



Low Carbon Gordano Limited

Open Share Offer Document

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Approved by the LCG Board on 9.2.19.

The Directors have taken all reasonable care to ensure that every statement of fact or opinion included in this document is true and not misleading.

Low Carbon Gordano Limited is a Community Benefit Society

Registered in England and Wales on 28th April 2011

Registration number: 31251 R

Registered Office: The Coach House, 2 Upper York Street, Bristol, BS2 8QN

www.lowcarbongordano.co.uk

contact@lowcarbongordano.co.uk

1: Purpose

Low Carbon Gordano is now running an Open Share Offer for the following reasons:

- to stimulate and support the organic growth of the enterprise through increased membership and investment.
- to provide liquidity for its share capital, with new investment generating the funds to cover withdrawals.

2: Background

2:1-Our Vision

“A low carbon future for the Gordano community, North Somerset and the wider world using a co-operative model to ensure community participation and ownership”.

2:2-Our Mission Statement

“To help create a low carbon future through renewable energy generation, energy storage, renewable energy supply and other carbon reduction measures”.

2:3-Our Aims

1. Achieving carbon reduction through developing renewable energy generation and storage schemes, renewable energy supply and supporting energy reduction programmes
2. Generating a financial surplus for reinvestment in carbon reduction projects in our community
3. Maximising local business and employment opportunities to help develop a sustainable local economy
4. Encouraging all sectors of the community to adopt a low carbon lifestyle
5. Collaborating with energy deprived communities in other parts of the world to achieve fairer, sustainable, low carbon lifestyles.

2:4-Investment policies

Applications for new shares and to withdraw shares are controlled by the Board of Low Carbon Gordano. In managing these processes, the Board refers to its Open Share Offer and Share Withdrawal policies.

2:5-Current portfolio

Currently we have installed two ground-mounted solar farms (total generation capacity 2.74 MWp) and four roof-mounted systems which are on community buildings (0.28 MWp), at a cost of £3.3million.

Despite current Government policy which has removed most of the financial incentives for solar schemes, we still see a potential for more roof-mounted systems both on commercial buildings and community facilities especially schools.

Appropriate sites will all have the characteristic of a high-day time energy usage. LCG is actively seeking suitable sites. One example of a completed project is the

installation of a 196kW solar PV system on the Churchill Academy in September 2018.

LCG is also seeking to purchase existing solar PV systems. One example of this is the 100kW Kennels array near Backwell currently owned by Solarsense.

We are also actively exploring the new technologies around energy storage to maximise revenue and provide continuity of supply.

3: Returns on investment

The following table shows the interest paid to members over the past three years.

Interest on shares	2015/16	2016/17	2017/18
Interest rate on shares	5.5%	5.5%	5.5%
Interest paid on shares (£)	88,818	158,973	£174,112

(Note that the interest paid reflects shares held and performance in the preceding financial year).

The aspiration is to pay interest on members' shares held at the rate of 2.5% above RPI (Retail Price Index). However, there are many factors that influence the actual rate paid which is a decision made by the Board of Low Carbon Gordanò Limited. Consequently, there can be no guarantee of the return on investment.

In addition, the projects have enabled the following donations to our Community Benefit Fund. This has provided grant aid to 20 community groups for energy saving measures.

Community Benefit	2015/16	2016/17	2017/18
Community benefit payments (£)	£25,000	£25,000	£15,000
No. projects funded	8	7	5

4. Financial Summary

Society funds	31/3/16	31/3/17	31/3/18
Fixed assets (£)	3,016,874	2,859,833	2,704,010
Member share capital (£)	3,196,220	3,195,500	3,184,500
Cumulative profits (£)	(29,936)	(162,826)	(320,014)
Long-term liabilities (£)	0	0	0
Net worth; total reserves* (£)	3,166,284	3,032,674	2,864,486

Member share capital	2015/16	2016/17	2017/18
New shares capital in year (£)	974,050	0	0
Share capital withdrawn in year (£)	0	720	11,000
Share capital closing balance (£)	3,196,220	3,195,500	3,184,500

Membership levels	2015/16	2016/17	2017/18
New members joining	85	0	0
Members leaving	0	1	1
Members at year-end	459	458	457

Profits	2015/16	2016/17	2017/18
Net profit (loss) (£)	(21,141)	(132,890)	(157,188)
Addition (reduction) to reserves* (£)	952,909	(133,610)	(168,188)

*Reserves includes shares held and cumulative profits.

Note the retained losses are part of the LCG business plan and are financed by the share equity held. These initial losses are due to cost of capital at the outset. Like a domestic mortgage, the interest cost reduces each year. On current projections, LCG will achieve a pre-tax net profit within ten years as illustrated in the Financial Projections available to download with this document.

5: Supporting documents

The following documents are available alongside this document from the LCG website: <http://lowcarbongordano.co.uk/investing-in-energy/>

- Business plan
- Financial projections
- Share Withdrawal policy
- Open Share Offer policy
- Business Risk Register

Also available on the LCG website are board profiles, policies, general members' meeting minutes, financial statements and Rules of the society.

6: Legal

6:1 Risk Factors

If you are considering buying shares in LCG, it is important you are aware of the element of risk. We have outlined the major investment risks below. This may not be an exhaustive list or explanation of all the risk factors involved and it is worth noting that LCG's future performance might be affected by changes in market or economic conditions and changes in legal, regulatory and tax requirements.

It is important to consider the risks carefully before you decide to invest. Make sure you can afford to be without the money you will pay for the shares. If you are in any doubt about the information in this document, you should consult an independent



financial adviser authorised by the Financial Conduct Authority, or get advice from a solicitor or accountant.

This investment should be considered as medium to long-term. If your circumstances change, your shares may not be readily convertible into cash.

Should LCG get into financial difficulties, then:

- We may have to suspend your rights to withdraw your shares
- We may have to write down the value of your shares
- You may lose all the money you pay for your shares

Note: Although shares in LCG are withdrawable, at the discretion of the Directors, you may not be able to withdraw the full price you pay for them if LCG does not have sufficient funds available at the time you want to withdraw your shares. In some exceptional circumstances the Directors may be compelled to write down the value of your shares. Should you then wish to withdraw your shares you will receive only their written down value.

The business risks are addressed in the Business Risk Register which is downloadable from the LCG website.

6:2 Regulatory Matters

As LCG is a Community Benefit Society, it is exempt from the requirement to be regulated under the Financial Services and Markets Act 2000 (FSMA) or subsidiary regulations, and so this document is not required to be approved as a share offering by the FCA nor has it been.

The shares are not specified investments for the purposes of section 22 of FSMA pursuant to paragraph 76 of FSMA (Regulated Activities) Order 2001. Therefore, you do not have the level of protection that you might otherwise be offered by FSMA. The issue of withdrawable shares, which are not transferable, exempts this share offering from the requirements of an approved share offering required by section 85(1) of FSMA. The money that you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme and investors have no right to complain to the Financial Ombudsman Service.

6:3 Dissolution

Your attention is drawn to rule 69 of the rules governing LCG, which states that members will receive no personal financial benefit from the conversion, transfer, dissolution or winding-up of the Society. On a dissolution or winding-up of the Society, any surplus assets (after payment of any liabilities) shall not be distributed to any members but shall be transferred to some other non-profit body or bodies

nominated by the members which is or are subject to the same degree of restriction on the distribution of surpluses and assets as the Society. On a conversion, amalgamation and/or business transfer, the society or company into which the society converts, amalgamates or transfers its business must have objects similar to those of the Society.

7: Application Process

7:1 Share Offer

This investment opportunity is open to individuals over the age of 16, corporate bodies or nominees of unincorporated associations.

- There is a single class of shares with a nominal value of £10
- The minimum investment is £500 (50 shares)
- The maximum investment is £100 000 (10,000 shares), unless the member is another Industrial and Provident Society
- All members of LCG have one vote regardless of how many shares they hold
- Members may hold shares for children under the age of 16. Please read the 7:2 nomination option and the application form.
- Investors may apply to withdraw their share capital at any time (see Share Withdrawal Policy)
- Shares are not transferable as per LCG's rules which prevents the sale of shares to third parties

We will keep members up to date on developments through our website, emails (where you have given us permission), via occasional newsletters, the Annual Report, the Annual General Meeting and any general member meetings that may be deemed necessary or of interest to members.

The offer is an open share offer and is not time-bound.

7:2 Nomination option

In the event of the death of a member, the repaid value of the shares will normally be added to the estate for probate purposes. The application form at the end of this document enables a member to nominate a person to whom they wish to transfer their total shareholding on their death up to a maximum value of £5,000.

You may also purchase shares to be transferred to a child on their reaching their 16th birthday. Before that transfer you remain the beneficial owner of those shares and may dispose of them in line with LCG's rules. Any interest paid will accrue to yourself until the shares are transferred to their new owner. Note that shares held on behalf of someone else will count towards the legal maximum number of shares held of £100,000.

7:3 Your application

You cannot withdraw your application for shares after we receive your application form. Any amounts to be invested are payable in full on application. The Directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reasons for their decision. Your application will be considered for approval at the first convenient Board of Directors.



Neither LCG nor any of its Directors or agents can provide investment advice, tax advice or recommendations to investors.

Share applications will be handled by LCG. In addition, Neville Registrars Limited handles the ongoing administration of LCG in relation to keeping the share registry, issuing share certificates, payment of interest and other matters of an administrative nature. LCG may also carry out an identity check for anti-money laundering purposes.

Please note you are responsible for telling LCG and Neville Registrars of any change in your email or address. Contact:

LCG – contact@lowcarbongordano.co.uk

Neville Registrars – info@nevilleregistrars.co.uk

7:4 Your payment

LCG will acknowledge receipt of your cheque and application by email and will pay-in your cheque as soon as it is received. Bank account details are given in the application form below.

LCG will hold your money in a designated share offer bank account on trust for you until the Directors consider your application.

The Directors will return your money to you (within 28 days of the Board of Directors meeting at which they consider your application) if they decide not to issue shares to you. If they decide to issue fewer shares to you than you applied for, they will return the balance to you (within 28 days of that Board of Directors meeting).

The money will belong to LCG (and the Directors will no longer hold it on trust for you) as soon as the Directors issue shares to you.

The Society will not pay you interest on any money it returns to you.

7:5 Your promise to the society

You promise that:

- Your cheque will be honoured on presentation.
- You as an individual are at least 16 years of age.
- You have the authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it. The Directors will be unable to issue your shares until they can see this evidence.

- You will give proof of your identity and address if the Directors ask for it. They may need to do this for anti-money laundering purposes. The Directors may have to hold your shares until they see this.

7:6 Miscellaneous

This Offer and any agreement entered into for the purchase and sale of shares in the Society is governed by the law of England and Wales. The courts of England and Wales have exclusive jurisdiction. You will be bound by the Rules of LCG and the Secondary Rules of LCG (as may be amended from time to time) if the Directors issue shares to you.

Before completing the application form you must:

- Carefully read the share offer document.
- Pay special attention to the risk factors.
- Consider taking financial or other advice in relation to the terms and conditions of this share offer.
- Read the Rules of LCG and other supporting documentation listed previously.



Membership and Share Purchase: Application Form

This is an application form for new and existing members of Low Carbon Gordano Limited. Note that the minimum new investment requirement for any member is 50 shares at £10 each (£500). The minimum is set to ensure that the costs of share account administration are covered. The maximum shares held by an individual must total no more than 10,000 shares (£100,000). Including shares currently held and shares held on behalf of children under the age of sixteen.

This is an open share offer and hence has no closing date.

How to apply for membership and to buy shares

To apply for membership and to buy shares, please complete this Membership and Share Purchase Application Form and return it to:

Society Secretary, Low Carbon Gordano, The Coach House, 2 Upper York Street Bristol, BS2 8QN.

Make a payment to:

Account name "Low Carbon Gordano Limited Share Offer"; Account Number 20345208; Sort Code 60-83-01, using the applicant's surname as the bank transfer reference.

Alternatively, enclose a cheque or banker's draft (made payable to Low Carbon Gordano Limited) with the Membership and Share application form.

If you have any queries about this application process please email contact@lowcarbongordano.co.uk

If you have any doubts about whether to invest then you should seek independent financial advice.

Applicant details

(Please use capitals and black ink)

I **am / am not*** already a member of Low Carbon Gordano Limited.
(*delete as appropriate)

Title (Mr/Mrs/Ms/Miss/other):

Forenames:

Surname:

Date of birth:

Address:

Town:

County:

Postcode:

Please provide a daytime telephone number in case of queries relating to this application:

Please provide your email address:

If you have not lived at this address for more than three years then please also provide your previous address:

For corporate membership ONLY

Full name of Company:

Registered number:

Address for Correspondence:

Contact name (this will be assumed to be the authorised representative in the first instance):

Telephone:

Email:

Amount to invest

The investment applied for (including any previous investment you have made with Low Carbon Gordano Limited) has to be for a minimum of 50 shares (£500) and the maximum shares held must total no more than 10,000 shares (£100,000) including any shares held on behalf of children under the age of sixteen.

I wish to invest a total amount of (in multiples of £10): _____

Please use the applicant's surname as the reference on the bank transfer and provide that reference here _____



Declaration

I confirm my understanding that:

- This application, if and when accepted by Low Carbon Gordano Limited, forms a contract subject to English law and the Rules of the society
- My capital is at risk and any interest payable will be dependent on the financial performance of the society

I confirm that:

- (If not already a member) I am applying for membership of Low Carbon Gordano Limited and I agree with its mission and aims as set out on <http://lowcarbongordano.co.uk/about/business-overview-2015-2017/>
- To the extent that I am an individual, I am over 16
- I am not making an application that would result in an aggregate holding for more than 10,000 shares (£100,000), including any held on behalf of children under the age of sixteen.
- I will give proof of my identity and address if the Directors of Low Carbon Gordano Limited ask for it and authorise the Directors to carry out appropriate identity checks. They may need to do this for anti-money laundering purposes. The Directors may have to hold my shares until they have completed their checks
- I am not relying on any information which has not been included or referenced as supporting documentation in the open share offer document.

Low Carbon Gordano Newsletter

As a member, you will receive information about the AGM, your share interest and updates on existing projects. If you want to receive more general information about Low Carbon Gordano including the potential for investing in new projects as well as other information that we believe may be of interest to you then you will need to opt-in to the regular newsletter that we aim to send out on a quarterly basis. Please opt-in to staying informed:

- Yes, I would like to receive the regular newsletter.
- No, I would not like to receive the regular newsletter.

SIGNATURE

Date:

**Authorisation for Low Carbon Gordano to pay share interest into
your bank account
(Please use capitals and black ink)**

Full Name of shareholder

Contact Email

Interest payments re Low Carbon Gordano shares –

I confirm that share interest payments can be paid into my bank account, the details of which are as follows:

Bank Sort code:

Bank Account number:

Account Name:

Signature of applicant.



**Holding shares on behalf of children under the age of Sixteen and nomination of shares on death
(Please use capitals and black ink)**

You can choose to:

- Hold shares on behalf of children under the age of sixteen (at which age they become a full member) and/or
- Nominate a person to whom you wish to transfer your total shareholding up to a maximum value of £5,000 on your death..

Please fill in the relevant following sections.

Holding shares on behalf of children under the age of Sixteen

If you wish to hold shares on behalf of someone else who is under 16, please fill in that person's details below. Note that if you do hold shares on behalf of someone else this will count towards the legal maximum number of shares held of £100,000.

Forenames:

Surname:

Date of birth:

Address:

Town/city:

Postcode:

**Nomination of shares on your death
(Please use capitals and black ink)**

You can nominate a person to whom you wish to transfer your total shareholding up to a maximum value of £5,000 on your death.

Trustees will need to be appointed for a nominee under 16 years old.

Low Carbon Gordano Limited will respect your wish in so far as the law and our Rules permit.

Personal details of your nominee:

Forenames:

Surname:

Date of birth:

Address:

Town/city:

Postcode:

I understand that it may not be possible for Low Carbon Gordano Limited to action this request and I and my heirs will not hold the Society responsible for its actions. I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of Low Carbon Gordano Limited at its Registered Office. I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Signed as a deed:

Signature of Witness:

Date:

Date:

Name in print:

Occupation:

Address: