



# Reach Community Solar Farm

# Share Offer

An opportunity to invest in a community-  
owned renewable energy project

revision 1, 19<sup>th</sup> March 2015

## Contents

Letter from the Chairman	1
Declaration	1
Summary	2
The project	3
Financial information	6
The team	9
Risks	10
The share offer	12
Terms and conditions	15
Application Form	17

# Letter from the Chairman

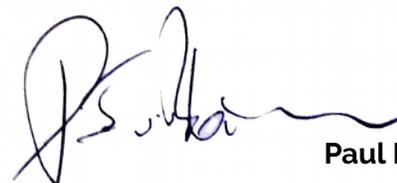
15<sup>th</sup> January 2015

Those living in and around Reach Village have a long history of working together as a community. Running Reach Fair; bringing the pub into community ownership; planting the 11 Acres woodland site – these are all projects which we can be proud of.

We present here another exciting community project – a small solar farm on the outskirts of the village. All of us use electricity at home and at work, but we are all increasingly aware of the effects on the environment of generating electricity in coal and gas-fired power stations. Here is an opportunity to generate sufficient electricity to power around 50 homes – about half of Reach - in a clean and sustainable manner.

Community-owned renewable energy is now a proven model. Many energy coops have been registered around the country in the last few years. The value of locally-owned energy schemes is also something that's increasingly recognised in government. With more and more projects being realised, and increasing government support, this exciting movement can only get bigger.

Reach Community Solar Farm (RCSF Ltd, an 'Industrial and Provident Society for the Benefit of the Community') is proud to be part of this growing movement, delivering clean energy on a local scale. We hope that you will be interested in joining us!



**Paul Robinson**

## Declaration

Reach Community Solar Farm Limited and each of its Directors hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Share Offer is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

# Summary

**Reach Community Solar Farm Limited aims to generate low-carbon renewable electricity, provide benefits to the local community, and enable local residents to invest in clean energy and enjoy the financial benefits of the project.**

## The project

We aim to install 264 kWp of solar PV on farmland on the edge of Reach village, producing roughly half of the amount of electricity used by households in Reach each year. This will require a capital investment of £350,000. Income from the electricity generated will, after running costs, be used to provide a return to members and donations to a Community Benefit Fund.

## The offer

This document details the opportunity to buy shares in Reach Community Solar Farm Limited. We are a Community Benefit Society with the express purpose of providing a benefit to the local community as well as a financial return to our members.

This share offer invites you to purchase shares to raise the money to finance the development, marketing and capital costs of the project. Each share is worth £1. You may apply to purchase up to 20,000 shares. The minimum shareholding is 250 shares for residents of Reach Parish, and 500 shares for all other applicants.

The share offer will take place in two stages. Stage one opened on the 5<sup>th</sup> February and closed on the 17<sup>th</sup> March. Stage two will run from the 17<sup>th</sup> March to the 31<sup>st</sup> May, or earlier if the offer is oversubscribed.

If the offer is undersubscribed by a significant amount the project will not go ahead and we will refund shareholder capital. If it is undersubscribed by a small amount we may extend the share offer or raise alternative sources of finance such as a loan.

If the applications exceed the required capital, the directors will distribute the shares as set out in this document and in our Rules.

## The society

As Reach Community Solar Farm Ltd is Co-operatively run, each member will get 1 vote in how the business is run, irrespective of the size of their investment. The project will run for 21 years. You may apply to withdraw your shares during this period, but any such withdrawal is at the discretion of the board. Investing in the Society should be considered a long term investment.

## The risks

All investments and commercial activities carry risk. By buying shares in the Society members should weigh up financial risk and reward as they 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. You may wish to consult a financial advisor before investing.

## The benefits

By becoming a member you will:

- Enable us to build a locally-owned solar farm that returns environmental, social, and economic benefits to the local community
- Gain an equal vote with every other member at the AGM in how the Society is managed
- Be eligible for an annual interest payment on your shares
- Help support the local community through a community benefit fund
- Support a scalable model that can be replicated in other communities
- Help fight climate change through generation of clean renewable energy

# The project

## The solar farm

We aim to install 1056 solar panels on land at Spring Hall farm, opposite Swan Lake grain store on Little Fen Drove. The solar panels will feed electricity into the overhead power line that already crosses the land via inverters and a small substation located in one corner of the field.

The solar array will cover approximately 1.5 acres, and the frames will be approximately 2m high. The solar panels have a uniform dark blue appearance when viewed from a distance, and glare is reduced by using a textured glass over the solar cells. The combination of the dark neutral colour, low frame height and anti-reflection glass means that they are relatively unobtrusive relative to other agricultural structures such as greenhouses or polytunnels.

There are already hedgerows along Little Fen Drove and Barston Drove which screen most views of the site, and we intend to plant a new hedge which will give further screening. Our intention is to mount the panels in such a way that grazing of sheep will be possible around the solar array.

The solar farm has a projected life of 20 years. It is designed to be easily dismantled and have minimal lasting effect on the land.

The solar farm should generate around 230,000 kWh of electricity each year – equivalent to roughly half of the electricity used in the village. As much of this electricity would otherwise have been generated in fossil-fuel fired power stations, this will lead to significant savings in carbon dioxide emissions.

A number of documents are available at <http://reachsolarfarm.co.uk/documents.html> with further details about the scheme.



## Our History

The idea for a small, community-owned solar farm on the land came from local organic farmer Paul Robinson (the son of the landowners) and Andy Rankin from Midsummer Energy, a company that has installed a number of domestic solar installations in the village. Paul and Andy held a public meeting in Reach village hall and a stand at Reach Fair in the spring of 2013. As a result there was enough public interest to proceed with more detailed plans, and several other members of the village volunteered to form a steering group.

Reach Community Solar Farm was incorporated as a Community Benefit Society in February 2014, and a planning application for the site was submitted soon afterwards. Planning was granted in September 2014.

Grid connection permission proved harder to obtain, and we had to revise the size of the solar farm down owing to capacity problems at the local substation. Permission for the project described here was granted in December 2014.

## Co-operatively run for Community Benefit

Reach Community Solar Farm Ltd is a Industrial and Provident Community Benefit Society (CBS) formed in 2014. As a CBS, RCSF is democratically owned. Each member has one vote, regardless of the number of shares they hold, offering a fair and transparent way to operate a community-owned renewable energy business. Unlike a limited company, which is designed to benefit shareholders, a CBS is designed to benefit the community whether they are members or not. A CBS also has the power to give priority to investment from the local area, ensuring that, as much as possible, local people enjoy the financial benefits of the renewable energy that is generated.

Co-operative ownership of renewable energy is not new. In Germany and Denmark renewable energy cooperatives have been instrumental in driving both renewable energy and government policy for a number of years. In both countries individuals and civic groups own more than 30% of the renewable energy infrastructure.

While historically there has been less of a history of renewable energy co-operatives in the UK, this is rapidly changing, and there are now several hundred groups around the country that have successfully raised capital from local communities for renewable energy schemes.

RCSF is bound by its Rules, and the powers of members and Directors are set out within those Rules. The Directors run RCSF in line with the Objects set out in the rules on behalf of the members. The members have the right to elect and remove Directors. A copy of our rules is available for download via our website at <http://reachsolarfarm.co.uk/documents.html>.

## Community Benefit fund

An ambition within this share offer is to provide a community fund to support other local community initiatives, particularly those relating to energy efficiency and sustainable energy generation.

The community benefit fund will be financed from any surplus made by RCSF after achieving the target interest payments for members. In our financial model we have assumed payments of between £300 and £800 per year will be made to the community fund. Members will determine how the community benefit fund is spent at the Annual General Meeting.



## Future expansion

The scheme that is currently planned is smaller than originally intended owing to restrictions in the amount of generation that can be accommodated at Burwell substation. A number of much larger commercial generation projects have received permission to proceed in the local area, and there is only a limited capacity available in the transformers and switchgear at this substation.

Upgrades to the Burwell substation are likely to take place in the coming years, and this may give us an opportunity to expand the solar farm in the future. As we will already have the grid connection in place, the cost of expansion is likely to be relatively low.

If we are able to expand, we should be able to achieve our original ambition of generating approximately as much energy each year as is used in the village. We may also be able to increase the interest we can pay our members and increase annual payments to the community benefit fund.

Any proposal to expand the solar farm would be put to members at an Annual General Meeting.

## Social and Environmental Benefits

By producing clean renewable electricity from the solar farm we will reduce our dependence on coal and gas power stations and make a significant contribution to lowering carbon dioxide emissions. Small, decentralised projects of this type located close to the point of usage of electricity also reduce transmission losses in the electricity network, leading to further savings.

By encouraging local people to invest we aim to give the village a sense of ownership of the project, and to return the economic benefits to the local community. We will also look to enable further community involvement in the project such as school visits.

# Financial information

## Financial Projections

Our aim is that all shareholdings will receive a return of approximately 3-4% interest per year for 20 years. Our financial projections indicate that a range of between around 2 and 4% is likely to be achievable. We intend to make the first interest payments one year after the project begins producing electricity, subject to sufficient funds being available. We expect the solar farm to be generating within six months of the share offer closing. We also aim to make an annual donation to a community fund.

A one-off income tax relief of 30% of the amount invested (see Tax Reliefs below) may be available to individual investors who pay income tax and invest in stage two of the share offer. Applicants who subscribed in stage one (before 17<sup>th</sup> March) may be able to take advantage of a higher rate of tax relief, which we can apply for on the first £150,000 of shares that were issued.

You should note that these tax reliefs are not guaranteed, and we cannot apply for them until the shares have been issued. Details of Tax Reliefs are available at <https://www.gov.uk/seed-enterprise-investment-scheme-background> and <https://www.gov.uk/government/publications/the-enterprise-investment-scheme-introduction>.

At the end of the term, the project will be closed. Subject to there being sufficient capital in the business, you will receive the value of your original investment back at that point.

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

You can see our financial projections in our Business Plan, which is available for download via our website at <http://reachsolarfarm.co.uk/documents.html>

## Income

We intend to generate and sell electricity that will be produced by solar PV panels. Electricity produced in this way qualifies for payments through the Feed-in Tariff (FiT). FiT contracts are for 20 years, and the rate is fixed at the beginning of the term and rises in line with the Retail Prices Index.

In addition to FiT payments, we will also be able to sell the electricity generated by the solar farm on the open market. Income from the sale of electricity is less certain, as market prices vary. We have used conservative figures for the sale of electricity in our financial projections.

## Outgoings

The greatest annual costs will be leasing the land, insurance, maintenance and administration costs. Although not all costs can be predicted accurately in advance, we have attempted to fix these costs where we can. We have negotiated a fixed annual rent for the land, rising in line with RPI, and we will have a long-term maintenance contract in place for a fixed annual sum. We have also received quotes for insurance.

The projections underlying this share offer are based on the assumption that capital is returned to members at the end of the 20 year project. Some early payback of capital to shareholders who wish to withdraw their shares before the end of the term may be



possible, depending on the financial performance of the project and at the discretion of the board or as directed by an AGM vote by the members.

## Assumptions

In our projections we have made the following assumptions:

- The electricity produced by the solar farm will decrease by 0.8% per year due to gradual deterioration of the panels. After 12 years we expect the panels to be producing 90.8% of the initial rated power, and after 25 years we expect the panels to be producing 81.8% of the initial rated power. The manufacturer guarantees 90% performance after 12 years and 80% performance after 25 years
- Retail Price Index (RPI) of 2.5%. This is in line with recent values for RPI over the last few years. However, it could be significantly higher or lower than this over a long period of time
- Interest payments to Members of between 1.9 to 4.1%. Interest payments will however be at the discretion of directors, who will be appointed by members at the Annual General Meeting. Interest payments will only be possible where income from the FIT and the sale of electricity exceeds running costs
- Donations will be made to a community fund of between £300 and £800 per year. This is subject to sufficient surplus being made. Members will have a say in how the community fund is spent through a vote at the Annual General Meeting.
- Insurance figures are based on recent quotes from insurers
- Administration costs and running costs are estimates.
- Projections are based on the project securing the Feed in Tariff rate currently applicable to solar farms below 5MW in size

## Tax Reliefs

Shares purchased in this offer may qualify for the Enterprise Investment Scheme (EIS) or Seed Enterprise Investment Scheme (SEIS) which provide income tax payers with tax reliefs when they invest in EIS/SEIS Qualifying Companies. Full details of the schemes are available at <http://gov.uk/business-tax/investment-schemes>.

An individual can invest up to £500,000 per tax year in EIS Qualifying Companies and benefit from 30% income tax relief. The individual can only claim this relief if they hold less than 30% of the shares, is not an employee and holds the shares for at least 3 years. We intend to apply for EIS eligibility on the shares issued in stage two of this share offer, which runs from the 17<sup>th</sup> March until the 31<sup>st</sup> May.

SEIS is only available for the first £150,000 of investment that we raise, and we therefore only intend to apply for SEIS for shares issued in stage one of this offer, which closed on the 17<sup>th</sup> March. The rate of tax relief for SEIS is 50%. As with EIS, the relief is given as a reduction in tax liability, provided the investor has sufficient tax liability against which to set it.

As an example, you may apply to invest £2000 in Reach Community Solar Farm in stage two of the share offer, and we may issue you those shares shortly after subscriptions close on the 31<sup>st</sup> May. If we meet the qualifying criteria for EIS you would be able to claim back £600 from your income tax in the 2014-2015 financial year (30% of the investment of £2000), assuming you pay enough income tax and hold on to the shares for 3 years.

In the 2014 autumn statement the chancellor announced changes to eligibility to tax reliefs for Community Renewable Energy projects. These were due, subject to EU state aid approval, to take place at the beginning of the next financial year (6<sup>th</sup> April). We have however been advised by HMRC that these changes will now be

delayed for some months. Shares issued after the changes take place will not be eligible for SEIS or EIS. We expect that the closing date for the share offer will be before the changes are brought in, but we cannot guarantee this will be the case.

The reliefs are administered through the tax system and are for individuals to claim. RCSF does not claim it on your behalf, but issues you with a certificate of eligibility. You will usually have to complete a tax return in order to claim the reliefs.

A draft of this share offer was given provisional acceptance of EIS/SEIS Qualifying Company status by HMRC. We can however only obtain full acceptance after we are trading as a company.

Full details of the schemes can be found at <http://gov.uk/business-tax/investment-schemes>. We strongly encourage you to read these links if you would like to take advantage of these tax reliefs.

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



# The team

## Founding Directors

### Paul Robinson

Chairman, son of landowners and organic smallholder from Lode.



### Charlotte Cane

Treasurer, founding member, chartered accountant and Reach resident.



### Nick Webb

Board member, founding member and Reach resident.



### Graham Lingley

Board member and Reach resident.



### Andrew Trump

Board member and local resident.



Directors serve in accordance with the rules of RCSF Ltd, which can be downloaded from our website at <http://reachsolarfarm.co.uk/documents.html>

The Board is responsible to the members. As an Industrial and Provident Society, RCSF Ltd complies with statutory requirements and the regulation of the Financial Conduct Authority. As its shares will not be listed on any exchange, RCSF is not obliged to comply with the Combined Code on Corporate Governance.

None of the Directors of RCSF Ltd 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.

RCSF does not pay remuneration to its Directors. However reasonable expenses incurred by the directors in relation to their work for RCSF will be reimbursed. The directors are elected each year at our AGM.

The directors are not aware of any other potential conflicts of interest, other than those listed below. The rules of RCSF include provisions relating to potential conflicts of interest and related party activities are disclosed and dealt with according to the rules.

- Paul Robinson is the son of the landowners.
- Andy Rankin is owner of Midsummer Energy Limited, who will be supplying, installing and maintaining the solar farm under contract.

The Founding Board will stand down at the first AGM, which is scheduled for July 2015. They are entitled to stand for re-election, but other nominations are also welcome.

The company secretary is Andy Rankin.

You can contact the board via email at – [info@reachsolarfarm.co.uk](mailto:info@reachsolarfarm.co.uk). Our registered office is:

Reach Community Solar Farm Ltd  
Willow Farm  
Lode Fen  
Lode  
Cambridge  
CB25 9HF

# Risks

**All investment and commercial activities carry risk. If you are considering investing, you should take appropriate advice and make your own risk assessment whilst bearing in mind the social and environmental benefits of this investment opportunity. An investment in shares in Reach Community Solar Farm Ltd is an investment in a trading business, not a loan or deposit.**

## General investment risks - Shares

- The value of your income from the shares can fluctuate and you may not get back the amount you invested.
- Shares will not be traded on a recognised stock exchange and shares are not transferable except in accordance within the very limited provisions under the Rules.
- Shares can only be redeemed by RCSF at par value, and are not withdrawable by Members without prior approval from the Board, which cannot be guaranteed. If Reach Community Solar Farm Ltd lacks sufficient cash to enable shares to be withdrawn when desired then withdrawal may be delayed, or may not be possible at all. Investment in shares should be seen as a long term proposition.

## Renewable energy industry risks

- Government policy towards renewable energy may change. Our calculations are based on the Feed-in tariff rate expected to be in force from April 2015, but this could change by the time that the solar farm is generating.
- New inventions and developments may render existing technologies and equipment obsolete.
- Assumptions of future electricity prices used in the Financial Projections may be inaccurate.
- Atypical short-term weather conditions could affect expected levels of electricity generation and therefore income, although when averaged over the lifetime of the scheme significant variations are unlikely.
- Although modern solar panels, inverters and associated equipment are reliable, mechanical or technical failure can interrupt the generation of electricity or the distribution network and lead to unexpected costs. Manufacturers' warranties and guarantees, and regular servicing, usually offer some protection. RCSF will have a Maintenance contract with Midsummer Energy.

## Risks in relation to the Offer

- The projected returns to members of RCSF are not guaranteed and may not be realised.
- The installation of the solar farm may take longer than estimated. If the target date for installation is missed, the feed-in tariff rate applied may be lower.
- Delays in installing the solar farm and poorer than anticipated system performance may limit RCSF's ability to pay interest.
- Contracts for the supply of the solar panels or balance of plant have not yet been signed and may turn out to be more expensive than currently estimated. There is an exchange risk as the price for some components is in euros. A sufficiently high increase in cost may make the project unviable. However, the costs used for the financial projections are based on the tender responses RCSF has received and are believed to be conservative.
- After due consideration the Directors have opted to use a local supplier, Midsummer Energy, who have been instrumental in the development of the project, rather than put the installation out to tender. This decision was reviewed independently by the Co-operative Assistance Network, who considered whether value for money was being received and whether Midsummer Energy had the capability to carry out the work. Credit checks have been carried out on Midsummer Energy and the companies who have been asked to tender for the high voltage work.
- The Power Purchase Agreement ('PPA') eventually obtained for the sale of electricity may not be as favourable as anticipated in the Financial Projections.
- There is no guarantee that SEIS or EIS tax reliefs will be granted for this share offer. While we have been given advance assurance of qualifying status for EIS and SEIS by HMRC, changes to the share offer or to the tax relief schemes could mean that we no longer qualify. Changes to the eligibility requirement for EIS and SEIS are expected to be implemented in the next few months, and while we intend to issue shares before these changes take place, we cannot guarantee that we will be able to do so..
- Equipment purchased by RCSF will be supported by guarantees and warranties from companies believed by RCSF to be financially strong, but equipment suppliers, contractors, purchasers of electricity or other contracting parties with RCSF could fail to meet their obligations.
- Over the proposed life of the Project changes to climate could have unexpected consequences, such as increased risk of flooding. Our flood risk assessment has however been approved by the Environment Agency, and flood risk is included within the insurance quotations we have received.
- The financial projections have been derived from information provided by Midsummer Energy, but may not be accurate.
- The financial projections are based on the assumption that insolation will be sufficient to produce approximately 915 kWh of electricity annually per kW of solar panels installed. There is a risk that this amount of electricity will not be generated either due to a reduced level of insolation or due to the performance of the solar panels falling below the manufacturer's projections. In addition, the output from a solar panel reduces slightly each year owing to natural degradation. The financial projections assume a degradation of 0.8% annually, which it is believed is a conservative assumption. The solar panels could degrade at a higher rate, although the manufacturer's performance guarantee and warranty should offer some protection. Degradation at 0.8%, which is assumed in the financial model, means that the output of the Solar Panels will be at 90.8% after 12 years and 81.8% after 25 years. The manufacturer guarantees 90% performance after 12 years and 80% performance after 25 years.

# The share offer

The offer is being held to raise money to build a solar farm on the edge of the village of Reach. The solar farm will generate clean, renewable electricity which will reduce reliance on fossil fuels. Funds raised from the sale of this electricity, and from feed-in tariff payments, will benefit the members through an interest payment on their shares, and will benefit the community through a community benefit fund.

## Structure of the share offer

The share offer launched on the 5<sup>th</sup> February 2015, and is being run in two stages. Stage one closed on the 17<sup>th</sup> March 2015, and stage two will run from the 17<sup>th</sup> March to 31<sup>st</sup> May. We intend to raise £360,000 in total, of which £150,000 (issued at the end of stage one) may be eligible for Seed Enterprise Investment Scheme (SEIS) tax relief, although you should note that we cannot apply for SEIS eligibility until the share offer is complete, and it cannot be guaranteed.

The remaining shares will be issued when the share offer is closed. These shares may be eligible for EIS tax relief, although as with SEIS this cannot be guaranteed and relies upon us meeting strict conditions.

You may apply for shares by post using the form at the end of this document. For postal applications we will accept payment by cheque. Online applications can be made at <http://reachsolarfarm.co.uk/share-offer>. If applying through our website you will be expected to make a BACS payment for your shares. We are also intending to take applications through Microgenius (<http://microgenius.org.uk>), a crowdfunding site for community share offers. If you apply using Microgenius we will take direct debit payments for the shares via their payment provider, GoCardless.

## The shares

360,000 shares (approximately 150,000 in issue one and the remainder in issue two) are offered at par and are payable in full on acceptance of an application on the Terms and Conditions of this Offer Document.

Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by Reach Community Solar Farm Ltd at their registered address. Each person or organisation issued with Shares becomes a Member of the Society, 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 surpluses)
- The right to the return of the original investment at the end of the life of the project, or at stages as determined by the Directors and subject to available surplus assets and any new business of the Society
- As a Member, eligibility for election to the Board

## Oversubscription

If the share offer is oversubscribed you may not get the number of shares you have applied for, and you may not receive any at all. The Board reserves the right to give priority to applicants living closest to the site, and to implement a cap on the maximum number of shares that any individual is issued. In the event of you not receiving the full number of shares you applied for the value of the shares not allocated will be refunded to you within two weeks of stage two of this share offer closing.

If you make your application before the first issue of shares, you may receive some shares in issue one, and some shares in issue two. Both share issues may be subject to a cap on the maximum shareholding. For example, if you apply for 5000 shares, you may be allocated only 1500 shares in issue one. You would then receive up to 3500 further shares in issue two – but less if issue two is also oversubscribed.

## Share Withdrawals

The withdrawal of shares will be suspended for the first 3 years of the project. The scope for being able to withdraw shares beyond that point will be dependent upon the society developing a successful business and having sufficient capital to pay out share withdrawals. Any withdrawal of shares is at the discretion of the Board.

The directors of the society have the right to change the withdrawal facility. The directors also 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.

## Returns to Members

The society will pay only a sufficient rate of interest on money paid for its shares and may 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 reachsolarfarm.co.uk website, by e-mails, by occasional newsletters, annual reports and Annual General Meetings.

## Taxation

Interest payments made to members will be subject to taxation in the United Kingdom. Members will be responsible for declaring this income on their tax returns.

## Legal Information

This document is issued by Reach Community Solar Farm Limited, registered number 32300 R, as a Community Benefit Society incorporated in England and Wales on the 31st January 2014 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.

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 may 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. The primary aim of the society is to provide a community benefit. As such, your investment is primarily for the purpose of supporting the community rather than making an investment. As a Community Benefit Society, the maximum return offered to investors will always be limited.

## Nomination option

A member may, in accordance with the Financial Services and Markets Act 2000, nominate an individual or individuals to whom her/his property in the society at the time of his/her death shall be transferred. Such nomination shall only be valid to the extent allowed in the above act.

On receiving satisfactory proof of death of a member who has made a nomination the society shall, in accordance with the above act, either transfer or pay the full value of the property comprised in the nomination to the individual or individuals entitled.

## Documents

The Rules of Reach Community Solar Farm Limited, our financial projections and a number of other relevant documents are available on our website. Please visit [reachsolarfarm.co.uk/documents.html](https://reachsolarfarm.co.uk/documents.html).



# Terms and conditions

## Eligibility

This share offer is open to anyone over 16 years of age who supports the objects of the society and who meets the membership requirements as set out in the rules of the society.

## Size of shareholdings

The maximum number of shares that can be applied for by any individual is 20,000. The minimum number of shares is 250 for residents of Reach parish, and 500 for other applicants.

## Application procedure

- If you wish to take part in this offer you should consider all the risks and should consider taking independent financial advice.
- You may apply by post by completing the Application Form to be found at the end of this document and submitting it to Reach Community Solar Farm Ltd at the address given on the form. A cheque for the full amount you have applied for should be sent with the application.
- You may also apply on our website, at <http://reachsolarfarm.co.uk/share-offer>. If you apply through the website you will be expected to make a bank transfer to our account to pay for the shares.
- We will also accept applications through Microgenius (<http://microgenius.org.uk>). Investments made through Microgenius require a UK bank account and valid email address. Once signed up with Microgenius you can pledge your investment in Reach Community Solar Farm. Microgenius uses GoCardless to set up a direct debit between you and Reach Community Solar Farm Ltd. Funds are withdrawn only when shares are issued. You will receive an email from GoCardless three days before withdrawal. Investments made through Microgenius avoid refunds since funds will only be debited from your account for shares which have been allocated to you.
- By submitting an application form you offer to subscribe, on the terms and conditions set out here and in the Rules of the Society, for the number of shares applied for, or such lesser number as the Board may allocate.
- On shares being allocated to you, you agree to becoming a member of Reach Community Solar Farm Ltd and to be bound by its rules.
- Once an application has been made it cannot be withdrawn.
- Multiple subscriptions will be admitted providing they do not result in a member holding more than 20,000 shares.

## Offer timetable

The offer will commence on the 5<sup>th</sup> February. Stage one closed on the 17<sup>th</sup> March, and stage two will run from the 17<sup>th</sup> March to the 31<sup>st</sup> May, or earlier if it is oversubscribed.

## Oversubscription of offer

If the offer is oversubscribed, the Board reserves the right to close it early. You may not receive the number of shares you have applied for and you may receive none at all.

## Undersubscription of offer

If the offer is undersubscribed, the Board will consider alternative finance arrangements to fund the shortfall necessary to undertake the project. If the offer is undersubscribed by a significant amount however the Project will not go forward and monies will be returned to applicants. Reach Community Solar Farm Ltd will not be responsible for loss suffered due to loss of interest, bank charges, or any other cause as a result of this provision.

## Applicants commitments

On submitting an application form you confirm that you:

- meet the eligibility criteria
- are not making multiple applications for a total of more than 20,000 Shares
- are not relying on any information or representation in relation to the Offer which is not included in this Offer Document
- will provide all additional information and documentation requested by Reach Community Solar Farm Ltd in connection with taxation, money laundering or other regulations
- if applying for shares on behalf of another person, that you are authorised to do so

## Procedures on receipt

- Cheques 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 without reasons being given.
- Application Monies in respect of any rejected or scaled-down Applications shall be returned by bank transfer or by crossed cheque, payable to the Applicant, to the postal address on the Application Form not later than one month after the end of the Offer Period.
- 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 Society reserves the right not to enter into correspondence with Applicants pending the issue of share certificates or the return of Application Monies.
- Results of each issue of the Offer will be published on the website within one month after the Offer has closed.
- In the case of oversubscription the Directors shall determine the allocation of Shares at their discretion, and priority may be given to applicants who live close to the scheme.
- Share certificates will be issued to successful Applicants within two months of the Share offer closing
- Where applications are made through Microgenius, no payment is taken up front, but Applicants agree to direct debit payments being taken from their bank account shortly before shares are issued. Notification will be given by email to the Applicant in advance of any direct debit being taken.

## Governing Law

This Offer Document and the Terms and Conditions of the Offer are subject to English law.

# Application form

## Reach Community Solar Farm Share offer 2015

**Important:** before completing this Application Form you must:

- Read the accompanying Share Offer Document
- Pay special attention to the Risks set out in this Share Offer
- Consider whether you need to take financial or other advice in relation to the Terms and Conditions contained in the Share Offer
- Read the Rules of Reach Community Solar Farm Ltd available on the project website at [www.reachsolarfarm.co.uk/documents.html](http://www.reachsolarfarm.co.uk/documents.html)

**You should only use this version of the application form if you wish to pay by cheque. If you wish to make a bank transfer, please use the application form on our website at <http://reachsolarfarm.co.uk/share-offer>**

## Applicant details

Title	<input type="text"/>
First Names in full	<input type="text"/>
Last name	<input type="text"/>
Address	<input type="text"/>
Post code	<input type="text"/>
Telephone	<input type="text"/>
Email	<input type="text"/>

## Amount to invest:

I wish to invest the following amount in Reach Community Solar Farm Ltd on the Terms and Conditions of the Offer Document at the price of £1.00 per share:

£

*Residents of Reach Parish may invest not less than £250. Other applicants may invest not less than £500. The maximum investment is £20,000.*

If you are intending to claim EIS tax relief please tick here:

## Declaration

- I am at least 16 years old.
- I agree to be bound by the Terms and Conditions included in the attached Share Offer and the Rules of Reach Community Solar Farm Ltd.
- I understand that the Board of Reach Community Solar Farm Ltd. may reject my application and does not have to tell me why it has been rejected.

Signature

Date

## Your payment

Please attach a cheque for the amount shown above to this application form, made payable to Reach Community Solar Farm Ltd.

Send your completed application form to:

Reach Community Solar Farm Ltd  
Willow Farm  
Lode Fen  
Lode  
Cambridge  
CB25 9HF

If you wish to nominate a person to whom you wish your shares to be transferred to on your death, please complete a "Nominee Appointment Form."

## Data protection and money laundering

The data provided by you on this form will be stored in a database. The data will be used only by Reach Community Solar Farm Ltd and will not be disclosed to any third party. It is a term of the offer that to ensure compliance with the Money Laundering Regulations 2003, we may require verification of identity from any person seeking to invest.

# Nominee Appointment Form

Reach Community Solar Farm Share offer 2015

This form should only be completed if you wish to nominate a person to whom you would like your shares to be transferred on your death. We will respect these wishes as far as UK law and our Rules permit.

## Your details

Title	<input type="text"/>
First Names in full	<input type="text"/>
Last name	<input type="text"/>

## Details of person to whom shares should be transferred

Title	<input type="text"/>
First Names in full	<input type="text"/>
Last name	<input type="text"/>
Address	<input type="text"/>
Post code	<input type="text"/>
Telephone	<input type="text"/>
Email	<input type="text"/>