

October 2015

# second share offer document



John Cleveland College  
Community Woodheat Co-operative Limited

[www.greenfoxcommunityenergy.coop](http://www.greenfoxcommunityenergy.coop)



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## directors' letter

October 2015

Dear Members and Prospective Members,

Community energy has the ability to change the way our energy is created and managed for the better. Our award winning Co-operative is a ground breaking low carbon and renewable community energy business which aims to transform both the way heat and power is generated and supplied in our community.

In 2013 we completed our first community share offer raising £572,304 of share capital and completing the installation of the UK's largest community owned renewable heat centre, which is now fully operational. We have secured EIS tax relief for our eligible members and paid our first surplus in April 2015 in line with our original projections.

We are now looking to raise a further £265,000 of share capital to extend the existing Co-operative to include the installation of new gas boilers at the schools second boiler house and install a 50kWp roof mounted solar PV array to allow us to supply both heat and power to the school.

We are proud to be leading the way in the supply of low carbon, and community owned energy and hope you will join us.

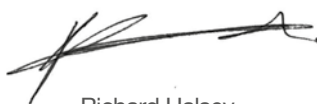
The Directors

## declaration

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



Alan Gledhill



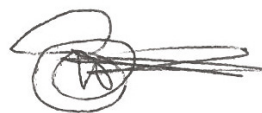
Richard Halsey



Simon Butt



Leslie Adioha



Shaun Whiting

# summary of offer

Summary of offer to acquire shares in the John Cleveland College Community Woodheat Co-operative Ltd ( 'the Co-operative').

## Introduction

The purpose of this second share offer is to raise the additional capital needed for the Co-operative to complete the installation of new high efficiency gas boilers to replace aging inefficient oil boilers and install a 50kWp roof mounted solar photo-voltaic (PV) array, allowing it to generate and supply renewable heat and power.

Each Member, whatever the relevant stake, automatically becomes an equal Co-operative member on a one member one vote basis.

## Important Information

This document has been prepared by the Directors of the Co-operative, who are responsible for its contents. Full details on the legal compliance of this document and the terms of the offer and how to invest are set out in the main body of this document and the associated appendices. Technical and other words and phrases with a particular meaning used in this Offer Document are defined and explained in the Glossary. This summary should be read as an introduction only and any decision to invest made on the basis of the document as a whole.

## The Project

In 2014 the Co-operative completed its first share offer, creating 572,304 of shares at £1 par value. It successfully installed its first low carbon Energy Centre including an 800kW renewable woodfuel boiler at the Hinckley Academy and John Cleveland Sixth Form Centre (formerly John Cleveland Community College), which has been historically heated using carbon intensive oil. The Co-operative has been supplying heat to the school since August 2014, has secured Enterprise Investment Scheme (EIS) relief for its first share offer and paid an interest to members of 3.67%.

The Co-operative now proposes to install a new gas heating system at the school's smaller, second boiler house and a roof mounted 50kWp solar photovoltaic (PV) array. The Co-operative will generate revenue from the sale of heat and power to the school. The Co-operative will also receive income from the government's Renewable Heat Incentive (RHI) and Feed in Tariff (FIT) subsidy. The combination of these incomes will enable it to pay interest payments to members and return their original investment.

## The Offer

This Offer Document seeks to raise sufficient additional share capital by the issuing of Offer Shares at £1, payable in full on application, to finance the installation. The sum sought from this Share Offer Document is **£265,000**, which is the total cost of the project.

The initial offer period is for **8 weeks**. At the discretion of the Board the Offer may be extended for up to a further **8 weeks**. In the event that the Offer is oversubscribed, existing members followed by applicants living locally to the school will be given priority.

Members should regard Shares as a long-term investment. They may subscribe for a minimum of 250 and a maximum of 100,000 Shares at their £1 par value.

## Member Returns

The projected Internal Rate of Return from interest on Members capital over the life of the Project is 9%. EIS tax relief may also be available to eligible members, which could further increase the effective return on investment.

Interest payable to Members is calculated according to projected income and expenditure during the Project Period using the assumptions stated in the Offer Document.

Shares will not be traded on any stock exchange and are not transferable. Members' capital will be paid back from year 3 onwards. Members may also apply to withdraw shares after the end of the third year of operation where this is authorised at the discretion of the Board.

## Environmental Benefits

The community heat and power installations are collectively estimated to save over 500 Tonnes of CO2 per annum.

## Supporting the local community

The Co-operative is delivering a number of social benefits by engaging staff, students and the wider community in the supply of renewable energy and substantially reducing energy costs for the school. The Co-operative has created an annual revolving community benefit fund which has already generated **£1,250** and is forecast to generate over **£250,000** over the projects lifetime, and is designed to support community initiatives and climate change action in the local area.

## Risks

All investment and commercial activities carry risk. Individuals should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of the Project.

**Those interested in investing should do so only after reading this document in full and taking appropriate financial advice.**

# background

This section provides the background to the offer.

## Community Owned Renewable Energy

Co-operative ownership of renewable energy is not a new idea. Co-operative and Community Energy is a growing sector in the UK, delivering renewable energy and energy efficiency projects owned by the local community. They have the potential to strengthen the UK economy, cost-effectively meet climate and energy goals whilst respecting communities, and generate tangible local economic and social benefits.

Co-operatives are democratic structures with the legal ability to raise money for community benefit directly from members of the public. With a one member one vote system and a board elected from the membership, they offer a fair and transparent way to operate a community owned renewable energy business. They also have the power to prioritise investment in the local area, ensuring that financial benefits from renewable energy are felt by people in the locality. They are registered with the Financial Conduct Authority.

The Government's Community Energy Strategy published by the Department of Energy and Climate Change in January 2014 set out a vision of the significant potential for community energy in the UK. This established that the way energy is generated and used in Britain is gradually being transformed: increasing the proportion of home-grown low-carbon generation and that individuals and local communities can make an important contribution to maintaining energy security, tackling climate change and reducing costs. Community energy can unlock opportunities for carbon emissions saving that would otherwise be missed building stronger communities, creating local jobs, improving health and supporting local economic growth.

## Hinckley Academy and John Cleveland Sixth Form Centre

Hinckley Academy and John Cleveland Sixth Form Centre is an 11-19 school formed from the merger of two Ofsted "Good" rated schools: namely John Cleveland College and Mount Grace High School Academy Trust on 1st September 2015. The school has Specialist Science status, recognising the invaluable contribution of its science specialism to the wider community. This has a strong alignment with the objectives of the Co-operative.

The school campus consists of differing buildings and facilities which are of various construction types. Part of the school is an old house dating from 1900's, with the other buildings being added over a period of 14 years, from 1960 until 1974, as the number of students on roll increased.

The school has a track record of energy efficiency investment and since 1999 has introduced a program of refurbishment work, including a number of energy saving projects. This has included insulating the school's roof spaces, installing motorized zoning valves and thermostatic radiator valves to the heating system and replacing windows with double glazed units.

## The Project and performance to date

John Cleveland College Community Woodheat Co-operative Limited was incorporated and registered with the UK Financial Conduct Authority as a Registered Society, number 32054R, on 30th April 2013, specifically for the installation and on-going management of community owned energy systems at John Cleveland College. It is domiciled in England, with its registered office at 179 Knighton Road, Leicester, LE3 3TS.

In June 2013 the Co-operative launched its first share offer which created £572,304 of share capital and has funded the installation of new low carbon and renewable heating system at the school's main boiler house. The share offer closed at the end of 2013 and the Co-operative delivered the community energy centre to programme and within budget. The Co-operative began supplying heat to the school in August 2014 and hosted the official opening of the new energy centre in February 2015.

Enterprise Investment Scheme (EIS) tax relief was confirmed for eligible members who invested in the first share offer in January 2015. At the Co-operative's 2015 Annual General Meeting (AGM) it was reported that the school saved an estimated £30,000 in fuel and maintenance bills. A first surplus payment to members was confirmed at 3.67% in line with the offer document forecasts and the first allocation of £1,250 was made to the community benefit fund.

At the AGM the Co-operative's existing members approved the launch of a second community share offer to raise further capital and install new gas boilers at the school's second boiler house and install a roof mounted solar PV array.

A Registered Society is a legal form providing the structure of a Co-operative. It is owned by and operated for the benefit of its members and/or the community. Members elect directors and each member has one vote in a members' meeting regardless of the number of shares held. Members are protected by limited liability and are only obliged to contribute the initial cost of their shares, providing the Co-operative is managed in accordance with good business practice. A Registered Society is governed by Rules, largely in standard form, which are approved by and registered with the Financial Conduct Authority. The Co-operatives Rules are available on request and can also be accessed at [www.greenfoxcommunityenergy.coop](http://www.greenfoxcommunityenergy.coop).

## Timeline

<b>April 2013</b>	Founding of the Co-operative
<b>June 2013</b>	First share offer launched
<b>December 2013</b>	First share offer ends
<b>August 2014</b>	Co-operative starts to supply heat to the school
<b>February 2015</b>	Official public opening of the community energy centre at boiler house one
<b>April 2015</b>	Second Co-operative AGM
<b>October 2015</b>	Second share offer launched (this document)
<b>November 2015</b>	Offer period ends (unless extended)
<b>January 2016</b>	New share certificates posted
<b>March 2016</b>	Installation and commissioning of new boilers and PV array
<b>April 2016</b>	New community heat and power switched on at the school

# business overview

The primary activities of the Co-operative are the ownership and management of heat and power generating plant and associated equipment and the sale of heat and power to the Hinckley Academy in Leicestershire.

## Business Model

The Co-operative currently owns the heating system and all associated equipment at the school's main boiler house on the school's premises and is responsible for the system's maintenance and fuel supply. The Co-operative sells heat to the school under a Heat Supply Agreement, which sets out the terms and duration for which the heat energy is supplied including an agreed annual minimum heat usage, for a period of 20 years. The Co-operative also receives the Renewable Heat Incentive subsidy, paid by OFGEM on behalf of the government for the renewable heat the biomass boiler generates.

## Second Boiler House and Solar PV Array to be funded by this share offer

This offer seeks additional share capital to allow the Co-operative to extend its services to include the school's second boiler house and also to install a roof mounted solar PV array, allowing the Co-operative to supply both low carbon community generated heat and power to the school.

Two new high efficiency natural gas condensing boilers will be installed in the school's second boiler house with a new gas mains extension. These will replace three aging inefficient oil fired boilers. As per the Co-operative's existing main boiler house, plant heat from the boilers will be connected to the school's internal heat distribution network and then transmitted to the campus buildings where it is needed.

The roof mounted Solar photovoltaic (PV) array will be installed on the Academy's Design Building. The array will comprise approximately two hundred 250 Watt solar modules on suitable roof mounting systems facing within 30 degrees of south. The estimated solar generation output figures are based on solar radiation figures and the Microgeneration Certification Scheme (MCS) methodology. The solar electricity output in this location is expected to be about 42,250kWh per year. This is approximately equivalent to the power used by 13 homes annually.

## Heat and power sales and fuel supply

All the heat produced by the existing and proposed heating system is to be used by the school. Heat meters will be used to record the amount of heat produced at each boiler house and the Co-operative will receive a monthly payment based on heat usage forecasts. The Co-operative will also receive Renewable Heat Incentive (RHI) payments on the biomass heat supplied and will claim Feed in Tariff (FIT) payments for solar electricity supplied.

The heat and power is sold by the Co-operative at a discount against conventional fossil fuel supplies.

The price for heat supplied is set on an annual basis and will change over time. The Co-operative guarantees that heat supplied will be 8% less than the current cost of heating oil, based on a Moving Average adjusted in accordance with the Retail Price Index (RPI). There is no heat standing charge levied, and the heat price is revised annually based on figures published by the Governmental Department of Energy and Climate Change (DECC) to calculate average heating oil costs.

The Co-operative heat charge in 2014 was 6.41p/kWh and the price for 2015 is currently 6.51p/kWh.

The price for solar electricity is guaranteed to be 10% below the school's grid supplied day purchasing rate which is currently 10p/kWh. The electricity produced by the solar panels will be used in the school and any excess generated will be exported. The Co-operative will sign a Power Purchase Agreement (PPA) and lease with the school to sell PV generated electricity at a price of 9p/kWh indexed to inflation.

The main boiler house is estimated to consume in the region of 340 tonnes of woodfuel on average per year, consuming over 180 tonnes in the winter heating season alone. Gas is purchased by the Co-operative on a rebate basis, whereby the school is billed by its nominated supplier for metered gas used by the Co-operative's boilers and reclaims from the Co-operative on a monthly basis in arrears. The Co-operative is responsible for the sourcing of woodfuel, which is currently supplied by Forest Fuels Ltd under a rolling supply contract.

Forest Fuels is a Leicestershire based woodfuel supplier established in 2006, with a national network of local woodfuel depots. All Forest Fuels depots are certified by HETAS and Forest Fuels is an accredited Woodsure Plus supplier. All fuel supplied to the Co-operative complies with CEN/TS 14961:2005 (Solid Biofuels – Fuel specifications and classes). Forest Fuels purchase timber from local woodland management companies, harvesting contractors, sawmills and the Forestry Commission. In addition to being sourced locally, the wood fuel is stockpiled at depots that are typically less than 30 miles from demand, and closer where possible. It is the long term intention of the Co-operative to support local production and the growth of the local woodfuel economy and jobs in the area.

The Co-operative will also be responsible for organising and managing the annual servicing and maintenance of all biomass and gas boilers and the solar PV system. The Co-operative is responsible for ensuring heat supply to the agreed point of demarcation with the schools existing heat distribution system. The distribution of heat downstream of the agreed point of demarcation and all associated items, such as radiators and pipework, remains the responsibility of the school.

## Legal agreements

The Co-operative has an existing License to Occupy that commits the school to the terms on which the Co-operative's equipment is installed at the main boiler house and an existing Heat Supply Agreement which sets out the terms of heat supply.

The Co-operative signed a Memorandum of Understanding with the school in April 2015 to progress the proposed installation at the second boiler house and solar PV installation. It is proposed that the existing License to Occupy and Heat Supply Agreement will be amended to cover the Co-operative's second boiler house. In addition, a solar lease agreement has been drafted and is agreed in principal.

All legal agreements will be finalised and signed once the share offer is completed prior to commencement of construction.

# financial projections

The total anticipated cost for the Project is to be met from the proceeds of this Offer, which is **£265,000**.

This will create a total of **837,304** of shares at £1 par value within the Co-operative.

The Co-operative will be liable for all on-going operating costs associated with the heating and solar installations. It will derive revenue from the sale of heat and power to the school and from eligible payments under the Renewable Heat Incentive, Feed in Tariff and any other current or future energy or carbon incentives. Financial projections in tabular form, prepared and approved by the Board, are summarised on the following pages. The Co-operative has provided a projection based on the current business revenues and operational costs and the forecasts of the planned new boilers at the second boiler house and solar PV installation.

The Directors take responsibility for the reasonableness of the projections in this offer. Interest to members is calculated according to projected income and expenditure during the life of the project. The annual amount available for payment, as determined by the Directors and approved at the AGM, is divided by the amount of members' equity to give a projected rate of return. The Projections are based on a project and contract term lasting 20 years from the end of 2015.

In the future, the Co-operative may develop further share offers. The existing membership will be consulted before proceeding with any future share offers.

## Offer Sum

This share offer document envisages that the project capital is raised in full from Co-operative shares. If the sum is not raised in full, following the closure of this share offer on 30th November 2015 or later, if the Directors decide to extend the share offer, the Co-operative will identify the amount raised and proceed as follows:

- If the target investment of **£265,000** has been raised, the scheme will go ahead as set out in this Offer document.
- If a sum less than the target sum, but greater than **£165,000** is raised then suitable loan finance options will be taken up to complete the whole scheme, provided that the forecast financial savings to the school, the community benefit fund and the returns to members can be maintained.

## Enterprise Investment Scheme Tax Relief

The Co-operative has made an application for advanced assurance to HMRC for the Enterprise Investment Scheme (EIS) tax relief for the issue of shares outlined in this offer document. This application is still pending.

The Co-operative's first share capital raise was successfully awarded EIS tax relief by HMRC on 30th January 2015 following completion of the necessary qualifying trading period.

If this offer is eligible, EIS tax relief is available to individuals who are taxpayers. The relief is 30% of the value of the shares, which eligible members can claim back against your income tax for this or the previous financial year. Shares must be held for a minimum of 3 years after the share issue date. Note that the 30% rate of relief is not dependent on the rate at which you pay tax.

Investors should take their own advice as to whether they are eligible for EIS tax relief.

## Development Funding

The project has already received development funding:

**Hinckley Academy Development Support.** Following the success of the first energy centre the school has committed a sum of **£15,000** to support the second boiler house and solar PV project. This sum is to be converted to shares in the Co-operative upon successful completion of the share offer.

**Green Fox Development Support.** The Green Fox Community Energy Co-operative has both initiated and supported the development of the project since March 2012, managed its progress to its current position, secured the necessary agreements and contracts to proceed and will continue to manage the operations of the Co-operatives energy centres. Green Fox development cost is **£25,000** up to project completion. This is to be paid in full on completion of a successful share offer.

## Community Benefit Fund

The project will generate a perpetuating annual community benefit fund which is to be used to support local community initiatives at the school and within the local community. At the end of 2014 following just 4 months of operation the Co-operative has generated a fund of £1,250 which has been ring fenced until the completion of the 2015 annual accounts and next AGM in April 2016.

A forum drawn from members of the Co-operative, local to the College has been created to guide the Co-operative and identify projects for awarding its community benefit fund. It will be a function of the forum to decide what community projects and activities are to be supported from April 2016 and all Members will have an opportunity to guide the forum at each AGM. The Co-operative is estimated to generate over £250,000 in community benefit payments over the next 20 years.

## Financial projections

Year	2014	1	2	3	4	5	Years 6-10	Final 10 years	Whole Project
Income									
Heat sales	45,576	97,650	138,272	145,186	152,445	160,068	928,698	2,698,032	4,365,927
Solar Electricity Sales	0	0	3,452	3,624	3,803	3,990	23,061	65,689	103,618
RHI	17,356	54,854	57,597	59,037	60,513	62,026	334,179	759,858	1,405,420
FIT	0	0	4,774	4,893	5,014	5,138	27,626	65,969	113,414
Income Total	62,932	152,504	204,096	212,740	221,775	231,221	1,313,563	3,589,548	5,988,379

Expenditure									
Planned service & maintenance	0	12,000	13,300	13,633	13,973	14,323	77,180	186,243	330,652
Insurances	2,382	4,823	4,943	5,067	5,193	5,323	28,680	69,161	125,572
Co-operative management, operation and administration	10,000	23,500	28,713	29,430	30,166	30,920	166,590	401,731	721,050
Unplanned maintenance allowance	0	0	5,000	5,000	5,000	10,000	50,000	90,000	165,000
Woodchip fuel costs	4,000	37,783	39,672	41,656	43,738	45,925	266,454	728,631	1,207,859
Natural gas fuel costs	2,096	9,420	27,130	28,018	29,419	30,890	179,221	509,334	815,527
Expenditure total	18,477	87,525	118,757	122,803	127,490	137,381	768,125	1,985,100	3,365,659

Surplus									
Surplus generated by operations	44,455	64,979	85,338	89,936	94,285	93,840	545,438	1,604,448	2,622,720
Community benefit fund generated	1,250	3,249	4,267	4,497	4,714	7,038	40,908	213,501	279,424
Surplus available to members	43,205	61,730	81,072	85,440	89,571	86,802	504,530	1,390,946	2,343,296

Cashflow									
Surplus after community benefit fund	43,205	61,730	81,072	85,440	89,571	86,802	504,530	1,390,946	2,343,296
Opening cash	0	22,205	64,070	105,935	62,801	39,666	44,031	61,492	0
Member Interest Payments	21,000	19,865	39,206	43,574	47,706	44,937	295,204	994,500	1,505,992
Repayment of Member capital	0	0	0	85,000	25,000	25,000	125,000	312,304	572,304
Repayment of Member capital (second share offer)	0	0	0	0	40,000	12,500	62,500	150,000	265,000
Closing cash	22,205	64,070	105,935	62,801	39,666	44,031	61,492	0	0

Average members interest on capital invested over 20 years: **9%**

## Assumptions

The Projections are based on the following principal assumptions:

1. The Co-operative raises £265,000 and installs the proposed heating and solar PV installation.
2. Capital costs incurred for the Project will be in accordance with estimates received and quoted in this share offer document.
3. That heat used by the school will be in line with the estimates made for both boiler houses. In the event that the predicted energy demand varies the revenues of the Co-operative will be affected.
4. The Co-operative is protected by a contracted minimum heat usage level with the school. This is equivalent to 100% of the estimated heat demand for the first 2 years, with degression to be no greater than 85% of the estimated annual heat consumption in years 10 to 20. In the event that heat usage is below this level, the school will pay a supplement on an annual basis equivalent to the difference between the Actual Annual Heat Use and 90% of the Estimated Annual Heat Consumption.
5. The electricity generated by the Solar PV system will be in accordance with projections.
6. The Co-operative have applied for the pre-registration of the PV system at the current FIT rate of 11.3p/kWh.
7. In the case of a technical fault, this will be mainly covered by equipment warranties and/or insurance, except for excesses incurred.
8. Reduced revenue incurred through the Co-operative's failure to supply heat for a protracted period will be compensated for by insurance.
9. Current expectations are that conditions relating to the global energy market, the UK forestry industry, UK government policy and the desirability for and promotion of heat from renewable sources, will remain consistent and favourable to the installation over the next 20 years, resulting in both continuing demand for heat and related environmental benefits attributed to lower carbon solutions.
10. Prices at a reasonably similar level to those currently obtainable will be achieved throughout the life of the project. It is assumed that the average heating oil prices will continue to rise faster than inflation over 20 years.
11. Operation and maintenance costs will be incurred from the start of operations. Maintenance costs will continue to rise as the equipment gets older. It is assumed that operation and maintenance costs will rise no faster than inflation.
12. For the purposes of the financial projections, all figures have been rounded for inclusion within this share offer document.

Any of the assumptions not being realised is likely to result in adjustments to the Projections within the Offer. Projections and assumptions such as those above are inherently less reliable over longer periods of time.



## Notes on the financial projections

1. The Co-operative has existing share capital of £572,304.
2. An additional £265,000 of new share capital is created by December 2015.
3. The capital cost of second boiler house heating plant is £153,000. This is based on a competitive quotation provided by Heatspec Ltd. The upgrading of the main gas meter serving the school will cost a further £15,000. The capital cost of 50kWp solar PV array is £60,000 based on quotation provided by Run by the Sun Ltd. An allowance of £2,500 has been made for monitoring equipment for both the gas and PV systems.
4. Share offer production, legal and offer administration costs are £6,000.
5. A capital contingency of £6,500 has also been allowed.
6. The total offer project development costs are £25,000 including an allowance of £2,500 for development contingency.
7. Inflation on expenditure is set at 2.5% per annum over the 20 year period to reflect RPI.
8. Inflation on RHI and FIT is set at the same 2.5% RPI rate.
9. Inflation on heat sales is set at 5% above RPI.
10. Income is based on 100% of the estimated heat energy use of the school. Initial heat sales are valued at the rates as set by the Heat Supply Agreement
11. RHI is assumed as payable on 80% of the heat supplied from Boiler House 1 only at the approved rate of 5.1p/kWh for the first 1,315 peak load hours a year. The Co-operatives biomass boiler has been approved as eligible for RHI by Ofgem and is guaranteed at the entry rate plus RPI for the full 20 year period.
12. FIT is assumed as payable at the approved rate of 11.3p/kWh for the PV output.
13. Depreciation of equipment is straight-line over the 20 year period and creates a fund to pay back members' capital.
14. Members share capital is redeemed from year 3 onwards as set out in the financial projections.
15. Annual Services and Maintenance costs are set at £12,000 per year from year one for planned maintenance based on the cost of existing service contracts. The Co-operative has made a further £5,000/year allowance for unplanned maintenance from year two.
16. Annual service and maintenance of the solar PV array is assumed at £1,000 per year from year one to cover cleaning and electrical check.
17. The cost of woodchip is based on the Co-operative's current supply contract price with Forest Fuels of £110 per tonne for woodchip. This is based on a moisture content of less than 35%.
18. Operational Insurance costs for all boilers and solar PV and Directors and Officers Liability Insurance are assumed at £4,823/year informed by existing insurance premium costs for 2015.
19. Administration and on-going management costs of the Co-operative itself are assumed at £23,500 in year one. This covers management of the installation, fuel purchasing, contract negotiation, billing and performance monitoring. It also includes maintenance of membership database, phone, email and postal support of members, preparation of AGM paper, annual accounts and FCA return, and other regulatory fees.
20. The Co-operative will produce annual accounts and as a small business will apply for the exemption from audit.
21. All profits are allocated to depreciation charge, or distributed to members, so the projections do not predict a liability for Corporation Tax. Note that members are likely to be liable for Income Tax on their returns from investment.
22. Normal monthly cash expenditure is projected to be well covered by the monthly heat and power sales and quarterly RHI and FIT income. The Projections anticipate that the Co-operative will be cash positive at the end of each year.
23. Projections are based on the 20 year life of the project.



# risk factors

All investment and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity. Attention is drawn to the following:

## General investment risks

- The value of shares can fluctuate according to the value of the underlying business.
- Offer Shares will not be transferable or traded on any stock exchange.
- Members wishing to withdraw their share capital will be able to apply to the Board for this purpose after the third year of operation. Withdrawal of share capital is entirely at the discretion of the Board.

## Energy industry risks

- Government policy towards renewable energy may change. Throughout the operation of the RHI, and current and previous similar schemes such as Feed-in Tariffs and Renewables Obligation, 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, will remain the same for the duration of the RHI and FIT period, (20 years). Revenue from RHI and FIT for the Co-operative, once registered, should not be affected by any future changes to policy. This payment is also index linked to RPI.
- The government has introduced sustainability criteria for use of fuels as part of the RHI. Once in place, they will apply to all RHI installations. The Co-operatives current supplier Forest Fuels meets these criteria. However changes to requirements or criteria in the future may impact on woodfuel costs and/or RHI payments.
- New technology innovations and developments may render existing technologies and equipment obsolete, though such applications require long lead times and are unlikely to render existing renewable energy projects redundant.
- Changes to global energy markets could lead to lower than expected returns. The project seeks to mitigate this risk by linking heat costs to oil prices and by ultimately establishing long term woodfuel supply contracts.
- Operational costs may rise faster than anticipated during the life of the Project.
- In the event that the school needs to undertake essential works on site during the project term, the Co-operative will be responsible for all costs associated with the removal and reinstallation of the Installation and associated equipment and the school will not indemnify the Co-operative for loss of income. Insurance may or may not cover the costs incurred by the Co-operative in such instances and, as a result, returns to members could be affected, and the cases of repeated and/or prolonged periods of works could mean member's original investment is not repaid.
- Preliminary Accreditation and pre-registration have been applied for with regard the 50kWp solar array, which would mean that the FIT tariff is fixed at the rate of 11.3p/kWh as long as the panels are installed within 12 months from October 2015. If the installation is delayed after this, the FIT tariff that would be received and the associated income, could be lower than in the projections.
- The Co-operative has agreed a 20 year License to Occupy with the Hinckley Academy for Boiler House 1. This document is to be amended to include Boiler House 2. Should there be an unanticipated problem which prevents the legal agreement from being amended the installation will not go ahead and all monies will be returned to prospective members.
- A proportion of the Co-operative income will come from the Feed in Tariff and Renewable Heat Incentive. These payments are paid for by the major energy companies and government regulations obligate them to pay. These can therefore be regarded as reasonably secure.

## Risks specific to the Co-operative

- Equipment failure due to exceptional circumstances would increase maintenance costs and this would impact on Co-operative income.
- Warranties and insurance will be in place in the event of mechanical breakdown of the equipment and will cover loss of income for associated periods of business interruption. Accidental and malicious damage will also be covered under insurance and public liability insurance is provided. Whilst the installation will be fully insured, standard exclusions will apply, including 'Acts of God'.
- Project revenues may vary if in the future the heat usage profile of the school changes, although the contract sets a minimum fair usage level to protect project revenues.
- The capital costs are based on calculations carried out before this share issue. Any subsequent increase in capital costs will have to be met by monies raised in this share offer and any other sources of funding (gifts, grants and loans).
- This list is not necessarily comprehensive and you should consider other risks that may impact the value of your investment.

# management & administration

This section provides details on the Board and the running of the Co-operative.

## The Board

Board elections are held at the Annual General Meeting (AGM) annually. There are five Directors and three Board members.



**Director: Alan Gledhill**

Alan is a founder director and, whilst recently retired, he formerly worked as a Landscape Architect. In 2004, he was appointed as Better Building Project Manager and a Senior Environmental Consultant for Leicester City Council, with responsibility for initiation and implementation of renewable energy and low carbon policies. He managed the district heating feasibility study for the recently operational Leicester scheme.



**Director: Richard Halsey**

Richard is a founder director and Associate Director of Sustainability for a leading independent consultancy. He was born and lives in Leicestershire and is a professional Member of the Energy Institute with over 10 years' experience working as consultant, project manager and expert advisor. Richard has played a key role in developing the community heat energy services business model, contract and operational management systems for the Co-operative.



**Director: Simon Butt**

Simon designs, installs and services renewable solar Photovoltaic (PV) Systems. Supplying his first solar module over 20 years ago, Simon has been installing grid connected solar systems for over 10 years. Run by the Sun Ltd has been involved with many domestic, commercial and community PV solar projects since its inception in 2007, most recently installing the PV solar system throughout the Olympic Park.



**Director: Leslie Adioha**

Leslie is a member of the Nigerian Institute of Management and holds a first degree in Agricultural Economics and Extension Service from the University of Benin. In studying he has touched on areas such as integrated farm systems, Co-operatives and Community development. He is currently serving as a soldier in the Royal Logistics Corps.



**Director: Shaun Whiting**

Shaun has worked within Local Government Finance for 29 years. Shaun has worked for Leicestershire County Council, Watford Borough Council, and is currently Director of Finance for the Hinckley Academy. Shaun has considerable local government and financial experience, most at a senior level including Head of Audit, Group Accountant and now Director of Finance.



**Company Secretary: Ben Dodd**

Ben has worked in the renewable energy industry for 20 years. In 2010 Ben started his own environmental consultancy and instrumental in establishing Woolhope Woodheat, the first community owned heat co-operative in the UK. Ben has been instrumental in setting up the Co-operative, supporting the share offer and managing the operational delivery for the Co-operative.



**Board Member: Judith Egan**

Whilst studying for the first degree, Judith spent the long summer breaks working in genetic departments in Toulouse, Berlin and Canada. Completing her science degree, Judith went on to do her medical training. She worked as a full time GP partner for 9 nine years between 2001 and 2010 and has spent the last 18 months following her passion for environmental and social issues.



**Board Member: Mel Badiani**

Mel worked on a technology transfer project with the University of Oxford and the Radcliffe Eye Hospital after completing his MSc in Medical Imaging. The project grew from PhD theory to a commercial product with a global distribution network. He has a strong passion for environmental issues and has been involved in a series of projects within Transitions Leicester, Green Fox and Footpaths.

## Current and intended shareholdings of Directors

The Directors and Board Members have a current shareholding of £24,000. The Directors and Board Members intend to take up additional shares from this share offer to the value of £15,000. Hinckley Academy has a current shareholding of £20,000 and intends to take up additional shares to the value of £15,000.

## Disclosure

None of the directors of John Cleveland College Community Woodheat Co-operative have, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies, receiverships or liquidations, 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.

## Remuneration

The Directors and Secretary of the Co-operative assume their responsibilities voluntarily without remuneration. Each Director is entitled to claim eligible expenses not exceeding £150 per year in addition to any travel expenses. Directors' share applications will be met in full, but there are no pension schemes, share option schemes, and, except for the reimbursement of expenses, there are no other benefits for Directors.

## Conflicts of Interests

Alan Gledhill, Simon Butt and Richard Halsey and Ben Dodd are all founding members, shareholders and directors of the Green Fox Community Energy Co-operative Ltd, which has been responsible for the development and delivery of the project from its inception. Simon Butt is the director of Run by the Sun Ltd and Shaun Whiting is Finance Director of the Hinckley Academy. The directors are not aware of any other potential conflicts of interest.

## Board Practices

Directors serve in accordance with the Rules. There are no service contracts for them or the Secretary. The Co-operative has no direct employees and the business is not dependent on key individuals. Day-to-day operations will be managed by the Co-operative under the supervision of the Board. The Board will bear ultimate responsibility to the Members.

As a Registered Society the Co-operative complies with statutory requirements and the regulation of the Financial Conduct Authority. As the shares will not be listed, the Co-operative is not obliged to comply with The Combined Code on Corporate Governance.

## Accounts

John Cleveland College Woodheat Co-operative was incorporated on 30th April 2013. Its financial year-end is 31st December. At the time of this share offer, based on the 2014 annual accounts, the Co-operative's net current assets are £565,358.

## Interest Policy

Members' Shares will attract a payment of interest annually in arrears and there is currently no policy to pay dividends (see glossary for the definition of dividends). Interest rates will vary according to financial performance.

## Legal Proceedings

There have been no governmental, legal or arbitration proceedings relating to the Project or the Co-operative and none are pending or threatened which could have a significant effect on the financial position or profitability of the Co-operative.

## Rules of the Co-operative

Registered Societies are governed by Rules approved by the Financial Conduct Authority (not by Memorandum and Articles of Association). A copy of these Rules is available in full from the Co-operative (see contact details on back page of this Offer).

## Further information

Other documents mentioned in this Offer are available from the Co-operative (see contact details on back page of this Offer).

General information sourced from third parties in this Offer Document has to the best of The Board's and Directors' knowledge, been accurately reproduced, and, as far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

# share offer

## Reasons for the Offer and use of proceeds

This Offer is being made so that:

- The Co-operative and its Members are able to support the deployment of community energy systems and promoting a shift to lower carbon energy sources to mitigate the effects of climate change.
- New high efficiency gas boilers, solar PV array and associated equipment can be purchased and installed at the Hinckley Academy.
- Members may benefit from the Co-operative's activities.
- Members may be, as far as possible, drawn from the local community.

## Offer Shares

265,000 (Two hundred and sixty five thousand) ordinary Shares of £1 are offered at par and payable in full on acceptance of an application on the Terms and Conditions of this Offer Document. The shares, which will not be traded on any stock exchange, have been created under the Co-operative and Community Benefit Societies Act 2014.

Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by Shareenergy Limited, on behalf of The Co-operative, at The Pump House, Coton Hill, Shrewsbury SY1 2DP. Each person or organisation issued with shares becomes a Member of the Co-operative, with membership rights defined in the Rules. The principal rights are:

- One vote per holding on resolutions of the Members, including in relation to the appointment of Directors
- The right to receive a proportionate annual interest payment as a return on the investment in shares (subject to available surplus)
- The right to the return of the original investment at the end of the life of the project (subject to available surplus assets and any new business of the Co-operative)
- As a Member, eligibility for election to the Board.

## Interest payment/dividend rights

Interest will be paid on the balance of each Member's account at rates, which will reflect annual financial performance. (Each Share carries a right to an equal part in any declared dividend,

although it is not the intention to declare dividends in addition to annual interest payments). The date on which entitlement to interest arises will be announced each year after the AGM. It is envisaged that any interest unclaimed for a period of 7 years will be cancelled for the benefit of all Members. There are no restrictions on interest and dividend payments.

## Voting rights

Each Member has one vote, regardless of the number of Shares held. There are no pre-emption rights.

## Rights to share in profits/surpluses

All Members are entitled to share in interest declared out of annual surplus, such payments to be divided equally between the total shares in issue. This means that a Member with 10,000 shares has a single vote but will receive interest on all 10,000 shares.

When the installations come to the end of their life, the Board will consider options for the continuation of the Co-operative. Members may choose to liquidate the Co-operative, and any residual surplus will be paid to Members pro-rata in accordance with the number of Shares then in issue.

## Redemption provisions

Redemption of shares may take place in accordance with the Rules. Members do not have the right to withdraw share capital but the Board of the Co-operative has the power to permit shares in the Co-operative to be withdrawn by agreement between the Board and the member. Members can apply for withdrawal of share capital after the third year of operation. In addition, the Board has the power to return capital to members at its discretion.

## Taxation

Interest payments made to Members will be subject to United Kingdom taxation. It is expected that payments will be made gross and Members will be responsible for declaring this income on their tax returns.

## Provisions on death of a Member

In accordance with the Co-operative rule 22, on the decease of a member of the Co-operative, their shares can be transferred to their personal representative, who can keep them, apply for withdrawal of the share capital or transfer them to any other person who qualifies to be a member of the Co-operative.

# terms and conditions

## Eligibility

The Offer is open to anyone over 16 years of age who meets the membership requirements of the Rules.

## Minimum and maximum holdings

The minimum number of shares that can be applied for is 250 and the maximum is 100,000.

## Application procedure

- Anyone interested in responding to this Offer is strongly advised to take appropriate independent financial and other advice.
- Shares shall be applied for either by:
  - using the Application Form provided in this Offer document and following the Guidance Notes, returning the Application Form by post with payment.  
or
  - by submitting an Application Form via e-mail and making payment electronically.
- An Applicant offers to subscribe, on the Terms and Conditions contained in this Offer Document, for the number of shares specified, or such lesser number as may be accepted.
- An Applicant who receives shares agrees to automatic membership of the Co-operative and to be bound by its Rules.
- Once an application has been made it cannot be withdrawn. For online applications there is a 7-day cooling off period in case you change your mind.
- Multiple subscriptions will be admitted providing that they do not result in a Member holding more than the statutory limit of 100,000 Shares.
- An application is only valid and complete when both the application form and funds are received.



## The Offer timetable

The Offer will remain open for a period of 8 weeks from 5th October 2015. The Board expects the following timetable to apply, although if the Offer Period is extended, other timings will extend correspondingly.

October 2015	Offer Period begins
November 2015	Offer Period ends (unless extended)
December 2015	Offer results published
	Monies returned on unsuccessful applications, or if the Offer is unsuccessful
January 2016	Share certificates posted
January 2016	Placement of Orders for equipment commences
March 2016	<b>Commencement of Installation</b>
April 2016	Heat and power on from new boilers and solar array
May 2016	Third Annual General Meeting
March 2016	Installation and commissioning of new boilers and PV array
April 2016	New community heat and power switched on at the school

The Directors reserve the right to extend the Offer Period at their discretion (although the current intention is that the Offer Period will not be extended for more than 8 weeks).

### If the Offer is unsuccessful or oversubscribed

If a sum less than the Offer total is raised, subject to the aforementioned alternative and proportionate finance arrangements being concluded, application monies will be returned to Applicants as soon as is practical. None of John Cleveland College Community Woodheat Co-operative, its Directors or advisors will be responsible for loss suffered by Applicants through loss of interest, bank charges or any other cause as a result of this provision. If the Offer reaches its target early or is oversubscribed it may conclude before the 8th week offer period. The installation contract and works may be brought forward as a consequence of early closure of the Offer.

### Commitments and confirmations by Applicants

Each applicant, on submitting an Application Form, confirms that he/she/it:

- Meets the eligibility criteria.
- Is not making multiple applications for a total of more than 100,000 Shares of the limit at that time set by UK law.
- Is not relying on any information or representation in relation to the Offer Shares, John Cleveland College Community Woodheat Co-operative, or the project which is not included in this Offer Document.
- Shall provide all additional information and documentation requested by John Cleveland College Community Woodheat Co-operative in connection with their application, including in connection with taxation, money laundering or other regulations.

Any person signing an Application Form on behalf of another person undertakes that they are authorised to do so.

### Procedures on receipt of Applications

- Offer cheques/bankers' drafts will be presented on receipt and may be rejected if they do not clear on first presentation.
- Surplus Application Monies may be retained pending clearance of successful Applicants' cheques
- Applications may be rejected in whole, or in part, or be scaled down, without reasons being given
- Application Monies in respect of any rejected or scaled-down Applications shall be returned by crossed cheque, payable to the Applicant, to the postal address on the Application Form no later than one month after the end of the Offer Period (as extended).
- No interest is payable on submitted Application Monies which become returnable.
- Applications on incomplete or inaccurate Application Forms may be accepted as if complete and accurate.
- The Co-operative reserves the right not to enter into correspondence with Applicants pending the issue of share certificates or the return of Application Monies.
- Results of the Offer will be published electronically within one month after the Offer has closed.
- In the case of oversubscription, Directors' applications will be met in full and the Directors shall, at their discretion, determine the appropriate allocation of Shares on the principle that priority will be given to existing Members and then applications from those living closest to the Hinckley Academy, by postcode (LE10 1LE).

- Share certificates will be issued to successful Applicants within two months following the end of the Offer Period.

## Pricing, trading and dealing arrangements

The Board has resolved to offer Shares at their par value of £1. As the Co-operative intends paying interest on Members' shares each year from 2016, such that retained profits will not accumulate, the underlying asset value of each Share is likely to remain at £1 and any Share redemption will take place at par.

## Offer Costs

Offer costs will be met by Green Fox and will be repayable by the Co-operative on completion of a fully subscribed share

issue, for the purpose of reinvesting in similar projects. This is included in the share capital being raised.

## Communication with Members

The dissemination of project news updates, AGM notices, financial and operational performance communications or other Member notices will be conducted by email. It is therefore important that Members provide an up to date email address for this to be undertaken.

## Governing Law

This Offer is one of a series throughout the UK being managed by the English Co-operative Sharenergy and so to minimise costs this Offer Document and the Terms and Conditions of the Offer are subject to English law.

# guidance notes

## Applying for Shares

The Offer is open to individuals, Registered Societies and other organisations. It is possible to purchase shares in John Cleveland College Community Woodheat Co-operative by completing the Application Form.

Before applying you should consider taking appropriate financial and other advice, particularly in relation to any aspect of the Offer Document which is not clear to you. Your attention is particularly drawn to:

- The Risk Factors section, which describes risks relating to an investment in the Offer Shares.
- Terms and Conditions of the Offer, because by completing the Application Form you will make an irrevocable offer which may be accepted by John Cleveland College Community Woodheat Co-operative.
- The Rules of John Cleveland College Community Woodheat Co-operative, because in buying Offer Shares you will become a Member of the Co-operative and will be bound by those Rules.

## Amount to invest

The price of each share is £1. You should decide how many shares you want to buy and put that number in the box. The minimum number is 250 and the maximum is 100,000. Annual interest payments will be based on the number of Shares you hold, but you will only have one vote, regardless of the number of Shares you hold.

## Personal details

You may apply as an individual, or, as long as you are properly authorised, on behalf of a Registered Society or other organisation.

In accordance with our Rules, persons under 16 years of age cannot become Members. If you wish to invest as a trustee or nominee on behalf of a child you may need to take advice on any tax implications, and please note that the maximum investment of £100,000 includes any shares purchased as a nominee for a child. Shares issued in these circumstances could be transferred to a child when he or she becomes 16 and the Board will endeavour to assist with that intention

when confirmed at a later date. If you do wish to take the shares as a nominee or trustee of a child, please indicate that intention as shown on the Application Form.

## Priority Application

The number of shares you apply for will not necessarily be the number of shares you will receive. If the Offer is over-subscribed your application may be scaled down, or even rejected in its entirety. All applications are welcome, but in the event that the Offer is oversubscribed, the Directors will endeavour to give priority to those living closest to the site.

## Declaration

In signing the Application Form, as an individual, you are personally making an irrevocable offer to enter into a contract with John Cleveland College Community Woodheat Co-operative. If you are signing on behalf of an organisation or on behalf of another individual you are personally representing that this is in accordance with due explicit authorisation.

Non-UK residents must take responsibility for ensuring that there are no laws or regulations in their own country that would prevent them from investing in or receiving income from a UK co-operative. Under Money Laundering Regulations, you may be required to produce satisfactory evidence of your identity and it is a condition of the Offer that you do so as requested. You should note that if the Offer is unsuccessful, it will become necessary to return money to investors.

## Payment

Please attach a cheque or bankers draft, drawn on a UK bank or building society, for the exact amount shown in the box under 'Amount to invest'. If there is a discrepancy between the two, or if the cheque is not honoured on presentation, your application may be rejected without further communication.

## Privacy of Member Information

The data provided by a potential investor through the Application Form will be stored within a computerised database. This data will only be used for John Cleveland College Community Woodheat Co-operative purposes and will not be disclosed to a third party.

# application form

John Cleveland College Community Woodheat Co-operative Ltd Second Share Issue, 2015

Important: before completing this Application Form you must:

- Read the accompanying Share Offer Document
- Pay special attention to the Risk Factors set out in this Offer Document
- Consider whether you need to take financial advice or other advice in relation to the Terms and Conditions of the Offer contained in the Offer Document
- Read the Rules of John Cleveland College Community Woodheat Co-operative available on the project website at [www.greenfoxcommunityenergy.coop](http://www.greenfoxcommunityenergy.coop) or from the Co-operative (contact details on back of this Offer)

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

## Amount to invest

I wish/my organisation wishes to invest a total amount of £  in John Cleveland College Community Woodheat Co-operative on the Terms and Conditions of the Offer Document at the price of £1.00 per Share. (You may invest not less than £250 and (except for Industrial and Provident Societies) currently not more than £100,000).

## Enterprise Investment Scheme

Please tick if you intend to claim EIS tax relief ☐

### Individual Applicant details

Title (Mr/Mrs/Ms/other):

Forenames:

Surname:

Address:

Post code:

Day-time Telephone:

Email:

Please provide your email address if possible to keep costs of administering the Co-operative to a minimum.

Date of Birth:

Bank Account Number:

Sort Code:

I intend to make payment via: electronic transfer ☐ postal cheque ☐

### If Applicant is nominee for a child (noting any tax implications)

Child's name:

Child's date of birth:

Child's address (if different from above):

Post code:

### If the Application is an organisation

Organisation name:

Organisation address:

Type of organisation:

Registration number:

Name of authorised signatory signing this application:

Position of authorised signatory:

Please continue to sign the Declaration overleaf





# declaration

## I confirm my understanding that:

- This Application may be withdrawn if a supplementary Offer Document is issued, but not otherwise and if and when accepted by John Cleveland College Community Woodheat Co-operative forms a contract subject to English law on the Terms and Conditions of the Offer Document.
- An Applicant who/which is not UK resident is responsible for ensuring that this Application complies with any laws or regulations applicable outside the UK to which he/she/it is subject.
- If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole.
- If insufficient funds are raised by the Offer, Application Monies will be returned.

## I confirm that:

- I have read the Offer Document (including the Risk Factors and the Guidance Notes to this Application Form) and the Rules of the Co-operative.
- I am over 16 and the Applicant meets the Offer eligibility criteria.
- John Cleveland College Community Woodheat Co-operative is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application.
- The Applicant is not making an application or multiple applications for a total of more than 100,000 Shares.
- The Applicant is giving consent to John Cleveland College Community Woodheat Co-operative to store your personal information in accordance with the data protection act.
- The Applicant is not relying on any information or representation in relation to the Offer Shares, John Cleveland College Community Woodheat Co-operative which is not included in the Offer Document.
- The Applicant shall provide all additional information and documentation requested by John Cleveland College Community Woodheat Co-operative in connection with this Application, including in connection with money laundering, taxation or other regulations.
- If signing this Application on behalf of any person/organisation I am doing so with explicit authority.
- The Applicant is giving consent for electronic communication with the Co-operative.

I understand that the cheque supporting this application will be presented for payment upon receipt and I warrant that it will be paid on first presentation.

Signature (Applicant/on behalf of Applicant organisation as applicable):

Date:

## Payment

Please attach a single cheque or banker's draft for the amount shown above, payable to John Cleveland College Community Woodheat Co-operative Limited and crossed A/C Payee. Send your completed Application Form and payment to:

John Cleveland College Community Woodheat Co-operative Limited, c/o Sharenergy, The Pump House, Coton Hill, Shrewsbury SY1 2DP.

## Electronic Payment

E-mail your completed Application Form to [admin@sharenergy.coop](mailto:admin@sharenergy.coop) or post it as per postal details above.

Arrange bank electronic transfer payment for the amount shown payable to John Cleveland College Community Woodheat Co-operative Limited

Sort code: 08-92-99 Account No: 65680795

All electronic payments should include the applicant surname as the payment reference.

This application form can be photocopied and **additional application forms** are available. For all enquiries use the contact details on the back of this Offer document.

**We hope you will join us in being part of the John Cleveland College Community Woodheat Co-operative.**

# glossary

**Applicant** An applicant for Offer Shares through submission of an Application Form.

**Application Form** The form in this Offer Document which must be completed to be returned in accordance with the Terms and Conditions of this Offer and the Guidance Notes.

**Application Monies** The total gross sum realised by this Offer.

**Board** The Board of Directors of John Cleveland College Community Woodheat Co-operative.

**Climate Change** The phrase widely used to describe changing weather patterns as a direct result of global warming, including an increase in the incidence and intensity of storms and droughts.

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

**Directors** The Directors of John Cleveland College Community Woodheat Co-operative.

**Dividend** (in a Co-operative society) is a discretionary allocation of profit paid to members, based on the members' transactions with the Co-operative and not on the amount of capital invested.

**FCA** The Financial Conduct Authority, formally the Financial Services Authority (FSA).

**FIT** (Feed in Tariff) Incentive for renewable power generation introduced by HM Government.

**Green Fox** Green Fox Community Energy Co-operative Limited. A Registered Society (registered no. 31564R) Registered at 11 Cooden Avenue, Leicester LE3 0JS.

**HSA** Heat Supply Agreement for the sale of heat by the Co-operative to the School.

**Internal Rate of Return (IRR)** A way of representing investment returns that also reflects the time value of money; the discount rate at which the net present value of returns equals the net present value of investments.

**kW** (kilowatt) A unit that measures power and is equal to 1 thousand watts.

**kWh** (kilowatt hour) A unit that measures energy and is equal to the energy that can provide the power of 1kW for the period of one hour.

**John Cleveland College Community Woodheat Co-operative** John Cleveland College Community Woodheat Co-operative Ltd. Principal Office: 179 Knighton Road, Leicester LE2 3TS (Registered Society number 32054R).

**John Cleveland College Community Woodheat Co-operative Shares** Ordinary shares of £1 in John Cleveland College Community Woodheat Co-operative.

**Offer** The Offer of Shares in John Cleveland College Community Woodheat Co-operative contained in this Offer Document.

**Offer Costs** The expenses incurred by or on behalf of John Cleveland College Community Woodheat Co-operative in issuing this Offer Document.

**Offer Period** The period during which the Offer will remain open (including any extension) as set out in the Offer timetable in this document.

**Offer Shares** New shares of £1 in John Cleveland College Community Woodheat Co-operative, offered at par on the Terms and Conditions and payable in full on application.

**Project** The proposed business activities of John Cleveland College Woodheat Co-operative.

**Projections** The financial projections for John Cleveland College Community Woodheat Co-operative set out in this document.

**RHI** (Renewable Heat Incentive) Incentive for renewable heat generation introduced by HM Government.

**Rules** The Rules of John Cleveland College Community Woodheat Co-operative, available on demand by using the contact details set out on the back of this Offer document.

**Shareenergy** Shareenergy Co-operative Limited. A Registered Society (registered no. 31237R) Registered at The Pump House, Coton Hill, Shrewsbury SY1 2DP.

**Site** the location of the proposed installation.

**Terms and Conditions** The terms and conditions of the Offer contained in and constituted by this Offer Document.

**The Installation** in this Offer Document refers to the boilers, solar PV modules, civil works and ancillary equipment of the Project.

John Cleveland College Community Woodheat Co-operative Limited is a registered society with the UK Financial Conduct Authority No. 32054R on 30th April 2013.  
John Cleveland College Community Woodheat Co-operative registered office: 179 Knighton Road, Leicester LE2 3TS.

**For enquiries about purchasing shares please call**

Shareenergy on (01743) 277119

**Or email**

[admin@shareenergy.coop](mailto:admin@shareenergy.coop)

**For general enquiries about the project please call**

Ben Dodd at Green Fox Community Energy Co-operative on (01530) 273312

**Or email**

[info@greenfoxcommunityenergy.coop](mailto:info@greenfoxcommunityenergy.coop)

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John Cleveland College  
Community Woodheat Co-operative Limited



Hinckley Academy and  
John Cleveland Sixth  
Form Centre



greenfox community energy