol's energy supply:

- **Community-owned:** Using a co-operative model democratises energy ownership: one member one vote irrespective of shareholding, open membership subject only to a minimum shareholding of £500 and/or ownership of one of the roofs on which the co-op has installed solar PV, and a strong participatory ethos ensuring that the interests of Bristol's communities come first. Bristol Power is registered as an Industrial and Provident Society for Community Benefit.
- **Equitable, green and resilient:** Bristol Power will work with people, communities and businesses to support and finance green energy projects that would not otherwise happen, helping Bristol to significantly reduce its reliance on fossil fuels.

What is the project?

We aim to provide community finance to fund the installation of solar PV arrays on a mixture of domestic houses and community buildings in Bristol, providing free or subsidised energy to the property owners or occupants and sharing the income received from the FITs between members and the wider community.

Lockleaze Phase 1

The first set of 13 solar PV installations on domestic property roofs in Lockleaze were installed in July 2012. The total installed solar PV system size is 38.5kWp, generating an estimated income in year 1 of £7,900.



Hamilton House



The Hamilton House solar PV system was installed in December 2011. Benefitting from relatively high FIT rates at the time, that were contractually fixed for 25 years, this installation provides a particularly attractive return on investment when comparing the project costs with the relatively high annual income from FIT payments. The total installation size stands at 20kW, with a demonstrable income in year 1 of approx. £7,200.

Lockleaze Primary School

We are now looking to continue the next round of solar PV installations in Lockleaze by starting with the local primary school. Feasibility surveys have already been completed in August and fixed installation quotes obtained. So all is set to go ahead with the installation of this 40kW PV system with an expected income in year 1 of £4,900.



Lockleaze Phase 2



As part of our early community engagement in Lockleaze many more residents expressed a keen interest to have solar PV fitted to their property's roof. Hence we already have a short-list of 10 suitable properties where we can install solar PV systems with a total size of 30kW and an expected income in year 1 of £4,900.

The Opportunity

We seek to raise up to £268k by issuing shares in Bristol Power. The maximum shareholding is £20,000. This share offer will close on 31st December 2012, or earlier if the full amount is raised. We envisage to raise the required funds for the 4 distinct project stages by setting respective incremental fund raising limits. These will be £83k, £158k, £218k, and £268k respectively. We are hoping that the required funds for stage 1 (i.e. £83k) can be raised by the beginning of December. If insufficient funds for the first stage have been raised by 31st December, the Board may withdraw the share offer, in which case all cheques will be returned. If insufficient funds for subsequent stages have been raised by 31st December, we reserve the right to extend the fundraising deadline until sufficient funds for the subsequent stages have been raised. At Directors discretion, the offer may be extended if over-subscribed, and used to fund further similar solar installations.

How does it work?

Bristol Power is working with local home owners to install solar PV on their roofs using local installers. Bristol Power intends to retain ownership of these systems and receive income via the Government's FIT scheme.

Income will be used to administer our activities, fund withdrawal of shares and pay interest to members who hold the minimum number of shares. Meanwhile roof owners who are also members of the Co-op will receive the electricity generated from the solar PV system, when the sun shines onto their roof, for free.

We plan to use the money raised from the share offer to acquire recently installed solar PV systems on 13 domestic properties in Lockleaze and on the roof of Hamilton House, Stokes Croft. All are generating electricity and have proven levels of income. We also seek to raise additional investment to undertake installation of solar PV systems on the Lockleaze Primary School and a further 10 domestic properties in Lockleaze.

By purchasing shares you will:

- Gain an equal vote with every other member in how Bristol Power Co-op is managed and how your local energy resources are used.
- Ensure that you participate in the ownership of local renewable energy resources which benefit from the Government incentives.
- Be eligible for any interest paid to members. As set out below, we are aiming to pay members an annual return on their shares.
- Contribute to developing a local energy supply which aims to offer protection against fluctuations in energy supply and costs.
- Help support further renewable energy and community energy efficiency programmes.
- Contribute to the provision of renewable energy supplies for our area that, in turn, aims to retain benefits locally and strengthen the local economy.
- Support a model that can be copied in other communities.

Payment of Interest on Shares

We aim to provide members with an annual interest payment of 6% on their shares, but we cannot guarantee the rate of annual interest.

The expected annual interest payment is based on the project income and expenditure over the life of the solar arrays using assumptions outlined in the financial model below. We have outlined a range of identified risks in the Terms & Conditions section below, and you should consider these assumptions and risks carefully before applying for shares.

We expect to refinance solar installations over time using institutional funds (e.g. pension funds and local authority prudential borrowing) at lower rates of interest than we pay our founding investors. Your investment will then be recycled to seed fund further solar energy projects in Bristol. With a growing portfolio of solar roofs financed at lower interest rates, risks of paying the projected return to you will reduce.

Financials

Bristol Power is a start-up and so has not yet traded.

In addition to those who invest in this share issue, the roof owners in Lockleaze will also be members of the Co-op. Each member has one vote, regardless of the number of shares held.

Bristol Power aims to pay a return to members of an expected 6% annually from the day your investment cheque clears into our account. Forecasts are detailed in Appendix A below.

Capital Costs and Indicative Revenues

Lockleaze Phase 1: The cost of the purchase and installation of 38.5kW of installed capacity on 13 domestic roofs in Lockleaze was £83k. The systems were installed and registered in July 2012 by Bristol Power CIC, and Bristol Power is able to buy the whole installation package, and the associated FIT income, from Bristol Power CIC. The anticipated revenue in year 1 will be £7,900.

Hamilton House: The cost of the purchase and installation of 20kW of installed capacity on the roof of Hamilton House was £75k, including VAT. The system was installed and registered in December 2011 by Bristol Power CIC, and Bristol Power is able to buy all or part of the installation, and the associated FIT income, from Bristol Power CIC. The anticipated revenue in year 1 will be £7,200.

Lockleaze Primary School: The anticipated cost for the installation of 40kW on the school is £60k. The anticipated revenue in year 1 will be £4,900.

Lockleaze Phase 2: The anticipated cost for the installation of 30kW on 10 domestic roofs in Lockleaze is £50k. The anticipated revenue in year 1 will be £4,900.

Annual revenue from these installations will consist of FIT payments for all energy generated plus export tariff payments for energy exported to the National Grid.

The amount of revenue generated by the project will depend on the amount of sunlight for any given year which, in practice, will vary from year to year. Our estimations are based on conservative models. We have assumed a loss of efficiency of the solar panels of 0.7% per year.

Ongoing expenditure associated with the installation

- Costs necessary to sustain the basic running of the Cooperative are estimated at no more than £1,900 per year. This includes the cost of administering shares and distributing interest payments, preparation of annual reports, data collection and submission of quarterly metering reports, and holding our AGM.
- Insurance and maintenance cost of the 25 systems are estimated at no more than £400 per year. We will be insuring the panels against damage, loss of income and public liability. The panels have a manufacturer's guarantee, and are very low maintenance but will require occasional checking.
- A one-off cost for removing and replacing the Hamilton House and Lockleaze Primary School panels once in their life time to enable building works has been estimated at no more than £3000 per community building.
- The inverters (a crucial part of the solar PV system) are expected to require replacing once over the lifetime of the systems. We will set aside a fund for overall system maintenance which will include inverter replacements, with an estimated cost of no more than £700 per year.

Distribution of Annual Profits

After these costs, we anticipate an annual profit from this project of an initial £22k, increasing with inflation in subsequent years. The Co-op's members will determine at each annual general meeting how to distribute these profits. The Directors propose that this annual profit is used as follows:

- Interest payments to members of up to but not more than 6%.
- Provision for payback of initial invested capital, either direct payback through shares withdrawn, setting aside capital in fixed-term deposits, or re-investment.
- The remainder to be put towards furthering the aims of the Co-op.

The Feed-in Tariff

The Feed-in Tariff (FIT) scheme is a Government programme intended to incentivise the generation of renewable energy technologies. There are two main parts to it:

The generation tariff

This tariff pays a set rate for each unit (or kWh) of electricity generated by the system, regardless of who uses it.

The export tariff

Once up and running, the system feeds electricity first to the building it is wired into. But if the building cannot use all of the electricity generated by the system, the remainder gets exported to the National Grid and an extra amount is paid for each unit exported. Until smart metering systems are installed, the government estimates 50% of electricity generated is exported and calculates the export tariff payment accordingly

The FIT review process and future tariff changes

Once the system has been registered, the tariff levels are guaranteed for the period of the tariff (20 years for Solar PV) and are index-linked to the Retail Price Index (go up each year with inflation).

The FIT scheme is in constant review. The tariff rates were reduced for the first time in December 2011, and then again at the end of July, in line with reductions in solar PV installations costs. With the solar PV market in the UK reaching maturity, the Government has now introduced tariff degression rules that allow for transparent tariff predictions into the future. The next tariff degressions will occur on 1st November 2012 and every 3 months thereafter. A key point to note here for investors is that once a solar PV system has been fully commissioned and registered to receive FITs the rate paid for that system is guaranteed for 20 years.

The Hamilton House system was registered before 12th December 2011, and so has a 37.8p/kWh rate of FIT guaranteed for 25 years. The first 13 domestic installations in Lockleaze were registered before the end of July and will receive a rate of 21.0p/kWh for 25 years. In line with the timescales set out for this share offer, we anticipate that both the Primary School and the next set of domestic installations in Lockleaze will be completed prior to 1st February 2013 and hence attract a tariff rate of 13.0p/kWh and 15.4p/kWh respectively (Note: different tariff bands apply to different system size bands).



About us

David Saunders, Director



David is a social entrepreneur committed to the development of sustainable communities. He is closely involved in Bristol's Green Capital Partnership and organises conferences to advance thinking on sustainability. As

Marketing Manager for an IT company, David doubled their business every 6–8 months. As a project manager and high-tech consultant, he helped to lead a successful turnaround of an international Plc business in the Netherlands.

Mike Söldner, Director



A resident of Lockleaze, Mike has over 12 years consultancy experience in energy efficiency and renewable energy and has delivered training workshops on related subjects. As founder of energy consultancy Save & Generate he has

provided expert advice to home owners and businesses on the implementation of renewable microgeneration technologies and supported industry through innovative market research and as expert commentator in the media.

Andrew Baker, Director



A company director with over twenty years experience at the sharp end of business finance. He has significant experience of dealing with the financial sector, having raised tens of millions of pounds of corporate funding during his

career. Andrew is a Fellow of the Institute of Chartered Accountants, with a broad range of financial management, systems and IT experience in quoted companies, owner-managed businesses, charities and government bodies. He has headed negotiations for share offers, acquisitions, mergers and management buyouts for UK and international clients.

Robert Smith, Director

Robert is the Head Governor of Lockleaze Primary School. His house was the first solar PV installation developed in Lockleaze by Bristol Power.

Alex Wood, Director

Alex is an NHS healthcare practitioner and has been instrumental in delivering community engagement events in Lockleaze which formed a key part of the project development phase.

Our Objectives...

The formal Rules of Bristol Power include a statement of its objectives, in Rule 5 as follows:

5. The objects of the Co-operative shall be to carry on the business as a co-operative and to carry on any other trade, business or service and in particular to:

(a) To carry on activities for the benefit of members and in the interests of the community the Co-op is established to serve and in particular (but without limitation) to encourage and facilitate the development and creation of community-owned renewable energy generation.

(b) To promote and support the network of community centres, community hubs, public buildings, public spaces, local services and neighbourhood activities for the benefit of the members and in the interests of the community the co-operative is established to serve.

(c) To engage in any business, trade or industry, which may seem to the Co-op directly or indirectly conducive to the interests or convenience of its members or of the community in the Co-op's area of activity generally.

(d) To promote advancement of education and learning, including training in skills relevant to securing employment.

(e) To disseminate skills, knowledge and information, both practical and theoretical, in the fields of environmental awareness, renewable energy supply and sustainable resource management.

(f) To support, encourage and collaborate with any individual, association or corporate body having aims similar to those of the Co-op.

Terms & Conditions of Share Offer

Membership

Membership is open to individuals aged over 16, corporate bodies, voluntary organisations and public sector investors.

Shareholdings

The minimum shareholding is £500 and the maximum is £20,000. Only members who hold the minimum number of shares are eligible for interest payments.

The Nature of Community Shares

This is a long term investment. It is unlike investment in a for profit enterprise where the investor seeks to share in profits through dividends and make capital gains from an increase in the value of shares held which are freely marketable.

- The shares in a Community Benefit Society are not transferable, and the value of any shares cannot increase beyond their nominal £1 value and may be reduced if liabilities exceed assets.
- Shares cannot be sold. Shares can be withdrawn by giving 3 months notice of withdrawal to the Society. This cannot take effect until 1 year has elapsed from the date the Society begins trading. Withdrawal will be at the discretion of the Directors who will judge if the Society is trading profitably and has adequate cash reserves to fund withdrawal.
- If the situation was to arise where a member wanted to withdraw all of their shares while at the same a new person provided their pledge to purchase the same number of new shares, the Directors would aim to support and facilitate this simultaneous two-step transaction. A small administrative charge will apply.
- The Society cannot be sold for the benefit of its members, and there is a statutory asset lock.

Payment of Interest

- Provision is made in the Rules for payment of interest on shares at rates sufficient to attract the required capital. The rate will be determined by members each year at the annual general meeting. The Directors anticipate that the project will return up to 6% to members.
- This investment should be considered as an opportunity to contribute financially to the community with the expectation of a social dividend rather than just a financial reward.
- Members have the option to waive part or all of their interest payment or assign it to a particular project.

Voting Rights

Each member of the Co-op will have one vote regardless of the size and value of their shareholding. The sovereign body of the Co-op is the general meeting, which will elect a Board of Directors to manage the Co-op.

Risks

The Directors have worked hard to identify and mitigate relevant project risks but you should be aware of the following before investing. All these risks would affect Bristol Power's ability to generate returns for investors and may lead to you losing the money invested in shares.

- Changes in Government legislation may reduce revenues generated from the Feed-in Tariff scheme.
- A delay in FIT registration of those systems that are installed in the future could delay cash inflow.
- Overhead costs are estimates and may go up or down over time, in particular maintenance costs.
- If Bristol Power does not qualify for EIS relief within three years of your investment, it could result in you having to repay any income tax relief you have received.
- Projects may be delayed due to technical, financial or legal matters.
- There may be interruptions to the generation of electricity caused by financial or legal matters which may reduce and/or delay revenues.
- There may be interruptions to generation of electricity caused by mechanical/electrical failure of equipment which may reduce and/or delay revenues.

The Directors seek to protect against these risks through implementing prudent management practices including insurances.

Caution

Any trading activity is vulnerable to changing or unanticipated risk. The Bristol Power Co-operative share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. A community benefit 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. The whole of your investment will be at risk (although you will not incur a liability beyond your investment). Please consider it carefully in the context of the complete share offer document and related information and, if needed, seek independent advice. However, the Co-op is ultimately run by and for you, its members, so you can have a direct influence on its decisions and behaviour.

Shares

Please read this section carefully. If you require any advice you should consult with a bank manager, solicitor, accountant, stockbroker or other independent financial adviser authorised under the Financial Services and Markets Act 2000. Before buying shares you should take careful note of the following:-

Members should see this as a long term investment, with a minimum investment period of 3 years. This is an opportunity to contribute to the local ownership of renewable energy and the reduction of fuel poverty. While we aim to provide a financial return on shares, members will also be encouraging local community projects.

Bristol Power is incorporated as a bona fide Co-operative under the Industrial and Provident Societies Act 1965, number IP031701, and share ownership is subject to the terms set out in its Rules, which require members to be at least 16 years of age. It is a principle of co-operatives that each member has one vote, regardless of the size of their shareholding.

These shares are not transferable. They cannot be sold, so a member wishing for a return of the capital they have invested applies to the Board to 'withdraw' some or all of their shares. Each year, the Board will put aside a prudent proportion of surpluses into a fund for this purpose, but retains discretion not to allow withdrawals of shares. The value of shares may go down but cannot go up.

If the situation was to arise where a member wanted to withdraw all of their shares while at the same time a new person provided their pledge to purchase the same number of new shares, the Directors would aim to support and facilitate this simultaneous two-step transaction. A small administrative charge will apply.

Shares may be repaid from income, further share issues or borrowings.

Under the Rules, members will not benefit financially from a winding-up of Bristol Power or a transfer of its business. In such circumstances the residual assets would be transferred to another co-operative or similar.

The maximum shareholding for an individual or a business is £20,000, but other co-operatives incorporated as Industrial and Provident Societies have no limit on the shares they can hold.

Withdrawing shares

Shares are withdrawable on 3 months' notice and up to a maximum cap that the Board will set each year as prudent based on the results for that year. Note that any shares on which you wish to benefit from tax relief under the EIS scheme will have to be held for at least three years.

All applications received will be processed on a first come first served basis. Any applications received but not approved for withdrawal in a year will be rolled forward to the next year until the application for withdrawal amount has been repaid in full. Where a year's cap has not been used in full the Directors may decide to roll this forward to the following year.

If the Board receives applications for withdrawals which exceed the cap, they may decide to increase the cap, subject to the over-riding need to be prudent in the circumstances at that time.

It is not anticipated that there will be sufficient surpluses to allow the withdrawal of shares prior to 2015. The scope for being able to withdraw shares in the future will be dependent upon the cashflows from FITs or on the raising of alternative capital.

In the case of joint investments, all investors concerned must agree to a withdrawal. Shares will be repaid at the original price of £1 per share, unless the auditors advise the Board to write down their value. The value of your shares may fall, but will not exceed £1 per share.

How to Apply

To become a member complete our Share Application Form (see below; also available on [our website](#)) and post to:

Bristol Power Co-op Ltd
Hamilton House
80 Stokes Croft
Bristol BS1 3QY

with your cheque made out to 'Bristol Power Co-operative Ltd'.

Each share has a value of £1 and the maximum shareholding for an individual or organisation other than an IPS is £20,000. Applications and payments must be received at our office before 5p.m. on 31st December 2012.

Seed Enterprise Investment Scheme

We are applying for advanced clearance that Bristol Power shares qualify for the Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) both of which provide tax payers with certain tax incentives to invest:

1. Income Tax Relief

An individual can invest up to £500,000 per tax year in SEIS/EIS Qualifying Companies and benefit from 30–50% income tax relief. The individual can only claim this relief if they hold less than 30% of the shares, are not an employee and hold the shares for at least 3 years. The minimum investment is £500.

2. Inheritance Tax Relief

Shares held for at least 2 years can attract Business Property Relief from IHT at up to 100%.

3. Loss Relief

Any capital loss realised on the shares can be offset against income tax or capital gains tax of the Investor.

Tax treatment depends on the individual circumstances of each member and may be subject to change in the future.

Final approval is only available from HMRC after issuance of shares. Assuming this approval is gained, Bristol Power will issue application forms to members who will then individually need to seek approval. Taking account of the SEIS/EIS tax benefits alone, we expect that you could obtain up to 50% tax relief on your investment.

Returns to Members

Bristol Power aims to pay only a sufficient and prudent rate of interest on its shares necessary to obtain and retain the capital required to carry out the Objects of the co-op as set out within its Rules. At this time the Board anticipate a rate of 6% annually, but it may pay no interest at all.

Members will be kept informed of Bristol Power's services and developments through our website, by e-mails, by occasional newsletters, annual reports and Annual General Meetings.

Legal Information

This document is issued by Bristol Power Co-operative Limited, a bona-fide Co-operative registered under the Industrial and Provident Societies Act 1965, number IP031701. As such, it does not need to be authorised by the Financial Services Authority to issue withdrawable shares. Therefore, the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. A Co-operative, unlike banks and building societies, is not subject to prudential supervision by the Financial Services Authority.

This document does not need approval (and has not been approved) by an 'approved person' under section 21 of the Financial Services and Markets Act 2000. This offer of shares is not regulated by the Financial Services and Markets Act 2000 or subsidiary regulations. This document does not constitute a prospectus within the meaning of the Prospectus Regulations 2005.

As a member and shareholder of Bristol Power you own it. If it is unable to meet its debts and other liabilities, you could lose the whole value of your shares. However, your liability is limited to this amount.

Your shares may receive interest, but will not enjoy any capital growth. They are primarily for the purpose of supporting the aims of Bristol Power rather than making an investment. As a Co-operative, the maximum return offered to members will always be limited.

Further information

A pdf of this share offer document can be downloaded from [our website](#), along with copies of the Cooperative's rules, business plan, financial projection and our shares application form. www.bristolpower.coop

If you have further questions about this offer, email us at ask@bristolpower.coop or phone us on 07536 025957.

APPENDIX 1: CASHFLOW FORECASTS



AT END OF STAGE 1: 13 DOMESTIC

Peak Electricity Generation		38.5		kWp	
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 20</u>	<u>TOTAL</u>
Electricity Generated (kWh per year) @ 900 kWh/kWp	34,650	34,407	34,167	30,321	648,795
INCOME					
FiT Income	£ 7,277	£ 7,370	£ 7,465	£ 9,276	£ 164,759
Export Tariff Income	£ 537	£ 544	£ 551	£ 685	£ 12,161
Interest on cash at bank @ 2%	£ -	£ 42	£ 76	£ 665	£ 4,730
Investment	£ 83,000	£ -	£ -	£ -	£ 83,000
TOTAL	£ 90,814	£ 7,956	£ 8,092	£ 10,626	£ 264,650
EXPENDITURE					
Installation costs	£ 82,480	£ -	£ -	£ -	£ 82,480
Maintenance cost	£ 390	£ 390	£ 390	£ 390	£ 7,800
Operating cost	£ 490	£ 490	£ 490	£ 490	£ 9,800
Management fee	£ 390	£ 390	£ 390	£ 390	£ 7,800
TOTAL	£ 83,750	£ 1,270	£ 1,270	£ 1,270	£ 107,880
NET CASHFLOW					
Share withdrawals @ 3%	£ 7,064	£ 6,686	£ 6,822	£ 9,356	£ 156,770
Potential annual interest payments @ 6.0%	£ -	£ -	£ -	£ 43,160	£ 83,000
	£ 4,980	£ 4,980	£ 4,980	£ -	£ 74,300
CASH MOVEMENT AFTER SHAREHOLDERS' RETURNS	£ 2,084	£ 1,706	£ 1,842	-£ 33,804	-£ 530
CASH AT BANK					
Declining investment after share withdrawals	£ 2,084	£ 3,789	£ 5,631	-£ 530	
	£ 83,000	£ 83,000	£ 83,000	£ -	

AT END OF STAGE 2: STAGE 1 + HAMILTON HOUSE = 14 ROOFS

Peak Electricity Generation		78.5		kWp	
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 20</u>	<u>TOTAL</u>
Electricity Generated (kWh per year) @ 900 kWh/kWp	70,650	70,155	69,664	61,823	1,322,867
INCOME					
FiT Income	£ 14,081	£ 14,262	£ 14,445	£ 17,950	£ 318,820
Export Tariff Income	£ 816	£ 827	£ 837	£ 1,040	£ 18,478
Interest on cash at bank @ 2%	£ -	£ 85	£ 166	£ 1,605	£ 12,095
Investment	£ 158,000	£ -	£ -	£ -	£ 158,000
TOTAL	£ 172,897	£ 15,173	£ 15,448	£ 20,595	£ 507,393
EXPENDITURE					
Installation costs	£ 157,480	£ -	£ -	£ -	£ 157,480
Maintenance cost	£ 590	£ 590	£ 590	£ 590	£ 11,800
Operating cost	£ 640	£ 640	£ 640	£ 640	£ 12,800
Management fee	£ 440	£ 440	£ 440	£ 440	£ 8,800
TOTAL	£ 159,150	£ 1,670	£ 1,670	£ 1,670	£ 190,880
NET CASHFLOW					
Share withdrawals @ 3%	£ 13,747	£ 13,503	£ 13,778	£ 18,925	£ 316,513
Potential annual interest payments @ 6.0%	£ -	£ -	£ -	£ 82,160	£ 158,000
	£ 9,480	£ 9,480	£ 9,480	£ -	£ 141,440
CASH MOVEMENT AFTER SHAREHOLDERS' RETURNS	£ 4,267	£ 4,023	£ 4,298	-£ 63,235	£ 17,073
CASH AT BANK					
Declining investment after share withdrawals	£ 4,267	£ 8,290	£ 12,588	£ 17,073	
	£ 158,000	£ 158,000	£ 158,000	£ -	

APPENDIX 1: CASHFLOW FORECASTS



AT END OF STAGE 3: STAGE 2 + PRIMARY SCHOOL = 15 ROOFS

Peak Electricity Generation	108.5	kWp				
		Year 1	Year 2	Year 3	Year 20	TOTAL
Electricity Generated (kWh per year) @ 900 kWh/kWp		97,650	96,966	96,288	85,449	1,828,422
INCOME						
FIT Income		£ 18,771	£ 19,013	£ 19,257	£ 23,929	£ 425,032
Export Tariff Income		£ 1,140	£ 1,155	£ 1,170	£ 1,453	£ 25,814
Interest on cash at bank @	2%	£ -	£ 106	£ 208	£ 1,989	£ 14,631
Investment		£ 218,000	£ -	£ -	£ -	£ 218,000
TOTAL		£ 237,911	£ 20,273	£ 20,635	£ 27,372	£ 683,478
EXPENDITURE						
Installation costs		£ 217,480	£ -	£ -	£ -	£ 217,480
Maintenance cost		£ 790	£ 790	£ 790	£ 790	£ 15,800
Operating cost		£ 790	£ 790	£ 790	£ 790	£ 15,800
Management fee		£ 490	£ 490	£ 490	£ 490	£ 9,800
TOTAL		£ 219,550	£ 2,070	£ 2,070	£ 2,070	£ 258,880
NET CASHFLOW						
Share withdrawals @	3%	£ -	£ -	£ -	£ 113,360	£ 218,000
Potential annual interest payments @	6.0%	£ 13,080	£ 13,080	£ 13,080	£ -	£ 195,160
CASH MOVEMENT AFTER SHAREHOLDERS' RETURNS		£ 5,281	£ 5,123	£ 5,485	-£ 88,058	£ 11,438
CASH AT BANK						
Declining investment after share withdrawals		£ 218,000	£ 218,000	£ 218,000	£ -	

AT END OF STAGE 4: STAGE 3 + 10 DOMESTIC = 25 ROOFS

Peak Electricity Generation	128.5	kWp				
		Year 1	Year 2	Year 3	Year 20	TOTAL
Electricity Generated (kWh per year) @ 900 kWh/kWp		115,650	114,840	114,037	101,200	2,165,458
INCOME						
FIT Income		£ 22,940	£ 23,235	£ 23,534	£ 29,244	£ 519,425
Export Tariff Income		£ 1,748	£ 1,770	£ 1,793	£ 2,228	£ 39,570
Interest on cash at bank @	2%	£ -	£ 135	£ 255	£ 2,329	£ 16,967
Investment		£ 268,000	£ -	£ -	£ -	£ 268,000
TOTAL		£ 292,688	£ 25,140	£ 25,582	£ 33,801	£ 843,962
EXPENDITURE						
Installation costs		£ 266,780	£ -	£ -	£ -	£ 266,780
Maintenance cost		£ 1,090	£ 1,090	£ 1,090	£ 1,090	£ 21,800
Operating cost		£ 1,190	£ 1,190	£ 1,190	£ 1,190	£ 23,800
Management fee		£ 790	£ 790	£ 790	£ 790	£ 15,800
TOTAL		£ 269,850	£ 3,070	£ 3,070	£ 3,070	£ 328,180
NET CASHFLOW						
Share withdrawals @	3%	£ -	£ -	£ -	£ 139,360	£ 268,000
Potential annual interest payments @	6.0%	£ 16,080	£ 16,080	£ 16,080	£ -	£ 239,920
CASH MOVEMENT AFTER SHAREHOLDERS' RETURNS		£ 6,758	£ 5,990	£ 6,432	-£ 108,629	£ 7,862
CASH AT BANK						
Declining investment after share withdrawals		£ 268,000	£ 268,000	£ 268,000	£ -	



Individual Subscriber

Bristol Power Co-operative Ltd

Registered under the Industrial and Provident Societies Act 1965, number IP031701

Application to subscribe for ordinary shares of £1 each in the capital of Bristol Power Co-op Ltd (“Shares”) at £1 per Share

To: Bristol Power Co-op Ltd
Hamilton House
80 Stokes Croft
Bristol BS1 3QY

Application form for an Individual

I wish to become a member of Bristol Power Co-operative Limited in accordance with the rules, and apply for £..... of shares at £1 each. I enclose payment for that amount, payable to Bristol Power Co-operative Limited.

Name and address

Name in full	
Address	
Post code	
Telephone	Email
Bank Account Details (Bank, Account Number, Sort Code)	

Option for Nominee:

I wish to nominate a person to whom my shares will be transferred on my death [please tick the box and complete a “Nominee Appointment Form”].

Agreement

I am at least 16 years old. I have read and agree to the attached Share Offer and the Rules of Bristol Power Co-operative Limited. I understand that the Board may reject my application and does not have to tell me why it has been rejected.

Data protection & money laundering

The data provided by you on this form will be stored within a computerised database. This data will only be used for Bristol Power Co-operative Limited purposes and will not be disclosed to a third party. It is a term of the offer that to ensure compliance with the Money Laundering Regulations, Bristol Power Co-operative Limited may at its absolute discretion require verification of identity from any person seeking to invest.

Signed as a deed

My signature:	Date:
Signature of Witness:	Date:



Corporate Subscriber

Bristol Power Co-operative Ltd

Registered under the Industrial and Provident Societies Act 1965, number IP031701

Application to subscribe for ordinary shares of £1 each in the capital of Bristol Power Co-op Ltd (“Shares”) at £1 per Share

To: Bristol Power Co-op Ltd
Hamilton House
80 Stokes Croft
Bristol BS1 3QY

Application form for Corporate Membership

[Note: The maximum permissible shareholding is £20,000 excepting for other Industrial and Provident Societies.]

We wish to become members of Bristol Power Co-operative Limited in accordance with the rules, and apply for £..... of shares at £1 each. We enclose payment for that amount, payable to Bristol Power Co-operative Limited.

Name and address

Official Name:	
Registered Number: Address for correspondence:	
Post code	
Contact name:	
Telephone	Email
Bank Account Details (Bank, Account Number, Sort Code)	

Agreement

We have read and agree to the attached Share Offer and the Rules of Bristol Power Co-operative Limited. We understand that the Board may reject our application and does not have to tell us why it has been rejected.

Data protection & money laundering

The data provided by you on this form will be stored within a computerised database. This data will only be used for Bristol Power Co-operative Limited purposes and will not be disclosed to a third party. It is a term of the offer that to ensure compliance with the Money Laundering Regulations, Bristol Power Co-operative Limited may at its absolute discretion require verification of identity from any person seeking to invest.

Signed as a deed

Director:	Director/Secretary:
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Bristol Power Co-operative Ltd

Registered under the Industrial and Provident Societies Act 1965, number IP031701

Nominee Appointment Form

This form should **only** be completed if you wish to nominate a person to receive your shares on your death. You can nominate a person to whom you wish your shares to be transferred on your death. We will respect those wishes (so far as the law and our Rules permit).

MY FULL NAME:

MY ADDRESS:

Please name your choice of nominee below.

MY NOMINEE'S FULL NAME:

MY NOMINEE'S ADDRESS:

I understand that it may not be possible for Bristol Power Co-operative Ltd to action this request and I and my heirs will not hold the Co-operative responsible for its actions.

I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of the Co-operative at the registered office.

I understand that trustees will need to be appointed if my nominee is under 16 years of age.

My signature:

A witness to my signature:

Dated: