

Target: £220,000

*Minimum Investment: £100**

Closing Date: 16 August 2020

BRADFORD COMMUNITY ENERGY.

Community Share Offer



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DIRECTOR'S LETTER

Welcome.

We are delighted to invite you to become a member of Bradford Community Energy (BCE).

Inspired by the success of community energy projects in other parts of the country, we founded BCE with the ambition of kick-starting a clean energy revolution in the heart of Yorkshire.

Despite further significant changes to Government support for renewable energy, our team of volunteers, with the help of our partners at Bradford Trident, have developed a project to be proud of.

This Share Offer seeks to raise £220,000 to purchase solar panels on two thriving community centres and install a ground source heat pump at the Park Lane Centre, Bradford. Your investment will reduce their carbon emissions, help them to save money on their energy bills and create a fund to reduce fuel poverty.

The Offer has received a support package from the Booster programme. The Directors are grateful for the support gained from the Community Shares Booster programme to cover the cost (£10,000) of establishing the society and launching the share offer. The Booster programme has also agreed a £100,000 Equity match of community shares.

We believe community action is key to the success of this project – from the volunteers who have brought us this far, to those of you who choose to invest in it, to all the families who will learn about fuel poverty and take action as a result.

Please read this Offer Document fully before completing the application form.

We hope you will like what you see, and we look forward to receiving your application and warmly welcoming you as a member of Bradford Community Energy.

Yours faithfully,

David Spicer, Fareeda Mir, Bob Cannell and Carlton Smith
Founding Directors of BCE

IMPORTANT INFORMATION

This document is important and requires your detailed consideration.

Due care and attention have been taken in preparing this offer document. The process was overseen by the board of Bradford Community Energy Limited who can vouch that the information it contains is in accordance with the facts available and that there are no known omissions likely to affect the viability of the business. If you want any advice you should consult with an independent financial adviser authorised under the Financial Services and Markets Act 2000. Any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. **In particular, you have no right of complaint to the Financial Ombudsman Service, nor any access or entitlement to the Financial Services Compensation Scheme.**

The purchase of shares is at full risk and if the business fails it is possible that you will never recover the full value of your shareholding or even lose it completely.

Should Bradford Community Energy Limited experience financial difficulties: we may not be able to pay interest; we may have to suspend investors' rights to withdraw shares; and investors may lose some or all the money paid for shares.

The liability of each member of Bradford Community Energy Limited is limited to the amount paid for their shares.

Please read this entire Community Share Offer document together with our Business Plan and Society rules which can be found online at www.bcel.org

COMMUNITY SHARES STANDARD MARK

In order to ensure that this offer conforms to best practice around community investment, we have sought and been awarded the Community Shares Standard Mark.

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

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society.
- Nothing in the documents is purposefully incorrect, confusing or misleading

Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to: www.communityshares.org.uk



Section One

SUMMARY OF THE SHARE OFFER

INTRODUCTION

BCE are seeking to raise up to £220,000, to put the community of Bradford in control of its renewable energy infrastructure.

THE PROJECT

BCE intend to use this investment to:

1. Purchase two existing (full installed (March 2019) and operational) Photo Voltaic (PV) solar arrays (58kW peak) from Bradford Trident an established community anchor organisation and registered charity in Little Horton, Bradford. Trident will then buy the energy generated by BCE to operate its sites.
2. Install a Ground Sourced Heat Pump (GSHP) 104kW at the Park Lane Centre to capture low carbon heat for the building and generating additional revenue for BCE.

The Community Centres will benefit from electricity and heat at a slightly discounted rate compared to their mains supplier.

A proportion of the Society's surpluses will be made available for community projects tackling fuel poverty and promoting low carbon lifestyles via a Community Fund.

ESTIMATED BENEFITS

In the first year:

- 47,500 kWh of clean, green electricity and heat generated
- approximately 40 tonnes of carbon dioxide saved

Over the life of the Project:

- total energy bill savings of £27,700
- a Community Fund of £44,500

THE SHARE OFFER

The maximum amount sought from this Share Offer is £220,000.

The minimum amount is £60,000.

The Share Offer will open on 22 June 2020 and will close midnight 16 August.

In the event the Share Offer falls short of the Minimum, the Project will not proceed, and Application Monies will be returned.

In the event the Share Offer exceeds the Minimum but falls short of the Maximum, BCE will purchase the PV panels, but not fund the GSHP installation and return unused money.

THE SHARES

The Shares are Ordinary shares of £1 each. For each member, the minimum investment is £100, and the maximum is £22,000, in multiples of £100. Each member will have one vote irrespective of the amount invested. The Shares are invested in BCE as a whole and are not linked to a site.

Members should regard these Shares as a long-term investment. Shares are withdrawable, but are not transferable and will not be listed on any stock exchange. From 1 July 2022, members may apply to withdraw their Shares, subject to the discretion of the Board. See Section 5 for more details.

Your original investment will be repaid to you at the end of the 20 year life of the Project, if not before, subject to the performance of the Society.

Bradford Trident may purchase shares as an institutional investor and as such would be subject to the same rights and terms as individual investors.

THE BENEFITS OF MEMBERSHIP

Buying Shares in BCE means you will become a member of the Society.

Members are entitled to receive the Society's annual accounts, vote at the Society's General

Meetings, and stand for election to the Board of Directors.

Share interest will be determined by the Directors each year, subject to the financial performance of the Society. See Section 3 for more details.

LEGAL PROCEEDINGS

There have been no governmental, legal or arbitration proceedings relating to the Project or BCE and the Board is not aware of any that are pending or threatened.

RISKS

This document has been prepared by the Directors of BCE. Technical and other words and phrases used in this Offer Document with a particular meaning 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.

IMPORTANT INFORMATION

This summary should be read as an introduction only and any decision to invest made based on the whole Share Offer document.

This document has been prepared by the Directors of BCE. Technical and other words and phrases used in this Offer Document with a particular meaning are defined (see Glossary). Complimentary and more detailed information is contained in the Business Plan which is available at www.bcel.org

Section Two

BACKGROUND

TARGET COMMUNITY

Bradford Community Energy was formed in Little Horton, Bradford and its prime target community are the residents of Little Horton (BD5, Bradford West Yorkshire). However, BCE has ambitions and intends to share knowledge and capacity for renewables with community organisations across Bradford district, therefore its defined community of benefit are the residents of Bradford district.

Little Horton is a ward which benefits from considerable community collective action whilst suffering from generations of multiple deprivation including low household incomes, poor housing conditions and large health inequalities. The area has a high degree of ethnic diversity and high-density housing. It benefits from several very good parks, a diverse community and cultural sector and route 66 of the National Cycle Network.

THE STORY SO FAR AND OUR RELATIONSHIP WITH BRADFORD TRIDENT

In early 2018 Bradford Trident (the community anchor charity for Little Horton see page 12 of Business Plan) committed to installing Solar PV Arrays on some of its community buildings. A completion target of April 2019 was set so that Feed in Tariff (FIT) payments could be secured. Following a thorough feasibility assessment, Trident used its capital development reserves to finance the rapid installation and completed the project and FIT registration in late March 2019, just ahead of the final FIT deadline.

As a community anchor charity Trident is keen to support and encourage the creation of renewable energy assets in community ownership, it also has long-term plans in train to support its viability and mission delivery, but with limited capital. Consequently Trident has invested time and energy and a Community Shares Booster grant to establish BCE as a vehicle to deliver renewable assets across Bradford District, for BCE to own and operate these assets, to replicate green asset development in other community buildings across Bradford and to manage the resulting Community Benefit Fund.

The solar arrays were installed with the intention of selling them on to Bradford Community Energy so that the BCE development could benefit from the FIT allocation attached to the PV Solar Arrays and Trident's capital could be recouped for investment into other community assets supporting Trident's mission delivery.

Bradford Trident is currently represented by two of the four Directors of BCE (more independent Directors are being sought), it is the landlord of the renewable assets that are the focus of the first BCE share issue, as well as the principal purchaser of the electricity and heat generated. Trident's Facilities team are also currently acting as BCE's Project Manager of the Ground Source Heat Pump development.

BCE and Bradford Trident have a Memorandum of Understanding to define their working relationship, available at www.bcel.org

Section Three

OUR VISION ---

Following successful community solar energy projects in other parts of the country, BCE was formed in May 2020 with the vision of bringing the benefits of community-owned renewables to Bradford.

BCE believes in a world where communities can source affordable renewable heat and electricity to meet their efficient energy needs. Bradford Community Energy CBS aims are three-fold:

1. To champion local renewable energy installations across Bradford and particularly on community buildings.
2. To generate funds to address fuel poverty in Bradford district.
3. To raise awareness and opportunity for energy conservation and support Bradford's moves towards becoming a zero-carbon district.

BCE Will

- Help community buildings which partner with us save money on energy bills
- Reduce carbon emissions
- Support awareness about energy and climate change
- Create the opportunity for people to invest in local, clean energy for a modest return
- Create a Community Fund to help tackle fuel poverty and promote low carbon lifestyles
- Establish a new local business with expertise in the growing low-carbon sector of the economy
- Help to build a secure, resilient energy supply
- Showcase low carbon technology in the heart of the community
- Inspire others to act on climate change
- Use local suppliers, where appropriate, in order to support the local economy



Section Four

BUSINESS OVERVIEW

INVESTMENT

The table below is a summary of what each of the community shares targets would finance. Also included are details of the budget allocated against the Community Shares Booster Grant secured by Bradford Trident:

Scenario	Minimum Raised £60K	Maximum Raised £220K
Purchase of existing PV schemes	£57,000	£57,000
GSHP*	Not applicable	£158,000
Boreholes		£70,000
Heat Exchangers		£45,000
Associated works		£33,000
Contingency		£10,000
Working capital	£3,000	£5,000
Getting Investment ready	£4,850	£4,850
Launching the Offer	£5,150	£5,150
FINANCED BY		
Community shares	£60,000	£220,000
Loan finance	Not applicable	Not applicable
Booster Grant (secured)	£10,000	£10,000

**based on the installer's quote for the GSHP installation.*

Amounts includes VAT as BCE is not VAT registered.

BOOSTER EQUITY INVESTMENT

BCE have secured investment from the Community Shares Booster Programme, this means that for every pound raised in the community share issue, up to a total of £100,000, the Booster Programme will invest a matching pound. If we raise more than 50% of our £220,000 target the Booster investment will reduce accordingly.

If BCE are successful, therefore, the Booster Programme will be an investor in the Society and will have the same shareholding rights to interest on, and withdrawal of, shares as all other investors.

Institutional investors, such as Bradford Trident, are offered the same terms and rights as all other investors.

INCOME

Once the PV arrays are purchased and GSHP installed, BCE will generate income from:

- Claiming the Feed-in Tariff, the incentive for generating renewable electricity, which is payable on all electricity generated.
- Claiming the Renewable Heat Incentive, the payment for generating renewable heat, which is payable on all heat used.
- Exporting unused electricity to the national grid – any electricity not used on site will be sold to the Grid.
- Sales of electricity to the Sites - at an agreed stable price which is lower than that compared to mains suppliers, via a Power Purchase Agreement.

EXPENDITURE

BCE's largest expenditure will be the installation of the GSHP and purchase of the PV arrays. The principal ongoing expenses throughout the 20 year life of the project will comprise insurance, maintenance and administration. See Section 5 for more details.

COMMUNITY FUND

The Directors will recommend to members that a proportion of the Society's surpluses are paid to a Community Fund. This will be used for projects that meet the Society's objectives of tackling fuel poverty and promoting low carbon lifestyles. A panel, including representatives from the Board and membership, will administer Community Fund.

SHARE INTEREST

Share interest, payable to members on each share, will be determined by the Directors each year, taking into consideration the financial performance of the Society.

Our projections suggest that we will be able to pay an average of 3.25% per year.

This estimate is based on the anticipated income and expenditure and other assumptions detailed in Business Plan. This interest rate is not guaranteed as the possible returns are based on informed assessments and assumptions relating to variable and uncertain factors. We hope members will join BCE for the benefits to the community and the environment, rather than for the financial return alone.

Share Interest will be paid gross and members who are liable to pay income tax will be responsible for declaring this to HMRC. This may be tax free if you receive less than £1,000 in interest income per year.

PROJECT TIMETABLE

The following timetable is planned.

Event	Date
Share Offer opens	22 June 2020
Share Offer closes	16 August 2020
Legal arrangements signed	Mid-July 2020
GSHP installation	July-September 2020
GSHP Commission	October 2020
First AGM	July 2021
First share interest award	July 2021
Community Fund activity	From September 2021

LONG TERM PLANS

BCE aims to develop further Sites over time and will monitor Government policy and installation costs to determine whether this will be viable with comparable risk, community benefit and share interest.

It is anticipated that this would require further offers of new shares. BCE will consult members on any new projects or proposals for future community share offers.

Section Five

SITES

OUR SITES

Bradford Trident as landlord of the following sites has entered into exclusivity agreements with BCE to grant sole right to develop ground source heat pump (GSHP) project at the sites, to operate the PV Solar arrays.

1	Mayfield Centre, Broadway Avenue, Bradford BD5 9NP	30 kWp
2	Park Lane Centre, 124 Park Lane, Bradford BD5 0LN	28 kWp



Both buildings host local charities, small businesses, a childcare nursery and community halls.

All sites have obtained Energy Performance Certificates and registered the solar panels with Ofgem to receive the Feed-in Tariff as of April 2019.

Both sites have approved Grid connections and are fully Microgeneration Certification Scheme verified.

Leases and Power Purchase Agreements have been drafted. Solicitors have reviewed the lease document.

SolarEdge power inverters and optimisers were installed and are functioning well.



1 30kWp Solar Array at Mayfield Centre



2 28kWp Solar Array at Park Lane Centre

THE PROPOSED 104KW GSHP SYSTEM



Illustration of Vertical GSHP system, thanks to the British Geological Survey

The proposed 104kW GSHP system for the Park Lane Centre is eligible for Non-Domestic Renewable Heat Incentive (RHI) payments guaranteed and index linked for 20 years.

A Microgeneration Certification Scheme (MCS) certified installer will be used. The system will provide low cost, low carbon heating to the site for decades.

See Business Plan for additional details and PV array performance figures.

Section Six

FINANCE

ACCOUNTS

BCE was established in May 2020 and as such does not have any published accounts to date.

FINANCIAL PROJECTIONS

The following information is based on BCE's financial model, which has been externally reviewed.

PV Solar Array only scheme:

In the second-year total income settles at £6,300 per year and then steadily raises to £7,800 in the later years. After losses of £2,400 in the first-year operating profits stabilise at £5,000 per year steadily rising to £6,000 in the later years. Profits after tax and financing costs average £1,200 per year.

Balance sheet total starts at £58,000 and slowly reduces to £24,000 in current assets only in year 20.

Cashflow is positive throughout with £3,800 at the end of year 1, rising to £10,000 by the end of year 4, before steadily increasing to £24,000 in year 20.

PV Solar Array and GSHP scheme:

Income rises from £9,700 in the first year to £21,400 in the second year, before steadily increasing to £25,000 in year 20. Operating profits are £7,000 in the first year then £17,500 per year, steadily rising to £21,000 in the later years. Profits after tax and financing costs average £6,700 per year.

Balance sheet total starts at £214,000 and slowly reduces to £133,000 in year 20, of which £124,000 are current assets.

Cashflow is positive throughout with £10,000 at the end of year 1, rising to £34,000 by the end of year 4, before steadily increasing to £124,000 in year 20.

ASSUMPTIONS

The financial model assumes

- Development and installation costs will be in accordance with the quotes received
- Electricity generation of the project in the first year will be 47,464 kWh
- Feed-in Tariff rate in the first year is 4.17p/kWh
- Export Tariff in the first year is 5.34p/kWh
- Sites below 30kWp receive deemed export, being 50% of electricity generated
- Maintenance costs Electric are £10/kW per annum in the first year
- Heat generation of the project in the first year will be 150,000kWh
- Renewable Heat Incentive rate in the first year is 3.21p/kWh
- Maintenance costs Heat are £4/kW per annum in the first year
- Administration costs are £450 per annum in the first year
- Insurance costs are £819 per annum in the first year
- All costs as well as income from electricity sales and the Feed-in Tariff increase by RPI each year, estimated at 2.0%
- Bank interest rate on deposits will be 0.25% per annum
- Annual reduction in panel efficiency of 0.72%
- Members withdraw their capital in line with projections
- Corporation Tax rate of 20%
- Sites use 80% of electricity generated

WITHDRAWAL OF SHARES

Members can apply to withdraw their shares after 2 years, by which time the Society should have achieved financial stability.

The Directors can suspend withdrawal of shares if the Society has insufficient cash available.

Share withdrawal can only be funded from the retained profit of the Society or by the investment of new shares. Applications to withdraw shares will be treated on a first come first served basis. The notice period for share withdrawal is 3 months.

Priority will be granted to the withdrawal of shares by the estate of members who have died.

The financial projections depend on the Board receiving enough applications for withdrawal of Shares from the membership. The scheme will be viable if all members decide to hold all their Shares for the full 20year life of the project; however, the Community Fund would be significantly smaller.

The business model suggests the following share withdrawals over time:

Years	% of original issue per annum
1-2	0
3-10	5
11-20	6

The date on which entitlement to share interests arises will be announced each year.

RESTRICTIONS ON FINANCIAL RETURNS

The primary purpose of the investment is to achieve the community benefit rather than to generate profit for investors. To ensure this, the payment of interest on withdrawable shares in Registered Societies is limited by the Financial Conduct Authority to that “sufficient to attract and retain the investment”.

Investment in renewable energy schemes is not currently eligible for any Government investment tax reliefs. Your potential return is limited to any interest paid on your shares.

INCOME AND EXPENDITURE

BCE’s main sources of income and operating costs are described at Section 3 above. The maintenance budget includes provision for replacement inverters. The administration budget includes the cost of outsourcing the maintenance of records, preparation of statutory returns and Board reports, Feed-in Tariff and Renewable Heat Incentive claims and electricity and heat sales invoicing.

All figures include Value Added Tax (VAT) as BCE is not VAT registered. Cash flow in 2020 has been planned by arranging staged payments with our preferred installer.



Section Seven

RISK FACTORS

Like any organisation, BCE is exposed to a variety of risks: those considered most material by the Board are listed below.

Please see our Business Plan for more detailed list.

Risk	Impact	Likelihood	Impact	Action
Failure to meet stated financial target	Medium	Medium	Delays in development of Ground Source Heat Pump (GSHP).	Share offer is extended. Options considered in line with available funds
Directors delay decision to proceed with GSHP until after summer 2020	Medium	Low	Delay – potential to miss RHIs deadline (31 March 2021)	Prepare project details in advance of agreement sign off deadline.
Installation costs increase	Medium	Low	Adversely affects financial viability	Prepare detailed project plans and obtain several installer quotes.
Delays in securing A Coal Authority permit. (approval usually takes 20-25 working days)	Medium	Low	Would delay the drilling and hence GSHP commissioning	Begin permit request process ahead of share launch. There is also an additional 6 month after the timetabled GSHP commission date before the RHI window closes. Not a Development High Risk area, nor a Probable Shallow Coal Workings Area.

Risk	Impact	Likelihood	Impact	Action
Aquifer not intercepted by GSHP boreholes.	High	Very Low	If an aquifer is not intercepted the GSHP will not have an adequate heat source to run off.	<p>Geological maps and local (within 1 km) deep (30m+) borehole logs (No.s 11) very strongly indicate the “Lower Coal Measures” aquifer is accessible around 100m depth and pumping test indicate plentiful supply of groundwater. A full GSHP technical GeoReport will be commissioned from the British Geological Survey as soon as the service is again available.</p> <p>The site specific geological report supports the borehole data analysis in that the permeable sandstone bedrock and Pennine Lower Coal Measurers Formation beneath the site, a Secondary A classified minor aquifer.</p> <p>If the GSHP report is not favourable GSHP will not progress and stage 2 funds will be returned.</p>
Aquifer and strata of low thermal conductivity	Medium	Very Low	If the boreholes do not transfer enough heat to the vertical heat collection coils, then the system would be sub-optimal.	<p>The GSHP GeoReport should provide a high degree of confidence regarding the lithology, porosity, saturation and thus thermal conductivity of the target aquifer.</p> <p>This will be known before the drilling stage. If less than acceptable then modified subsurface works may be required to increase the area of contact and heat exchange.</p>
System failure under warranty	Low	Low	Short-term loss of income/savings	<p>Check warranties.</p> <p>Ongoing relationship with installer</p>
Installer goes out of business	Low	Medium	Potential loss of Warranties	<p>Undertake robust due diligence checks.</p> <p>Established long-running installer used.</p> <p>Find another company to take on repairs.</p>



Section Eight

THE BOARD

Bradford Community Energy was set up in May 2020 as a Community Benefit Society.

The Board of Directors are:



DAVID SPICER

David is Director of Business Engagement in the Faculty of Management Law and Social Sciences and is leading on the development of the School of Management's programme and portfolio in respect of support for small business and entrepreneurship.

David has over 20 years of experience in higher education and returned to Bradford (where he began his academic career) at the start of the 2019/20 academic year, having previously led the Business School at the University of Salford.

David's research interests include organisational learning, change and leadership and he has undertaken research and consultancy and delivered executive education in both SMEs and with large corporate firms. He currently teaches on both the Undergraduate and Postgraduate programmes within the School of Management.

David is a former non-executive director of Salford Professional Development and the Chairperson of Oakworth Juniors Football Club (a community interest company).



FAREEDA MIR

Fareeda has worked in community development for the past 15 years with 12 years in the NHS in the health and wellbeing arena.

She has been involved with Bradford Trident since its early days and in 2003 was the Neighbourhood Development Officer for the Little Horton ward for 6 years. She next took on the role managing the Women's Centre for Council for Mosques. The centre was built to serve women from all backgrounds.

Fareeda then became a Trustee for Bradford Trident as well as Chair of trustees for West Bowling Training and Advice Centre. Her current role is working in the NHS full time where she works in the community dealing with patients and working in partnership with statutory and voluntary services.

As ward councillor for Little Horton she is active dealing with local issues to benefit the community in which she lives and works and helping those that need support.

Her spare time is spent with her elderly parents and as taxi driver for her 3 children.



BOB CANNELL

Bob has a lifetime's experience of working in and with co-operatives.

He helped Suma become the UK's biggest worker owned cooperative as their personnel officer and, as a consultant, he has worked with hundreds of other UK and European coops. His speciality is people and developing cooperative teams for business success.

Bob was the UK representative to the European and World sectors of the International Cooperative Alliance in Brussels; in the latter he had the unassuming job title of Vice-President Europe North!

In the 1980s and 90s Bob was a Bradford City councillor (for Bradford Moor and then Shipley West). He was Chair of Public Health and Chair of Economic Development and endured four years as a director of the old Bradford Health Authority.

Bob is a keen cyclist, runner and rower (with Bradford Amateur Rowing Club at Saltaire) and lives in Heaton.



CARLTON SMITH

Carlton is CEO and Company Secretary for Bradford Trident.

Trident is the Community Anchor Organisation for Little Horton and manages two community centres, a sports centre, medical/ children' centre and a business centre for the benefit of the local community. Surpluses generated by the Trident's assets are invested into community services including healthy lifestyles, enterprise support, community development, bike library and a pre-school nursery. Trident also hosts the Better Start Bradford partnership.

Carlton was previously an aid worker in Kurdistan for a few years before becoming CEO for Bradford Community Environment Project (BCEP) overseeing the establishment of many environmental projects including: Scrap Magic, Wibsey Community Gardens, the Urban Design Service and the resettlement of Bradford RePaint.

RENUMERATION

Directors are all volunteers and are not remunerated by the Society. Under the Rules the Society may pay Directors expenses incurred in connection with the performance of their role.

Carlton Smith has been paid by Bradford Trident, partly through the Booster Grant to prepare and establish the offer document, business plan and rules of the Society. All work produced has been with the guidance, sight and final approval of the BCE Board.



Section Nine

GOVERNANCE

RULES OF THE SOCIETY

BCE is a Community Benefit Society. It was registered on 14th May 2020 with the Financial Conduct Authority, registered number 8388.

The BCE Rules set out how the Society will be run, and these are available on www.bcel.org.

Each member will have one vote irrespective of the amount invested. Share interest payable to members will be determined by the Directors each year on a per share basis.

Shares are withdrawable and not transferable and will not be listed on any stock exchange. Members may apply to withdraw Shares. Share withdrawal is not guaranteed and the Board retains the sole discretion to return the money paid for them.

Members are protected by limited liability and are only obliged to contribute the initial cost of their Shares.

The business of BCE is managed by the Board. The Directors are elected by and from the membership. The Board may appoint two external independent Directors, who need not be members and are selected for their skills and/or experience.

The maximum number of Directors will be determined by a general meeting, but there shall be no fewer than three Directors.

At the first AGM, after the closure of the Share Offer, the current Board will all step down, and if they wish, stand for re-election by the membership. Any member may put themselves forward for election to the Board.

BCE has an in-built asset lock as part of its Rules. This means that the Board cannot use the Society's assets unless it is for the benefit of the community. However, the Board can return withdrawable share capital to members and transfer assets to another Community Benefit Society which has an asset lock, or a charity.

In accordance with these Rules, the Board may recommend to members that a proportion of the Society's surpluses are used to fund community projects relating to fuel poverty and low carbon lifestyles.

Anyone who invests in BCE will become a member of the Society with democratic control and the opportunity to elect and/or become a member of the Board of the Society.

The founding members are the initial Directors of the Society and any personal financial benefit accruing to them is limited to that available to anyone in the community by virtue of purchasing shares.

Section Ten

TERMS AND CONDITIONS

ELIGIBILITY

Investor membership of BCE is open to any individual or corporation who apply.

Joint applications will not be accepted.

Applicants must be 16 or over at the close of the share offer.

MINIMUM AND MAXIMUM HOLDINGS

The minimum number of shares that you can apply for is £100

The maximum number of shares that you can apply for is £22,000 or 10% of the issue whichever is lower. We will not issue more than 10% of the total shares issued to one individual investor. We have limited the maximum to encourage more shareholder members and reduce exposure to potential withdrawal from one investor. We reserve the right to issue fewer shares than the amount applied for.

As well as individuals, corporate bodies are eligible to purchase shares.

STAGED PURCHASE (BD5 RESIDENTS ONLY)

BD5 residents ONLY may purchase shares through staged payments. Lots of 25 shares (£25) can be purchased per quarter.

A full 100 share allocation must be bought within 12 months of the offer closing date. To register an initial 25 share purchase must be made from a BD5 postcode household.

Failure to complete the full 100 share purchase within a year may result in a full refund to the purchaser's bank account via BACS.

SHARE ALLOCATION PROCESS

Priority for this share issue will be given to applicants from the BD5 postcode in the first instance and BD postcodes in the second instance. Applications will then be accepted from the rest of the UK.

Shares will be awarded in the time order in which they are received, subject to the above prioritisation.

THE SHARE OFFER TIMETABLE

The Share Offer will open on **22 June 2020** and will close on **16 August 2020**. The Directors reserve the right to extend the closing date.

Applications will be processed on a first come first served basis, subject to the share allocation process.

Application Monies will not be spent before the minimum of £60,000 is reached. Subsequent funds received will not be spent until the maximum of £220,000 is reached.

When the Share Offer is closed:

- if the Minimum has not been reached, your payment will be returned to you in full
- if more than the Minimum but less than the Maximum is raised, the Share Allocation Procedure will be applied, and surplus payments will be returned.

NON-UK APPLICANTS

BCE will not accept applications which do not issue from a UK bank account. 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 the Applicant is subject.

COMMITMENTS AND CONFIRMATIONS BY APPLICANTS

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

- meets the Share Offer eligibility criteria (as set out above).
- is not making an application or multiple applications for a total of more than 22,000 Shares.
- has read the Offer Document (including the Risk Factors and these Terms and Conditions) and the Rules of BCE.
- is not relying on any information or representation in relation to the Shares, BCE, or the Project which is not included in this Offer Document or accompanying business plan.
- authorises BCE to make such enquiries as are deemed necessary to confirm the eligibility of this Application.

- shall provide all additional information and documentation requested by BCE in connection with their application, including in connection with taxation, money laundering or other regulations.
- consents to the use of the email address provided in the Application Form as the primary means of communication for official documents and news from BCE.
- understands that the cheque supporting an Application Form for Shares (if enclosed) will be presented for payment upon receipt and warrants that it will be paid on first presentation.
- understands that if the Share Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole.
- if the Applicant is signing an Application Form on behalf of another person, undertakes that they are doing so with explicit authority.

APPLICATION PROCEDURE

Anyone interested in responding to this Share Offer is advised to review the share offer document and business plan.

We accept Applications for Shares in two ways:

Application Option 1:

On paper, using the Application Form appended to this document

- By delivering an Application Form 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 BCE and to be bound by its Rules.
- Once an application has been made it cannot be withdrawn.

Completed, signed application forms must be sent to the Society's Registered Office:

Park Lane Centre, Park Lane Bradford BD5 0JN

Payment may be sent by:

- Cheque to the above address
- Bank transfer using the following details:

Sort code: 08-92-99

Account number: 65952847

Account name: Bradford Community Energy

Reference: Your last name and post code (i.e. Ali 12-04-2001)

Cheques will be presented on receipt. However, the funds will not be committed until the relevant target has been reached for the Project to proceed, subject to the share allocation procedure as described above.

Application Option 2:

Online

You can also apply for Shares online using a secure payment mechanism on the BCE website at www.bcel.org

Complete the online application form and deposit your investment.

- By completing an Application Form 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.

If shares are not allocated to you (see Share Allocation process above) a full refund will be made via BACS to the source account within 1 calendar month of the offer closure date.

No fee is charge for this service.

PROCEDURES ON RECEIPT OF APPLICATIONS

- Cheques/bankers' drafts will be presented on receipt and if they do not clear on first presentation, the Directors reserve the right to reject Applications.
- 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, or by bank transfer, no later than one month after the end of the Offer Period (as extended).
- None of BCE, its Directors, or advisors, will be responsible for loss of interest or any other benefit suffered by Applicants during the period Application Monies are held by the Society. 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 correspondence with Applicants pending the issue of share certificates or the return of Application Monies.
- Results of the Share Offer will be published on the BCE website and by press release within one month after the Share Offer has been closed.
- If BCE needs to return any or all your monies because of oversubscription, cancellation or share allocation procedures of the Project, monies will be returned by cheque, or BACS to the account from which they were paid.
- This application may be withdrawn by the Applicant if a supplementary share offer is issued, but not otherwise and, if accepted by BCE, forms a contract subject to English law on the Terms and Conditions of the Share Offer.

GOVERNING LAW

The Terms and Conditions of the Share Offer are subject to English law and the jurisdiction of English courts.

DATA PROTECTION

The personal data provided by you on the application form will be stored by Bradford Community Energy Limited on an electronic database and in accordance with the General Data Protection Regulation (GDPR).

The data will only be used by Bradford Community Energy Limited in relation to the governance of the Society and to communicate the activities of the Society to you.

Your personal data will not be disclosed to any third party except for anybody having a statutory right of inspection.

For more information about how we treat your personal data, please read our Privacy Notice, which is available on our website: www.bcel.org.

FURTHER INFORMATION

For further information about BCE, please visit www.bcel.org where you will find this Offer Document, Application Form, Business Plan, and our Rules.

Alternatively, contact Carlton Smith at carlton@bradfordtrident.co.uk or on 01274 768062.

BCE WOULD LIKE TO THANK THE FOLLOWING FOR THEIR SUPPORT

Community Shares Unit

Coops UK

Quantum Strategy and Technology

Coop Culture

Locality

Community Energy England

Greater Manchester Community Renewables

Bradford Trident

GLOSSARY

Applicant (also You) An applicant for Shares through submission of an Application Form.

Application Form The form in this Offer Document or any such other form as the Directors agree.

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

BCE (also the Society, Us, We) Bradford Community Energy Ltd, FCA registered number 8388

Board The Society's Board of Directors

Community Fund A fund endowed by the Society for grants to community projects relating to fuel poverty reduction or promotion of low carbon lifestyles.

CPI Consumer Prices Index

DECC Department of Energy & Climate Change

Family Members Is as defined in s.253 Companies Act 2006, and includes spouse, children and parents.

Feed-in Tariff (also FIT) Incentive for electricity generation introduced on 1st April 2010 under powers from the Energy Act 2008.

GSHP Ground Sourced Heat Pump

kWp (kilowatt peak) The output power achieved by a solar array under Standard Test Conditions.

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

Minimum The minimum amount to be raised for the Share Offer to proceed, being 60,000.

MCS Microgeneration Certification Scheme

Offer Document This document

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

Maximum The optimum amount to be raised from the Share Offer, being £220,000.

Project The proposed ownership and operation of solar installations and Ground Source Heat Pumps in Bradford.

RPI Retail Prices Index

Rules The Rules of the Society, available on the Society's website, and on request.

Share Offer The offer of Shares in the Society contained in this Offer Document. Shares New Ordinary shares of £1 in the Society, offered at par on the Terms and Conditions and payable in full.

Site The location of the solar installations and proposed GSHP.

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

APPLICATION FORMS

APPLICATION FORMS

PLEASE USE CAPITAL LETTERS TO COMPLETE BOTH PAGES OF THIS FORM

For Individuals

In accordance with the Rules of Bradford Community Energy Limited, I apply for Shares to the value of:

Minimum investment £100, in multiples of £100 to a Maximum investment £22,000

£

Payment by:

Cheque

Bank Transfer

Staged payment request (BD5 residents only)

Your Details

Title

Mr

Mrs

Miss

Other

First Name:

Last Name:

Address:

Post Code:

Telephone No.

Email:

Date of Birth:



Your Declaration

I confirm that (please tick):

I have read the Share Offer Document, including the Risk Statement at the beginning of the document.

I wish to become a member of Bradford Community Energy Limited.

I agree to be bound by the Terms and Conditions included in the Share Offer Document and the Rules of Bradford Community Energy Limited (available at www.bcel.org).

I understand that the Board of Directors of Bradford Community Energy Limited may reject my application and are not obliged to tell me why it has been rejected.

I consent to receiving formal notices by email and links to formal documents on the Bradford Community Energy Limited website. To reduce our administrative costs, we would like to be able to send you formal notices by email and refer you (by email) to documents posted on our website. By signing this form, you are consenting to receiving such notices by email and accessing documents through our website.

I confirm that I wish to become a member of Bradford Community Energy Limited and consent to the use of my personal data in accordance with the terms and conditions above.

Signature

X

Print Name

Date

Death Nominee

These shares are intended as a long-term investment opportunity of up to 20 years. In light of this we suggest you complete this section to record your wishes.

In the event of my death I nominate the following to receive the value of my shares (*please tick only one*):

Bradford Community Energy

None specified

Named individual below

First Name:

Last Name:

Address:

Telephone No.

Email Address:

I confirm that these instructions are correct.
Please sign and date.

X

Please send your completed application together with your cheque (if applicable) for the amount of shares applied for to:
Bradford Community Energy, Park Lane Centre, Park Lane, Bradford, BD5 0JN

APPLICATION FORMS

PLEASE USE CAPITAL
LETTERS TO COMPLETE
BOTH PAGES OF THIS FORM

For Institutions

In accordance with the Rules of Bradford Community Energy Limited, we apply for Shares to the value of:

Minimum investment £100, in multiples of £100 to a Maximum investment £22,000

£

Payment by:

Cheque

Bank Transfer

Staged payment
request (BD5 residents only)

Your Details

Organisation Name:

Company/society/charity
registration number:

Contact Name:

Contact Position:

Address:

Post Code:

Telephone No.

Email:



Your Declaration

We confirm that (please tick):

we have read the Share Offer Document, including the Risk Statement at the beginning of the document.

we wish to become a member of Bradford Community Energy Limited.

we agree to be bound by the Terms and Conditions included in the Share Offer Document and the Rules of Bradford Community Energy Limited (available at www.bcel.org).

we understand that the Board of Directors of Bradford Community Energy Limited may reject my application and are not obliged to tell me why it has been rejected.

we consent to receiving formal notices by email and links to formal documents on the Bradford Community Energy Limited website. To reduce our administrative costs, we would like to be able to send you formal notices by email and refer you (by email) to documents posted on our website. By signing this form, you are consenting to receiving such notices by email and accessing documents through our website.

We confirm that I wish to become a member of Bradford Community Energy Limited and consent to the use of my personal data in accordance with the terms and conditions above.

Signature

X

Print Name

Date

Organisation Name:



BCEL.ORG



FACEBOOK.COM/THISISBCEL



@THISISBCEL

Bradford Community Energy

Registered Office:

Park Lane Centre, Park Lane,
Bradford
BD5 0JN

FCA Registered no.: 8388

