

Help Us Build More Renewable Energy  
in Brighton and beyond!

**BRIGHTON ENERGY**  
**COOPERATIVE** 

*New Projects and  
Membership information 2019*

# INTRODUCTION

In 2010 we started off on a grand adventure: community-funded renewable energy in Brighton and Hove. A few people scoffed at the idea ("a co-operative?") but it resonated with many more. At our first meeting 60 people crammed into a local hall to show their support for this simple idea. Brighton Energy Coop was born.

Eight years later I'm pleased to welcome you to our most recent fundraising offer. Since our humble beginnings we've raised more than £1,900,000 from people in Brighton and beyond. We've installed (and now operate) twenty-eight large PV arrays, paid our members 5% interest each year, and provided funds for many other low-carbon initiatives in our area.

Brighton Energy Coop is part of global phenomena of community energy. In the UK alone the sector is worth £190 million with 30,000 people investing in 222 community energy groups. Altogether the UK movement has built 188 MW of renewable energy capacity.

As a proud part of this groundswell, the document you're reading outlines Brighton Energy Coop's latest evolution - and where we're going next.

It's been an incredible journey, and it's such an inspiration to have so many people as part of what we are doing. You can join them by becoming a member and adding your voice to the community energy revolution that's building in Brighton - and beyond.



**Will Cottrell**

Chairman  
Brighton Energy Coop

## Share Offer Summary

**Share offer opens:** 4/2/19  
**Minimum investment:** £300  
**Maximum investment:** £100,000  
**Minimum target:** £148,500  
**Maximum target:** £297,000  
**Deadline:** 31/5/2019



## What is the Community Shares Standard Mark?

The Community Shares Standard Mark is awarded by the Community Shares Unit to share offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand.
- You are provided with all the facts you need to make an informed decision.
- The facts are supported by the business plan for the society.
- Nothing in the documents is purposely incorrect, confusing or misleading. Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit. For more information about Community Shares, the Community Shares Standard Mark and the Community Shares Unit please visit: [www.communityshares.org.uk](http://www.communityshares.org.uk)

# OUR NEW PROJECTS



## Carden

### Primary School

**System Size: 180kWp**

Tucked in a high corner of Brighton's Hollingbury, Carden Primary School's south-facing roofs are a great home for BEC's proposed 180kWp solar system. Our locally-owned green energy system will build on the school's already strong links with the community, and provide clean power to the teaching staff and 400 three to eleven year olds.

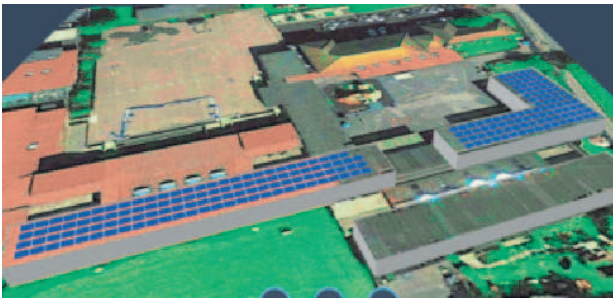


## Coldean

### Primary School

**System Size: 60kWp**

Coldean Primary is a pioneer of Brighton & Hove City Council's solar schools program. Our new 60kWp solar system will be a clean power plant on the school's roofs, & will sit up the road from BEC's existing solar system at Varley Halls, part of the University of Brighton campus.



## Woodingdean

### Primary School

**System Size: 60kWp**

High up on the Sussex Downs, Woodingdean Primary School is also a partnership with Brighton and Hove City Council. Woodingdean will be a 60kWp system, and as well as providing educational resources to the children, our solar system will save the school thousands on their electricity bills each year.



## Rudyard Kipling

### Primary School

**System Size: 60kWp**

Kids come first at Rudyard Kipling Primary; the positive, inspiring environment will be supported by a 60kWp solar array, allowing the school to put money back into helping every child succeed as a confident individual.

# OUR HISTORY

## 2012/13

£18,000 raised from ten Brighton investors to develop the concept. 77 people later invest an additional £236,000 and BEC installs its first three solar installations. Turnover is £20,000.

## 2013/14

A further £411,000 of solar assets added to BEC's renewables portfolio. Turnover is nearly £35,000 and BEC makes an operating profit of just over £7,000. By the end of the financial year 215 people are BEC members.

## 2014/15

Fifty people join and we are visited by two energy ministers! We raise a further £68,000 for a new solar array at Shoreham Port; turnover passes £64,000 and our operating profits rose to £23,000.

## 2015/16

Six large solar arrays built - costing £573,000 - including our first school; membership passes the 400 mark and total funds raised top £1,300,000. Turnover increases to nearly £82,000, with an operating profit of £25,000 we pay our first interest payment to members: £32,000.

## 2016/17

Additional solar PV built with the University of Brighton. 77 people join and £230,000 is invested; interest payment this year is £33,000, based on a turnover of £135,000 and an operating profit of £39,000.

## 2017/18

Several commercial arrays built and a further £272,000 raised. Membership passes 500 and we pay out £58,000 of interest. At £194,000 our turnover is nearly ten times that of five years ago; meanwhile our administration fees have increased from £16,000 to £123,000 - a multiple of only seven.

# JOIN BEC AND HELP US BUILD MORE SOLAR

By buying shares you join Brighton Energy Coop you thus help us raise the money to finance the development, marketing and capital costs of our new projects.

Each project is assessed by the BEC team to ensure they are suitable to deliver a return sufficient to cover operations, maintenance, capital repayment costs and 5% interest. If these projects do not materialise we will return members' monies, only issuing share certificates and investing capital in solar arrays that meet our investment criteria.

## Who Can Invest?

We can accept applications for investment from individuals over the age of 16, and also from companies and organisations. Anyone buying shares on behalf of an organisation or a group of people must specify a person over 16 to act as their nominee and be listed in the share register on behalf of that group. You may purchase up to £100,000 of shares, the minimum being £300. Each share is worth £1.

## Share Withdrawals

Shares are issued in tranches and in chronological order. Each tranche of shares is issued a share class - generally a share class represents the solar PV systems this investment has gone to fund. We make no distinction between share classes for the priority of withdrawals.

Note that BEC may undertake money-laundering checks as required by law.

# HOW IT WORKS



## BY PURCHASING SHARES YOU WILL:

- Gain an equal vote with every other member in how the Society is managed
- Ensure that you participate in the ownership of local renewable energy resources and benefit from the Government incentives
- Be eligible for any interest paid to members
- Contribute to developing a local energy supply, which aims to offer protection against fluctuations in energy supply and costs
- 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 scalable model that is being replicated in other communities
- Help fight climate change and fossil fuel depletion
- Contribute to reducing CO2 emissions in the South East by saving more than 225 tonnes of CO2 per year

### Risks

All investments and commercial activities carry risk. By buying shares you should weigh up financial risk and reward as you would with any other investment opportunity.

Those considering an investment should do so only after reading this document in full (including the section on risks below). If you are in any doubt then don't hesitate to contact us or consult someone with financial experience before investing.

To join visit  
[brightonenergy.org.uk/product/join](http://brightonenergy.org.uk/product/join)

# FUNDING OUR NEW PROJECTS

This fundraise is to raise £297,000. The money will be spent on the installation of solar panels at our host sites, a project development fee for the BEC team, structural surveys and EPC certificates if required. The costs of installing and operating our new solar systems are set out below.

## Under-subscription

We plan a phased installation on the four buildings detailed in this document; we will only install on those buildings for which we have the capital available. So if the offer is under subscribed then we will not install on those buildings for which we do not have the capital. Any remaining balance will be returned to those who have invested it.

## Over-subscription

Subject to the directors discretion we plan to close the share offer once the maximum fund-raising target is reached.

Capital is to be sourced purely through the offer of shares; there are no grant or loans planned as part of the fund-raising process. As an organisation, BEC is 100% shareholder funded and has no loans or debt.

# FINANCIAL PROJECTIONS

<b>Total system size (kWp)</b>	<b>360</b>						
<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Years 6-25</b>	<b>Total</b>
Energy Produced (kWh)	342,000	338,808	335,646	332,514	329,411	4,692,421	6,370,801
<b><u>Income (FITs, electricity used onsite and exported)</u></b>	<b><u>£35,837</u></b>	<b><u>£36,169</u></b>	<b><u>£36,508</u></b>	<b><u>£36,855</u></b>	<b><u>£37,209</u></b>	<b><u>£574,184</u></b>	<b><u>£756,761</u></b>
<b><u>Operating Expenses</u></b>							
Metering and monitoring	£800	£820	£841	£862	£883	£23,121	£27,326
Insurance	£1,512	£1,550	£1,589	£1,628	£1,669	£43,699	£51,647
Ops & Maintenance	£1,610	£1,651	£1,692	£1,734	£1,777	£46,539	£55,004
<b><u>Administration expenses</u></b>							
Coop administration	£2,000	£2,050	£2,101	£2,154	£2,208	£57,803	£68,316
Inverter sinking fund	£1,872	£1,872	£1,872	£1,872	£1,872	£49,024	£58,385
Depreciation	£11,880	£11,880	£11,880	£11,880	£11,880	£237,600	£297,000
<b><u>Total operating and admin costs</u></b>	<b><u>£19,675</u></b>	<b><u>£19,823</u></b>	<b><u>£19,974</u></b>	<b><u>£20,130</u></b>	<b><u>£20,289</u></b>	<b><u>£457,786</u></b>	<b><u>£557,677</u></b>
<b><u>Profit before tax, interest and Community Fund</u></b>	<b><u>£16,162</u></b>	<b><u>£16,346</u></b>	<b><u>£16,534</u></b>	<b><u>£16,725</u></b>	<b><u>£16,919</u></b>	<b><u>£116,397</u></b>	<b><u>£199,084</u></b>
<b><u>Cashflow</u></b>							
<b><u>Cash in</u></b>							
Ordinary Share issue	£297,000						
Income from power generated	£35,837	£36,169	£36,508	£36,855	£37,209	£574,184	£756,761
<b><u>Total cash income</u></b>	<b><u>£332,837</u></b>	<b><u>£36,169</u></b>	<b><u>£36,508</u></b>	<b><u>£36,855</u></b>	<b><u>£37,209</u></b>	<b><u>£574,184</u></b>	<b><u>£1,053,761</u></b>
<b><u>Cash Out</u></b>							
Capital Equipment	£270,000						
Project Development	£27,000						
Operational and admin expenses	£7,795	£7,943	£8,094	£8,250	£8,409	£220,186	£260,677
Interest on shares (5%)	£14,850	£14,256	£13,662	£13,068	£12,474	£11,880	£80,190
Repayment of shares (4% of total share capital a year)	£11,880	£11,880	£11,880	£11,880	£11,880	£237,600	£297,000
<b><u>Total cash Out</u></b>	<b><u>£331,525</u></b>	<b><u>£34,079</u></b>	<b><u>£33,636</u></b>	<b><u>£33,198</u></b>	<b><u>£32,763</u></b>	<b><u>£469,666</u></b>	<b><u>£637,867</u></b>
<b><u>Net cash flow after interest and share repayment</u></b>	<b><u>£1,312</u></b>	<b><u>£2,090</u></b>	<b><u>£2,872</u></b>	<b><u>£3,657</u></b>	<b><u>£4,445</u></b>	<b><u>£104,517</u></b>	<b><u>£118,894</u></b>

# WORKING CAPITAL REQUIREMENTS

Our projected end date for our latest round of installations is the 31st May 2019. To achieve this goal, our working capital requirements are:

	Capital Cost	Installation planned	Total Capital Required
Carden Primary School	£148,500	February	£148,500
Coldean Primary School	£49,500	March	£198,000
Woodingdean Primary School	£49,500	March	£247,500
Rudyard Kipling Primary School	£49,500	April	£297,000

# FINANCIAL EXPECTATIONS & ASSUMPTIONS

We expect that all investments will receive a return of **5% yearly interest**. The Board aims to ensure that new projects are installed and generating electricity in the shortest practical time after funds have been raised from investors. However, investors should note that the first interest payments will only be made after the projects financed by new funds have generated an income for BEC for a minimum period of 12 months after installation.

Please note that the figures given in this share offer are provisional. There remain several key risks around our assumptions, so it's important to read the risk factors below.

## Income

We expect to generate and sell electricity produced by solar PV technology. This means there are two income streams: one based on Feed in Tariffs (FiTs - index-linked to the Retail Price Index) and one based on income through electricity sales to our host sites (also linked to RPI) or through exporting to the national grid. The FIT rate is currently circa 30-40% of the projected income from these projects, while sales/ exports account for the rest.

## Outgoings

The greatest costs are interest payments and capital repayment to members. Our projections are based on the assumption that capital is returned to members as the assets are gradually written off over the 20-year life of the project. Other costs include maintenance (repairs, renewal or replacement of generating equipment), insurance, and BEC running expenses, which are all projected as increasing with RPI.

## Assumptions

In our projections we have made the following assumptions:

- We intend to return all members' capital back over 20 years at an average rate of 5% a year
- Performance degradation 1% pa. This is a normal degradation rate for solar PV.
- Retail Price Index (RPI) 3%. This is based on recent experience, but may during the life of the project be much higher if medium-to long-term historic trends are followed
- Interest payments to members are targeted to be 5%. This is based on a projection of profit and reserves in our bank account, but the Board will review project performance and determine what rate of interest is affordable on an annual basis. The Board expects 5% to be paid annually for the life of the project but this is not guaranteed. There may be periods when we don't generate sufficient income to pay 5% interest due to sites not using all the electricity we generate but we will seek to minimise these through prudent selection of sites and sizing of arrays to match electricity usage
- Administration costs and running costs are estimates, again based on BEL's experience
- Projections are based on the project securing Feed in Tariffs appropriate to the different sizes of systems.
- Projections are also based on the production efficiency of our existing systems.

## Inheritance Tax Relief

BEC Shares would generally be expected to attract Business Property Relief at rates of up to 100% for IHT purposes, provided the shares have been held for at least 2 years.

# RISKS

## **Not securing sites**

The viability of a project depends upon obtaining a lease agreement with our host sites. Without a lease agreement we are obviously unable to proceed further. It is therefore a risk that the money we spend on developing some projects – prior to their lease signing - may be spent without a result.

### **Mitigation:**

We anticipate being able to offer investors a targeted 5% return, and our financial projections make provision for project development costs. Any future installation will not proceed unless they are able to deliver this targeted 5%. Members' funds will only be invested in new arrays and shares issued once the Board is confident that the array will deliver our target returns

## **Raising insufficient funds**

It is possible that, once our share launch is under way, not all the required capital can be raised.

### **Mitigation:**

The Board is confident that all subscription targets set are realistic and achievable. If the fundraising target for each phase is not achieved then we will refund all shareholder capital for that phase. In the period between BEC receiving applicants' money and the issuing of shares, that money is held in a specific account, distinct from BEC's maintenance, income and inverter sinking fund accounts. If this working capital amount goes over the maximum amount of the Financial Services Compensation Scheme (£85,000) then it is transferred to another bank account Charity Bank.

## **Decreasing importance of FITs in our financial forecasts**

FIT rates have dropped considerably since the beginning of the subsidy scheme, meaning that our income forecasts are now increasingly reliant upon sales of electricity to our host sites. Since these sales are less predictable than a Government backed income stream, our income from new sites is less secure.

### **Mitigation:**

We have upgraded our lease agreements with host sites so that – in the event of the host business changing hands – any new tenant will be required to either buy the system or continue with the agreement between BEC and the original tenant. To further spread this risk, BEC aims to ensure it partners with the widest range of different types of business, especially those that are long-term focussed.

## **Feed in Tariff Reductions**

FITs decrease at a quarterly rate, which is longer than it takes to develop a site to the point where we offer it for community funding. As such the FIT rate when a project is offered for funding is usually less than that of when the project commenced.

### **Mitigation:**

We carefully scrutinise our financial forecasts around each site, and build in a margin for decreasing FIT rates when

assessing viability. Note that we will not offer a site for community funding if it will not achieve what we consider a realistic interest rate to our members. Currently the Board seeks to maintain a 5% annual interest payment to members as provided to date but will consider supporting projects that can realise at least 4%.

## **General investment risks**

BEC shares will not be transferable or traded on a recognised stock exchange, but they are buyable back by BEL. They will never increase in value about their nominal value of £1 each, but could fall in the event that BEC became financially unsustainable.

## **Risks associated with the assumptions**

The RPI and cost increase rates are variable and unpredictable. Energy cost inflation may prove to be more volatile; it is expected to rise ahead of inflation but will probably do so in an irregular fashion. Revenue may be ahead of projections in the short term but fall back to the trend later, or vice versa; alternative energy sources might in the long run reduce energy cost in real terms and so reverse recent inflationary trends and erode profit. The Board will always review actual revenue and developing trends before making annual payments of interest or allocating grants.

## **Risks specific to Brighton Energy Ltd**

Warranties and insurance will be in place in the event of mechanical breakdown of the equipment. Complete failure and loss of revenue through mechanical breakdown is reduced through the use of multiple inverters and the system is managed, through regular monitoring maintenance and repair, to minimise interruptions to supply.

Accidental and malicious damage to our equipment will also be covered under our insurance.. BEL's equipment is presently insured via Naturesave Brokers.

## **Renewable energy industry risks**

Government policy towards renewable energy may change, although long-term commitments to FITs make this unlikely, since FITs are part of primary legislation and thus difficult to change. Throughout the operation of the FIT the Government has maintained the commitment to the process of 'grandfathering' which ensures that whatever tariff a project is registered for at the commencement of operation, the tariff will remain the same for the duration of the FIT period.

Projections are based on current FIT rates on the assumption that we are able to comply with preliminary registration through Ofgem ROO-FIT regulations. The Board is unable to guarantee that this will be possible.

Any changes to the FIT that occur before the end of the share issue period could result in BEC returning funds received from prospective members at the end of the Share Offer Period if those changes are judged to render a project unviable.

# ABOUT BRIGHTON ENERGY COOP

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society (CBS) formed in 2010. As a CBS, Brighton Energy Co-op is democratically owned. Each member has one vote, regardless of the amount invested. Unlike a limited company, which is designed to benefit shareholders, a CBS is designed to benefit the wider community.

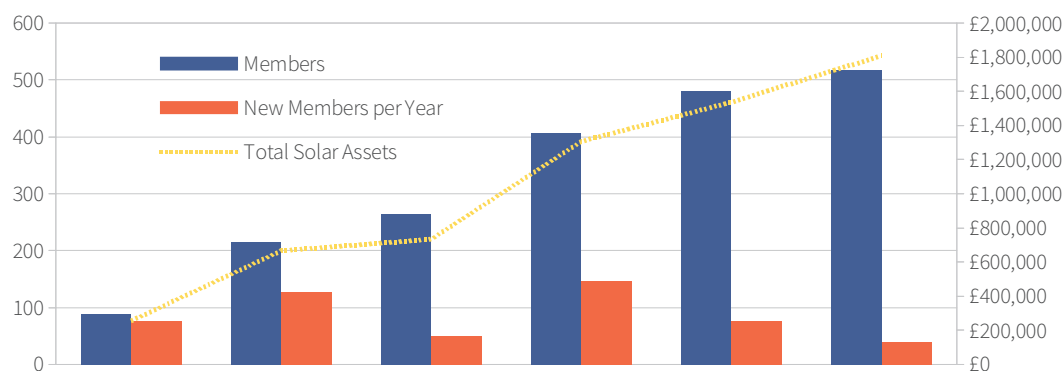
BEC is bound by its Rules, and the Directors serve in accordance with those Rules and receive no pay for the role of Director. Currently two Board members do receive remuneration as contractors providing administrative and project development

services to BEC. BEC's day-to-day operations are overseen by the Board which also bears ultimate accountability to BEC members for ensuring financial probity and achievement of the organisation's objectives.

As a CBS, Brighton Energy Ltd complies with the requirements of the Cooperatives and Community Benefit Societies Act 2014 and is registered with and regulated by the Financial Conduct Authority. BEC shares are not traded.

See [www.brightonenergy.org.uk/documents](http://www.brightonenergy.org.uk/documents) for useful documents including our Rules and latest accounts.

## OUR MEMBERSHIP - IN PICTURES



*BEC Membership and Assets, 2012 - 2018*

	Existing Membership	New Members per Year	Members Leaving	Total Members
2012/13	10	77	0	87
2013/14	87	128	0	215
2014/15	215	50	0	265
2015/16	265	147	4	408
2016/17	408	77	4	481
2017/18	481	40	3	518

*BEC Membership changes, 2012 - 2018*

## BEC IN THE COMMUNITY

Brighton Energy Cooperative's objectives are to support locally-based renewable energy and energy efficiency. We see increasing support for these measures within the Brighton area, most recently with the popular demand that Brighton and Hove City Council declare a Climate Emergency.

The area is home to numerous environmental initiatives that range from community energy to anti-fracking. The winner of our community fund two years ago, BHESCO, won national

acclaim for their work - which we partly supported - on energy efficiency for fuel-poor households.

BEC itself has seen increasing support - we have a growing membership of over 500 people, our website is visited by more than 1000 people a month and have recently won a tender from Brighton and Hove City Council to provide solar PV on up to fifty of the city's schools.

# OUR TEAM

## Will Cottrell

Will founded BEC in 2010 and has been Chairman since. He was Community Energy Fund-raiser of the year 2014, won the Environment award at 2015's PEA awards and has authored several pieces on developing community energy schemes. Will oversaw the development, fund-raising and installation of BEC's £480,000 2014 projects at Shoreham Port. He's also part of Coops UK community energy mentoring programme, mentoring a community energy group in London.

## Damian Tow

Damian joined BEC in summer 2010 and was part of the team that subsequently raised BEC's £18,000 start up capital and £180,000 initial share launch. He oversaw negotiations with BEC's existing sites, dealing with 50 prospects between 2011-12 and installation of the first set of arrays. He is a director of Brighton's Eco Technology Show, a freelance sustainability consultant and previously spent 15 years in corporate programme management.

## Matt Brown

Matt joined BEC in 2013 and has been heading up New Project Development. He has been a project manager for many years across various technical businesses. Matt has helped BEC take a positive and pro-active approach to developing their renewable portfolio and gain a strong base of generation that will see the Co-op through the next 20 years. He is committed to the concept of community energy and helping BEC's members to continue the move towards greater community ownership of generation.

## Sue Paskins

Sue is a qualified accountant and also served as a Green Party Councillor in Brighton & Hove from 2003-7. She's a proven

record of running successful businesses and has worked in accountancy for various commercial organisations, Sue is also on the Board of Brighton's Food Partnership. Sue has been a member of the BEL board since 2015.

## Terry Walker

Terry Walker joined BEC after retiring as Head of Governance and Company Secretary for Radian Group - a Hampshire-based housing association. He spent many years working as Head of Policy at Citizens Advice and as Corporate Secretary to the Pensions Regulator. He's a member of the Green Party and a past director of Brighton Jazz Festival and Brighton Housing Trust.

## Peter Davies

Peter joined the BEC Board in April 2017 after retiring from Shoreham Port where he was the Development Director responsible for planning, property and the environment. Previously, he was Head of Planning at Adur Council and before that he worked in various economic regeneration roles in the Midlands. He is a Member of the Royal Town Planning Institute and a Fellow of the Institute of Economic Development. While at Shoreham Port Peter was instrumental in developing and delivering a green energy strategy, including the three solar arrays installed and owned by BEC.

## Stefania Rosso

Stefania joined BEC in 2012 and now manages the Brighton Energy Coop Community Fund. She has a widespread experience of corporate sustainability project management and as both shareholder and supporter of BEC, she is committed to helping BEC members support other sustainability projects.

# HISTORIC TRADING RESULTS

We have been trading since 2010: our revenue comes from Feed in Tariffs, and electricity sales - to our host sites and the grid; our operating costs come from running the organisation, maintaining our solar systems, depreciation and paying interest

to members. The last five years historical trading figures are in the table below, followed by the next two years, including the impact of our new systems included in this document.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
							(includes new sites)	
Turnover	£20,087	£34,991	£64,301	£81,948	£135,204	£194,073	£208,702	£287,732
Cost of sales		-£1,863	-£3,968	-£2,656	-£10,451	-£26,249	-£16,691	-£24,217
Gross profit	£20,087	£33,128	£60,333	£79,292	£124,753	£167,866	£192,011	£263,515
Administrative expenses	-£16,272	-£26,043	-£37,640	-£54,265	-£87,192	-£123,378	-£156,787	-£189,499
Operating Profit/ Loss (EBITDA)	£3,815	£7,085	£23,043	£25,791	£39,721	£57,788	£86,765	£125,557
Interest paid to Members	-£1,658	-£1,584	£443	-£31,810	-£33,733	-£57,898	-£72,898	-£102,387
Tax on loss on ordinary activities	-£6,400	-£49,210	£44,458	£11	-£3,450	£11,634	-£2,098	-£6,196
Net Profit/Loss	-£4,243	-£43,709	£67,944	-£6,008	£2,538	£11,524	£11,769	£16,974
Total Solar Assets	£254,053	£665,664	£733,887	£1,307,047	£1,537,108	£1,809,623	£2,399,394	£2,989,165
Interest paid to Members	£0	£0	£0	£31,810	£33,733	£57,898	£90,481	£119,970
Additional assets per year	£254,053	£411,611	£68,223	£573,160	£230,061	£272,515	£589,771	£589,771



# DISCLOSURE

None of the Directors of BEC have, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies or receiverships, or received any public reprimand or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court.

## **Conflicts of interest**

The rules of BEC include provisions relating to potential conflicts of interest; related party activities are disclosed and dealt with according to the rules. For further information see our website: [www.brightonenergy.org.uk/documents](http://www.brightonenergy.org.uk/documents).

## **Remuneration**

None of the directors are paid for their role as Directors but BEC pays remuneration to Will and Damian for providing administrative support to BEC.

Similarly BEC pays Will, Damian and others for project development services, to bring new projects forward. We cost these services at a market rate similar to that which has been paid by comparable organisations. The directors are elected each year at our AGM.



# FINANCIAL INFORMATION

## Investing for Children

Parents and grandparents can invest in for their children and grandchildren. Interest earned will be paid to the beneficiary named by the investor in their membership application. Shares owned this way are exempt from inheritance tax when passed on.

## Share Withdrawals

Shares are withdrawable up to a maximum of 5% per annum of share capital in issue at the end of the financial year. Within this ceiling, individual requests to withdraw will be at the discretion of the Board. The Board may resolve at any time to require any proportion of its share capital to be withdrawn, in which case it shall treat as agreed to be withdrawn on behalf of every member (and not some only) that proportion of the shares held by them (with such rounding to the nearest whole number of that Proportion which is a fraction as the Board may determine). All members are deemed to give any consents required to the withdrawal of their shares in this manner.

The scope for being able to withdraw shares in the future will be dependent upon the Society developing a successful business and hence cash flows to pay out share withdrawals or contingent on the Society raising additional capital for the purpose of paying out share withdrawals. In the case of joint investments, all investors concerned must agree to a withdrawal. Shares will be repaid at the original price (subject to comments hereafter).

The Directors of the Society have the right to change the withdrawal facility, or to suspend withdrawals. Similarly the Directors have the right to write down the value of shares, if the liabilities of the Society (and its share capital) should exceed the value of its assets. Members who then withdraw their shares will only receive the written down value of their shares.

The value of your shares may fall and their value will not exceed the £1 per share. Although shares are withdrawable, you may not be able to withdraw the full price you pay for them if BEL does not have funds available at the time you want to withdraw your shares. In some circumstances, the Directors may be compelled to write down the value of your shares. Should you then wish to withdraw your shares, you should expect to receive only their written down value.

## Returns to Members

The Society will pay only a sufficient rate of interest on money paid for its shares and may in any one year pay no interest at all. A sufficient rate is determined by the Directors as the rate necessary to obtain and retain the capital required to carry out the Objects of the Society as set out within its Rules.

## Voting

Each member has one vote regardless of the size and value of

their shareholding. Members are kept informed of developments through the Brighton Energy Co-op website, by e-mails where the member so wishes, by occasional newsletters, annual reports and Annual General Meetings.

## Legal Information

This document is issued by Brighton Energy Limited, registered number 31107 R, as a Community Benefit Society incorporated in England and Wales on the 10 November 2010 under the Industrial and Provident Societies Act 1965.

This offer of shares is not regulated by the Financial Services and Markets Act 2000 or subsidiary regulations. The money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. The Society, unlike banks and building societies, is not subject to prudential supervision by the Financial Conduct Authority, nor has it been approved by an 'approved person' under section 21 of the above act.

This document does not constitute a prospectus within the meaning of the Prospectus Regulations 2005. These regulations do not apply because there is a specific exemption for community benefit societies that conduct their business for the benefit of the community.

As a member and shareholder of the Society you own the Society. If the Society is unable to meet its debts and other liabilities, you will lose the whole amount held in shares. This may make it inappropriate as a place to invest savings.

Your investment in your share account receives interest but does not enjoy any capital growth. It is primarily for the purpose of supporting the society rather than making an investment. As a Society, the maximum return offered to investors will always be limited.

## Nomination option

In the event of the death of a member, the repaid value of the shares will normally be added to the estate for probate purposes. You may elect to nominate a recipient for the value of the shares (but only up to the amount set out in law) and thus (under current legislation) remove the value of the shares (up to the amount set out in law) from your estate for probate purposes i.e. the shares may pass to the nominee outside the Will of the deceased). The nominated property will nevertheless form part of the deceased's estate for Inheritance Tax Purposes, unless the estate is an excepted estate.

## Documents

The Rules of Brighton Energy Limited, application form, latest financial statements and financial projections are available on our website: see [www.brightonenergy.org.uk/documents](http://www.brightonenergy.org.uk/documents).

## Dissolution

In the event of the society's being dissolved, after paying creditors any remaining surplus would then go to paying back initial investments on a pro rata basis, plus any interest due. Should there be any surplus after this point, it will be distributed to other organisations in Brighton and Hove with similar objectives, as chosen by the members.

# DATA PROTECTION

Subject to your consent, BEC may hold your personal data.

You may have:

- \* downloaded a PDF from our website, or
- \* expressed an interest in some other way in obtaining information about our current share offer, or
- \* previously given your contact details to BEC as an investing member, or
- \* previously given your contact details to BEC as an expression of interest in receiving future information about investment opportunities.

BEC will therefore hold your name and contact details:

- \* to communicate with you about this share offer
- \* to communicate with you about your membership of BEC (for example issuing invites to general meetings, or providing information about your investment)
- \* to communicate with you about future share offers
- \* to communicate with you about the plans activities and successes of the business

In addition if you are an investing member, BEC will hold bank details for each member for the purposes of making annual payments of interest or repayments of capital.

You may withdraw your consent to your data being held by BEC.

You may amend your consent as to what data is held by BEC and which of the above matters BEC may use your data in connection with.

However, if you are an investing member, you should note that we need to hold your personal data and bank details in order to manage your membership and investment.

**if you have any queries about this share offer, or if you wish to pledge money or request shares, please contact us via our online contact form as this incorporates a statement regarding your personal data in response to which you may give, withhold, or qualify your consent.**

If you are a member, we will be contacting you separately before May 2018 to ensure we have a record of your consent.

If you are considering becoming an investor, or are just interested in learning more about BEC please note that if we do not receive a record of your consent, we will be unable to continue to hold your contact details after May 2018 and therefore unable to give you information about future share offers or BEC activities after that date.