



**A new, ethical, community-based, renewable energy co-operative based in West Sussex,**  
offering attractive financial returns to investors;  
delivering financial, educational and sustainability  
benefits to local community buildings; generating  
renewable energy; empowering the local community.

If after reading this project summary you have any questions or need clarification on any point please do not hesitate to contact us. Contact details are given below.

## 1. Project Summary

REPOWERBalcombe Limited (the “Co-operative”), based in Balcombe, West Sussex, is seeking investment, initially from the local community, to finance the installation of solar photovoltaic panels on the rooftops of local buildings.

The Co-operative is a renewable energy co-operative and a community based ethical social enterprise. We aim to offer returns to investors of around 5%.

The Co-operative will be applying for confirmation that it qualifies under the Enterprise Investment Scheme. If this is granted income tax payers should receive tax relief equal to 30% of their investment.

The Co-operative’s income will come from the Feed-in tariff (described below) and the sale of the electricity it generates.

Initially the Co-operative seeks to raise around £300,000, sufficient to install enough solar power capacity on suitable roofs to match 10% of Balcombe’s domestic electricity demand.

If our initial phase of work is successful then we will aim to raise further funds to install more solar panels at new locations in the local area, with the ultimate goal of generating the equivalent of 100% of Balcombe’s electricity demand from local renewable energy sources.

Once this goal has been achieved, and depending on enthusiasm and support for the project, the Co-operative may seek to install additional renewable energy capacity to match the electricity demands of further households in neighboring villages.

The Co-operative is seeking wide participation from the local community. For our initial community share issue the maximum investment will be £20,000 each and the minimum investment £250. Funds can be invested on behalf of children.

As an ethical social enterprise the Co-operative is designed to provide an attractive and fair return to investors sufficient to attract and retain the capital it requires, to support local community buildings to reduce their energy use and costs, to provide a valuable educational resource, to enable this community to generate renewable energy and to tackle climate change. Investors can see exactly how their money is used and the benefits that flow from it. If and when returns exceed 5%, surplus profit will be used to pay for energy efficiency

improvements to our community buildings and the homes of those suffering from fuel poverty, and to develop new local renewable energy resources. The Co-operative also hopes that investing in the Co-operative will appeal to individuals who may not have considered this type of investment before and that this project will serve as a blueprint which other communities can replicate.



## 2. How the Co-operative will work

The Co-operative will raise money, primarily but not necessarily exclusively from the community in this area, and will spend it on installing solar panels at participating sites which will generate electricity. The Co-operative will receive income for the electricity generated by the panels from the Feed-in tariff and from selling the electricity generated; the host buildings will receive the benefit of heavily discounted electricity for the duration of our 25-year contract with them, and free electricity for the remaining life of the equipment, after the contract has expired. The Co-operative currently has no specific plans to deploy other renewable energy technologies, but may seek to do so in future if appropriate opportunities present themselves.

In addition to the solar panels the Co-operative will provide some host buildings such as schools with display monitors showing how much electricity the panels are producing, a data link to the panels’ output and educational materials – to involve the students and their parents in climate change mitigation, sustainability and renewable energy generation. Some sites may also additionally receive enhancements to their buildings or electricity supply to enable the panels to be installed. Investors in the Co-operative should receive a fair return on their investment – estimated at around 5% per annum. When returns exceed 5% the excess will be shared between a community benefit fund and work to develop new renewable energy generating capacity for the Co-operative. Anticipated financial returns will be available in more detail in our Share Offer Document when it is published.

### Tax relief under the EIS

It is anticipated that the investment will qualify for tax relief under the Enterprise Investment Scheme (EIS) and confirmation that the investment will qualify for EIS will be sought from HM Revenue &

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Customs. The minimum investment on which an investor can receive tax relief is £500. EIS relief reduces an investor's liability to income tax by 30% of the amount invested by them so on an investment of £1,000 an investor's liability to income tax is reduced by £300. Investors who pay income tax should receive this tax relief on their initial investment within six months of investing. For Co-operative members who receive EIS tax relief a 5% return is worth more than 7% on the amount invested net of tax relief.

### The Feed-in tariff

The Feed-in tariff is a payment made by the electricity industry to generators of renewable electricity. For installations in the size range being considered by the Co-operative it is paid at rates of between 13.5p to 10.25p per kilowatt hour of electricity generated, depending the scale of each installation, and is RPI linked, increasing with effect from 1st April in each year by the rate of inflation in the previous calendar year. The Feed-in tariff will be the principal source of the Cooperative's income. The Feed-in tariff ceases 20 years after the solar panels have been commissioned, but at that stage the panels should still have considerable life left in them so they will then be given to the buildings on which they are installed free of charge.

### Repayment of Capital

The investment in principle is for 20 years, and has to be for a minimum of three years in order to retain EIS tax relief. After three years the Co-operative intends to repay 15% of its capital back to investors, and thereafter to repay 5% of the original capital in each subsequent year. Those who wish to withdraw their shares in full or in part will be given priority, with the balance of the 5% used to withdraw (i.e. buy back) shares from all investors pro rata to their original investment. The effect of returning capital in this way is to return all capital by the end of 20 years and to increase the return for long term shareholders on the capital they have remaining invested in the Co-operative. To provide additional funds to enable members to withdraw if they wish the Co-operative will consider borrowing and will also maintain a list of prospective members who wish to invest, or invest further, with those new funds being used to replace funds withdrawn. EIS relief is unlikely to be available for these later stage investments.



## 3. The business of REPOWERBalcombe Limited

### What is a co-operative?

REPOWERBalcombe Limited is a co-operative formed under the Industrial and Provident Society Acts. It is a company, with limited liability and has a Board of Directors appointed by members. The main differences between a co-operative and a company are that a co-operative is a democratic organisation, with each member having one vote regardless of their shareholding; and it is an ethical organisation and a social enterprise not a profit maximizing organisation: it seeks to pay a fair return to members on capital invested, and a sufficient return to attract and retain that capital, but is otherwise motivated by community objectives. For this reason returns in excess of 5% will be paid into a community benefit fund or used to extend the benefits of the Co-operative to neighbouring villages by developing additional renewable energy resources and share issues to finance these.

### The Board of the Co-operative

The Board is made up of volunteers who live in and around Balcombe, and the founding directors have a range of experience between them including skills in project management, renewable technologies and installation, development of community owned energy, finance, education and community development. Board members are undertaking this role without any remuneration (other than repayment of expenses properly incurred) because they are committed to the success of this project. Additionally the Co-operative is receiving extensive support and guidance from successful Lewes-based community energy co-operative Ovesco and England's most important and experienced community energy organisation, Energy 4 All.

The Co-operative's Board initially will comprise:

- Julian Fitzsimons (Chairman).
- Joseph Nixon
- Felix Carmichael
- Jane Fitzpatrick
- Thomas Parker
- Andy Tugby

### The Co-operative's financial objectives

Initially the Co-operative intends to seek to raise approximately

£300,000, sufficient to install solar arrays to generate enough electricity to meet the equivalent of 10% of Balcombe's electricity demand. This is the minimum sum the Co-operative needs to raise to ensure that the fixed costs of the Co-operative (such as insurance and auditing) do not become disproportionate and it remains possible to pay an attractive return of approximately 5% to investors. If less than the minimum is raised the Co-operative will not proceed. If it proves possible to raise further funds then the Co-operative will seek to extend the project in further, separate phases of work, to include new sites in the local area and will seek to raise up to £3 million to generate enough power to meet the equivalent of 100% of Balcombe's electricity demand.

Subject to raising the necessary funds, the Co-operative initially hopes to install solar arrays with capacity of up to 280kW at a range of local buildings with suitable rooftops. An agreement has already been entered into with Grange Farm, a local family farm and shop where we will be installing a 19kW capacity solar rig on the roofs of their barn and farm buildings.

### **Installation and ownership of the panels**

The Co-operative will be responsible for undertaking the necessary structural and electrical surveys at the sites to ensure that an installation there will be possible, obtaining any necessary planning consents and obtaining consents from the National Grid. At certain sites the Co-operative may fund improvement works to the fabric or electrical supply to enable the panels to be installed. Arrangements with the sites will be set out in a detailed contract with them. The Co-operative will be responsible for selling any electricity not used by the host buildings and therefore exported to the National Grid. The panels installed at the sites will remain owned by the Co-operative which will be responsible for maintaining and insuring them.

### **Raising the funds for our first phase of work**

The intention is to raise the funds primarily from members of the local community. The investment will be in shares; it is not a deposit or loan. Shareholders will own the Co-operative and have the risks inherent in a share ownership. However investing in solar panel energy generation is comparatively low risk – the financial projections are based on historic evidence for hours of light and sunshine and the reliability of the panels.

Fundraising by co-operatives for non-transferable shares (which are

what the Cooperative will initially issue) is specifically exempted from regulation under the Financial Services and Markets Act which enables share offers to the community to be undertaken at a much lower cost.

The Co-operative will publish in spring 2014 a full share offer document and a share application form. Please note: returns are not guaranteed. Any investment is made only on the terms of the share offer document. Please consider the risks described in that document before investing.

### **Disposal and Transfer of Shares**

Shares can only be sold back to the Co-operative. Shares can be inherited under a will by either adults or children.



**To find out more or to receive the share offer document please visit**

**[www.repowerbalcombe.com](http://www.repowerbalcombe.com)**

**or contact us at**

**[hello@repowerbalcombe.com](mailto:hello@repowerbalcombe.com)**