



Low Carbon Gordano Limited

Membership Offer Document

Based on the Open share offer document prepared by Brian Titley & Paul Thurston

Approved by the LCG Board on 26.10.19.

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](http://www.lowcarbongordano.co.uk)

[contact@lowcarbongordano.co.uk](mailto:contact@lowcarbongordano.co.uk)



## **1: Purpose**

Low Carbon Gordano is currently only open for applications for new members who must apply only for the minimum shareholding of 50 shares (£500).

The Board has prepared an open share offer which will only be launched and promoted when we have new projects which require a capital raise:

- 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 this member offer, the forthcoming 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 Gordano 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



| <b>Society funds</b>           | <b>31/3/16</b> | <b>31/3/17</b> | <b>31/3/18</b> |
|--------------------------------|----------------|----------------|----------------|
| 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      |

| <b>Member share capital</b>         | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18</b> |
|-------------------------------------|----------------|----------------|----------------|
| 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      |

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

| <b>Profits</b>                        | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18</b> |
|---------------------------------------|----------------|----------------|----------------|
| 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 rules 102 to 106 of the rules governing LCG, which state 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 Member Offer**

This member offer is open to individuals over the age of 16, corporate bodies or nominees of unincorporated associations and requires an investment of £500 - the minimum shareholding for membership which 50 shares.

- There is a single class of shares with a nominal value of £10
- All members of LCG have one vote regardless of how many shares they hold
- 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 member offer is not time-bound.



### **7:2 Your application**

You cannot withdraw your application for shares after we receive your application form. The £500 to be invested is payable in full on application. The Directors do not have to accept your application for membership / shares. 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.

Member / 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](mailto:contact@lowcarbongordano.co.uk)

Neville Registrars – [info@nevilleregistrars.co.uk](mailto: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 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 and 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 member 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 membership of Low Carbon Gordano Limited. Note that the application requires an investment of 50 shares at £10 each (£500) which is the minimum shareholding required for membership. This minimum is set to ensure that the costs of share account administration are covered.

This is a member 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](mailto: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:

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 on a separate sheet of paper.

**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**

I wish to invest a total amount of (in multiples of £10 shares): £500

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:

- 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 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