



Community Share Offer No. 3 Phase 2

2015

This document sets out in detail your opportunity to become a member of Bristol Energy Cooperative and take part in raising £2.8m for a portfolio of solar projects in and around Bristol.
www.bristolenergy.coop



“This empowers a lot of people and makes you feel very good that you are doing something”

Alexandra Pickford, Investor

You are invited to invest in, and become a member of, **Bristol Energy Cooperative (BEC)**, a not-for-profit, community-owned enterprise, growing the local green energy supply in the Bristol region, and returning benefits to the community.

In this, our third share offer, we are seeking £2.8m to finance a portfolio of new solar electricity projects in Bristol and neighbouring areas:

- a 500kWp¹ programme of solar roof installations;
- a 4.2MWp solar farm on the eastern edge of Avonmouth near Lawrence Weston, at the junction of the M5 and M49 motorways; and
- a 4.568MWp solar farm near Puriton, Somerset, located next to the M5.

Altogether these installations will provide 9,268 kWp of solar PV capacity, generating an average of 9,300 MWh of electricity each year. This is enough to power 2,270 average UK homes² and save more than 100,000 tonnes of CO₂ over the 25-year lifetime of the programme.

As well as providing investors with a projected 5% return on their investment, the solar programme will:

- provide subsidised green energy to the community;

- build a fund to support local community activity, projected to be **£4.2m** over the life of the programme; and
- enable BEC to expand its community energy engagement programme.

We invite you to:

- be part of an exciting ethical energy investment opportunity;
- support community organisations with subsidised green energy;
- earn a projected **5%** return on your investment; and
- enable a range of community projects through the community fund that this programme will support.

¹kWp, or kilowatts-peak, is a measure of the power output of a solar PV panel, or array of panels in a solar farm, under peak irradiance conditions; on less sunny days the output will be less

²DECC "Energy consumption in the UK (2015)"

Share offer open:	26 November 2015 -31 January 2016
Amount sought:	£2.8m
Minimum investment:	£50
Maximum investment:	£100,000

Please note that this Share Offer is being run in parallel with a Bristol Energy Cooperative Bond Offer, which is presented in a separate Bond Offer Document.

Bristol Energy Cooperative is the trading name of Bristol Community Energy Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014, registration number 31313R.

The information contained in this Share Offer has been prepared under the supervision of the directors of Bristol Energy Cooperative, who take responsibility for its contents. To the best of their knowledge, all information is accurate.

The Bristol Energy Cooperative share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to the Financial Ombudsman Service.

A registered society is registered with but not authorised by the Financial Conduct Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

An investment in the shares offered in this Share Offer carries risks and you may lose the whole value of your investment. Please consider it carefully in the context of this complete share offer document and related information and, if needed, seek independent advice.

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1 | CHAIR'S WELCOME

I'm delighted to introduce to you Bristol Energy Cooperative's third community share offer to fund solar energy installations.



Bristol Energy Cooperative (BEC) has been developing community-owned, environmentally friendly energy generation since 2011. Our two previous share offers raised £247,000 from over 200 investors to fund the

installation of solar PV panels on the roofs of six community buildings in Bristol. The building occupants benefit from a long-term supply of subsidised green energy, we receive the Feed-in Tariff (FiT) payments for the electricity produced, and investors receive a return on their investment.

It's now time for us to build on this successful foundation, and through collaboration with strong partners, raise our level of ambition for community-owned energy in the Bristol region.

Our third share offer provides a further opportunity to become a member of BEC, or to increase your investment if you are already a member. We are aiming to significantly increase our generating capacity with two community-owned solar farms and around 20 roof-top solar installations on community buildings. This will cost approximately £10.6 million. A proportion of this amount is being raised through bank loans and a parallel BEC bond issue, leaving a target for this share offer of £2.8 million – one of the largest fund-raises so far in the community energy sector.

Withdrawable shares in BEC are valued at £1 each and you may invest between £50 and £100,000. Each investor will receive one vote regardless of the amount invested.

By purchasing shares you will:

- participate in the ownership of local renewable energy resources
- support the re-investment of surplus profits back into local communities
- earn interest on your investment (we are aiming to pay our members 5% interest per annum)
- help reduce the impact of climate change, strengthen local energy supplies and improve energy security

In this year when Bristol is European Green Capital city, I hope you will match our ambition, give this share offer serious consideration, and make an early investment. Your support will help us develop community-owned projects that deliver significant, long-term, community benefit.

Peter Thompson

Chair, Bristol Energy Cooperative

2 | BRISTOL ENERGY COOPERATIVE AND ITS PARTNERS

BEC

BEC was formed in 2011 by people from a number of community energy groups across the city. It was registered as an Industrial and Provident Society for Community Benefit (otherwise known as a Community Benefit Society), but following the Co-operative and Community Benefit Societies Act 2014, is now officially a registered society.

BEC's main aims are:

- to enable meaningful cuts in carbon emissions, and reduce dependence on unsustainable sources of energy;
- to fund and implement renewable energy and energy efficiency measures, in collaboration with communities and businesses; and
- to work co-operatively with communities to make carbon reduction technologies available to all, regardless of financial resources, and support mutual action to respond to the challenges of climate change.

BEC ran its first share offer in 2012, and used the money to fund the installation of solar panels on three community buildings – Hamilton House, Knowle West Media Centre, and Easton Community Centre.

In 2014 BEC's second share offer raised money to install solar panels at the Bristol Folk House, Mill Youth Centre, and South Bristol Sports Centre.

BEC is an active and founder member of the Bristol Energy Network (BEN), an umbrella organisation for all grassroots initiatives broadly engaged in energy and sustainability issues in the Bristol region. Member groups include community energy groups in urban Bristol and others such as Low Carbon Gordano, Sustainable Thornbury and the Marshfield Energy Project.

BEN members enabled us to find our first buildings for community solar, and are helping to provide a pipeline of further buildings and other projects.

What makes us different from a typical commercial enterprise?

Our co-operative model democratises energy ownership. There is one-member-one-vote irrespective of shareholding, and a strong participatory ethos. As a member you will have an equal say in the strategic development of BEC through general meetings, and you can get further involved through joining working groups and standing for election to the Board.

Our constitution is in the form of Rules registered with and approved by the Financial Conduct Authority.

You can view our Rules at www.bristolenergy.coop.

Our rules forbid the sale of our assets to commercial organisations should BEC be wound up, and we are bound by them to act for the benefit of the community. We do this in a number of practical ways:

- Our existing and future solar installations help communities reduce their energy bills and use green energy, thereby cutting carbon emissions.
- We promote the benefits of community energy and 100% renewable energy. We run an energy-switching scheme, produce regular newsletters, and provide volunteering opportunities. We run community energy skills days and activities in Bristol's Big Green Week.
- We contribute revenue from our projects to a community benefit fund. The Bristol Energy Network has been the recipient of our community benefit payment thus far. BEN's current projects include:
 - A pilot project that uses thermal imaging to highlight areas of heat loss in residents' homes. It has the triple aims of lowering energy consumption, saving householders money and reducing the carbon footprint of the homes.
 - Free advice sessions covering energy deals, bill management, energy reduction and how to maximise energy savings. Graduates of the course are offered a free home energy audit to help apply their new skills and receive free insulation materials.

Bristol City Council



Bristol City Council is a key partner to BEC. It has long been committed to promoting a more sustainable Bristol and the promotion of green energy initiatives. BCC is the

landowner of the Lawrence Weston solar farm site, and will provide the high voltage connection to the local grid operated by Western Power Distribution. BCC's Energy Service is working closely with BEC to develop the Lawrence Weston project and is also a partner on many of the rooftop solar installations.

Ambition Lawrence Weston



Ambition Lawrence Weston (www.ambitionlw.org) is a community-driven regeneration project for the Lawrence Weston community in North Bristol.

Local people have developed a comprehensive and challenging 10 Year Plan setting out key projects

targeting improvements in housing, employment opportunities, crime, transport, health & social care, the local environment, education and leisure activities. BEC has worked closely with Ambition Lawrence Weston as one of the solar parks financed by this share offer is located close to this community. A proportion of the Community Benefit from the solar park will flow directly to projects in the 10 Year Plan, and the aspiration is for the solar farm to become one of many positive symbols of rejuvenation in the local area.

Mongoose Energy



Mongoose Energy Limited (www.mongooseenergy.coop) is a company which works with community

groups, commercial developers and investors to identify, develop, build and manage community owned renewable energy projects. Mongoose was formed early in 2015 by the same team that successfully grew Bath and

West Community Energy (BWCE), now a Mongoose member, to become an award-winning forerunner in the community energy sector.

Working with its partner community benefit societies – of which BEC is one - Mongoose has successfully raised over £7m investment into community energy projects over the past year, and is currently managing nearly 6MWp of renewable energy projects on behalf of its partners with a further 10MWp coming on stream in the next few months.

Mongoose is working with BEC to help with the preparation and promotion of this share offer; on the management of the development of the 4.2MWp solar farm in Lawrence Weston; and to facilitate the transfer of the 4.568MWp Puriton solar farm from its current owner – Anesco, a commercial energy projects developer – into community ownership as part of BEC's solar programme described in this share offer.

Ethex



Ethex (www.ethex.org.uk)

is a not-for-profit, web-based investment platform designed to “make positive investment easy

to understand and easy to do”. Ethex will be promoting the share offer and acting as receiving agent; that is, investors wishing to make an investment in BEC will do so via the Ethex website.

Ethex is registered with HMRC for money laundering regulation. This is in order that it can receive money from investors and pass it on to the businesses invested in. All money received from investors is held in a separate account, meaning that it is separated from Ethex's own funds. All Ethex directors have undertaken a 'fit and proper test', as part of the HMRC registration process.

Ethex is not required to be authorised by the Financial Conduct Authority in so far as it provides information on or arranges deals in investments. This is because it is an Enterprise Scheme, which is exempt from regulation in arranging financial deals when not for pecuniary gain, as specified in the Financial Service and Markets Act 2000 (Exemption) Order 2001, paragraph 40.

3 | THE PROJECTS

Project 1 – Rooftops

Letters of intent have been signed with the following organisations for the installation of solar arrays of various sizes:

ACTA Theatre Company, Bedminster
 Brentry Children’s Centre
 Castle Secondary School, Thornbury
 Coniston Community Centre, Patchway
 Easton Community Centre phase 2
 Hartcliffe Community Farm
 Headley Park Community Centre
 Kuumba Centre, St Pauls
 Marlwood Secondary School, Marlwood
 Matthew Tree Project, Inns Court, Knowle

Oldbury-on-Severn Primary School
 Shirehampton Public Hall
 SOFA Project
 St Pauls Church, Southville
 St Werburghs Community Centre
 Stockwood and Sturminster Community Centre
 The Architecture Centre, Bristol
 Wick Sports Ground
 Withywood Centre

The total capacity for the above installations is approximately 500kWp with a total install cost of £690,000.

Pre-registration/pre-accreditation applications have been submitted to Ofgem for all the above sites.

If successful, these will “lock-in” for 20 years the Feed-in Tariff rate that was in place at the time of application.

A further 500kWp of rooftop projects has been submitted for Feed-in Tariff pre-registration and pre-accreditation and has the potential to be installed should additional funds be raised in the Share and Bond offers.

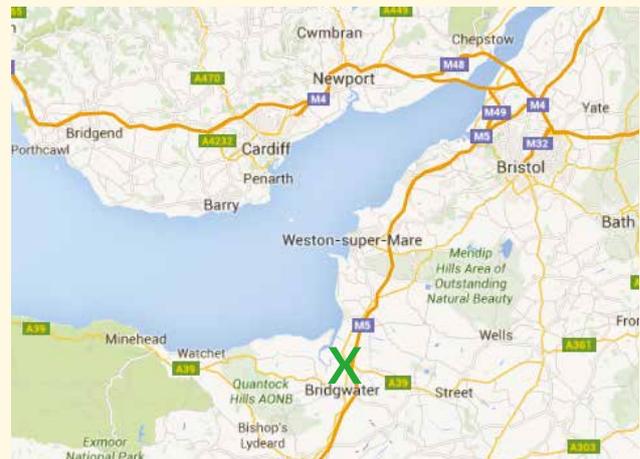
Project 2 – Puriton

The 4.568MWp Puriton solar farm is located near to Puriton, Somerset, just west of the M5 near Junction 23. It is in the process of being constructed, and will be completed at the end of 2015.

The project is currently owned by a Community Interest Company (CIC) which in turn is owned by Anesco, a commercial energy project development business.

The Puriton project has secured pre-accreditation with Ofgem for a Feed-in Tariff of 6.16p/kWh. This FiT is now “locked-in” for the next 20 years and will not be subject to any subsequent changes to Government policy on renewable energy support.

Mongoose Energy has an option agreement with Anesco to acquire the project, on behalf of BEC, and is currently arranging a £2.684m loan facility with Close Brothers, an independent merchant bank based in London.



3 | THE PROJECTS

The total project cost is £5.65m. The balance of funds (over and above the Close Brothers loan), will come from two sources:

- Approximately £300,000 from shares already issued in the first phase of this share offer.
- A **BEC bond offer**, which will run in parallel with this share offer, and which will seek to raise £2.662m in the form of a bond yielding 6% per annum, with the principal and rolled-up interest repaid to bondholders at the end of three years. This bond will not be EIS-

eligible and so will not be affected by any change in EIS rules. A Bond Offer Document, separate to this Share Offer Document, will be issued shortly.

Mongoose is working with BEC so that, once all funding is in place, the Puriton CIC will be acquired from Anesco and transferred into BEC's ownership.

Project 3 – Lawrence Weston

The site for the solar farm at Lawrence Weston, is to the west of Bristol near Avonmouth, on Grade 4 agricultural land. The site is at the intersection of the M5 and M49 motorways on land owned by Bristol City Council.

BCC has obtained planning permission for two 4.2MWp solar farms at this site: the northern half will be commercially-owned; and the southern half will be community-owned by BEC.

BCC's Energy Team is working with BEC and Ambition Lawrence Weston to enable BEC to develop and operate the southern 4.2MWp site. BEC has set up Severn Community Energy One CIC, a community interest company wholly-owned by BEC, which will enter into a lease with BCC and set up an EPC (Engineer, Procure and Construct) contract with a suitably experienced company to build and operate the solar project.

Severn Community Energy One CIC has secured pre-accreditation with Ofgem for a Feed-in Tariff of 6.16p/kWh. As with the Puriton project, this FiT rate is now secured for 20 years.

BEC is working with Triodos Bank to secure a £2.5m loan facility for Severn Community Energy One CIC to



help finance the Lawrence Weston project. Triodos is a Dutch-based ethical bank which has a long-established UK operation based in Bristol. The loan is for 15 years.

The total project cost is £4.222m. The balance of funding (over and above the Triodos Bank loan) of £1.722m, will be provided in the form of investment raised by this BEC share offer.

4 | THE INVESTMENT OPPORTUNITY

This third BEC share offer is for £2.8m. Once the funds have been raised, it is our intention to proceed with:

- **Rooftops project:** installation of solar panels with a total capacity of 500kWp, on community buildings and schools in Bristol and the surrounding area. This would be on similar lines to the projects in our previous two share offers.
- **Puriton solar farm:** acquisition of the Puriton CIC and its 4.568MWp solar farm from Anesco, so that it becomes wholly owned by BEC. This will be an operating asset, generating solar energy and revenues from late 2015.
- **Lawrence Weston solar farm:** construction of a 4.2MWp solar farm which will be owned and operated by Severn Community Energy One CIC, which is wholly owned by BEC. The Lawrence Weston solar farm will be constructed in early 2016 and will start operation in May 2016. In all three cases, BEC will receive payments under the Feed-in Tariff (FiT) scheme at rates secured with Ofgem, and further income from: (i) the sales of subsidised electricity to the building users (for rooftop installations); and (ii) the export of electricity to the National Grid (for all three projects).
- The schemes will generate an average of **9,300 MWh** of electricity each year for 25 years.
- Retail Price Index (RPI) inflation is 1% for the next two years, but after that averages 2.5% per annum (in line with the long-term average).
- Feed in tariff income and all costs increase by RPI each year.
- Income from electricity sales increases in line with accepted industry projections (less than RPI in the short term, and more than RPI in the long term).
- Maximum degradation in solar panel performance is at 0.5% per year in line with performance warranties.
- All projects are insured for risks and loss of income.

Projected Income and Costs

The total projected income over the 25-year life of the projects is **£32.57m**. This consists of income from the Feed-in Tariff and from the sale of generated/exported electricity. The Feed-in Tariff income is guaranteed for a period of 20 years.

The costs consist of operations and maintenance, insurance, and management charges. After costs, repayment of bank loans will necessarily take priority.

Remaining cash surplus will be used to pay members' interest, contributions to the community fund and for either reinvestment in new projects or to repay members' capital. The actual amounts available will depend on the overall business performance.

Payment of interest on shares

One of BEC's key objectives is the development of renewable energy resources for the benefit of the community. As a Community Benefit Society, BEC does not distribute profits to shareholders but may pay interest to members on their shareholdings at a rate sufficient to obtain and retain the capital required to carry out the Society's objectives.

Based on the business plan approved by the Directors, interest will start accruing from the point of issue of share certificates. The projected interest rate will be 5% on share capital for each year it remains invested.

BEC shares are designed as a long-term investment. An important component of our business model is the

Due diligence

BEC will undertake structural surveys and technical, financial and legal due diligence on all proposed rooftop schemes. Mongoose Energy will arrange experts to satisfy the due diligence requirements of debt providers (banks), and of BEC itself, for the solar farm projects.

Operation and maintenance

All of the installations (as with our current installations) will be fully insured for risks including loss of income should the systems be off-line for an extended period of time.

Operation and maintenance contracts for all installations will be agreed with qualified companies. BEC's financial model sets aside funds to pay for the replacement of inverters during the lifetime of the projects.

Key Assumptions

- The total cost to complete the total **9.268MWp** solar projects within the BEC programme described in this share offer is £10.5m, including construction, legal, technical and fund-raising costs.

4 | THE INVESTMENT OPPORTUNITY

repayment of all share capital within the lifetime of each project. Subject to funds being available at the time of the request, and approval from the Board, some or all of a member's investment may be withdrawn from Year 4 onwards.

Please note that despite the measures taken to minimise the investment risk neither the rate of interest nor the return of the investment can be guaranteed. We have outlined a range of identified risks, and you should consider these and our assumptions carefully before applying for shares.

You are investing in Bristol Energy Cooperative and your investment will be exposed to the risks associated with the projects described here and BEC's existing business and projects. In the future we are likely to invest in a range of other renewable energy and energy efficiency measures that will provide an overall comparable return, and your investment will be exposed to the risks associated with those projects also, although increasing the breadth and size of our portfolio reduces exposure to the risks associated with any one project.

The detail of which projects are included in the overall portfolio may need to change from that outlined in this prospectus. Any such changes will be at the discretion of the Directors.

Community benefits

The provision of significant community benefits is central to BEC's vision. As described earlier, it is projected that over the course of the programme up to **£4.2m** will be paid in community benefit. This equates to 13% of the total programme revenue over 25 years. This figure is dependent on a number of variables such as the Retail Price Index over the duration of the programme, and is not discounted. This is important because a significant proportion of the community fund will accumulate in the last 5 years of the 25-year period.

50% of the community benefit from the Lawrence Weston solar farm will be paid to the community near the farm, and administered by Ambition Lawrence Weston, which is the local authority-recognised planning forum for the area.

The remaining community benefit from the projects will be paid into the community fund. Each year BEC members will vote at the AGM on how to allocate the monies in the fund for that year. The Bristol Energy Network will receive a proportion of the funds.

The community benefit payments from the projects in this share offer will dwarf those from BEC's existing projects. BEC will therefore establish a Community Benefit Fund Board to ensure that future community benefit monies are distributed in accordance with both the funding decisions made at each AGM and any funding agreements made while developing particular projects in its portfolio.

The Community Benefit Fund Board will also ensure that the community fund payments are used in a manner which meets BEC's core aims.

If the Share and Bond offers are fully subscribed, BEC will also pay an initial contribution of up to £100,000 into the community fund soon after the close of the offers. This is to help kick-start the enlarged fund.

Tax relief

Unfortunately due to very recent changes introduced in the Finance Bill 2015, Bristol Energy Cooperative is no longer EIS eligible from 30 November 2015. The remaining phases of this share offer therefore do not qualify for tax relief.

5 | ACCOUNTANT'S LETTER

Monahans
Chartered Accountants & Business Advisers

The Directors
Bristol Community Energy Ltd t/a Bristol Energy Cooperative
Happy City Hub
1st Floor, Canningford House
38 Victoria Street
Bristol, BS1 6BY

28 October 2015

Dear Sirs

Accountant's Letter of Comfort
We report on the financial projections comprising the projected profit forecast of Bristol Energy Cooperative ("the Society") in respect of the three solar projects on Bristol rooftops, at Puriton and at Lawrence Weston only, for the 25 years ending 31 May 2041 ("the Profit Projections").

The Profit Projections and the material assumptions upon which they are based are set out on page 12 of the section headed "Financial Information" ("the Document") issued by the Society as a section of the offer for shares dated 29th October 2015. This report is given for the purposes of enabling compliance with the Financial Conduct Authority's Conduct of Business Rules ("the Conduct of Business Rules") and for no other purpose.

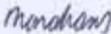
Responsibilities
It is the responsibility of the Directors of the Society to prepare the profit projections in accordance with the requirements of the Conduct of Business Rules.
It is our responsibility to form an opinion as to the proper compilation of the profit projections and to report that opinion to you to enable compliance with the Conduct of Business Rules.
This report is made solely to the Society's Board of Directors, as a body in accordance with our terms of reference dated 19 October 2015. Our work has been undertaken so that we might state to the Society's Board of Directors those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Society's Board of Directors, as a body, for our work for this report, or for the opinions we have formed.

Basis of Preparation of the Profit Projections
The Profit Projections have been prepared on the basis stated on page 12 of the document.
The Profit Projections are required to be presented on a basis consistent with the accounting policies of the Society.
This report is made solely to the Society's Board of Directors, as a body in accordance with our terms of reference dated 19 October 2015. Our work has been undertaken so that we might state to the Society's Board of Directors those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Society's Board of Directors, as a body, for our work for this report, or for the opinions we have formed.

Basis of Opinion
We conducted our work in accordance with the Standards for Investment Reporting, issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis upon which the profit projections had been prepared and considering whether the profit projections have been properly computed based upon the disclosed assumptions and the accounting policies of the Company. Whilst the assumptions and the accounting policies upon which the profit projections are based are solely the responsibilities of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors, which in our opinion are necessary for a proper understanding of the profit projections, have not been disclosed, or if any material assumption made by the Directors appears to us to be unrealistic.
We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the profit projections have been properly compiled on the basis stated.
Since the profit projections and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the profit projections and differences may be material.

Opinion
In our opinion, the Profit Projections have been properly compiled on the basis of the assumptions made by the directors and the basis of accounting used is consistent with the accounting policies of the Company.

Declaration
We have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Monahans

 An independent member of Baker Tilly International


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Managing Partner: Michael Shawyer
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by the Institute of Practitioners Accountants), Richard Forthby, Steve Fraser, Stephen Fry, Harry Hilliard,
Ella Littlewood LLB, Martin Longmore, Simon Tombs (CCA)

Registered to carry out audit work in the UK & Ireland and regulated for a range of investment
business activities by The Institute of Chartered Accountants in England & Wales.

6 | FINANCIAL INFORMATION

The financial projections for the solar PV programme described in this BEC share offer are shown in the table below.

BEC Share Offer 3	Start	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Total
FIT revenue		£2,973,000	£3,421,648	£3,775,679	£4,166,341	£132,084	£14,468,752
Export revenue		£2,318,853	£3,097,375	£3,743,094	£4,285,946	£4,660,829	£18,106,098
Total revenue		£5,291,853	£6,519,023	£7,518,773	£8,452,287	£4,792,913	£32,574,850
Operating costs		£1,498,404	£1,841,405	£2,086,015	£2,218,525	£2,198,123	£9,842,472
Net revenues		£3,793,449	£4,677,618	£5,432,759	£6,233,762	£2,594,790	£22,732,378
Loan interest payments		£1,612,359	£1,640,227	£1,068,358	£367,974	0	£4,688,918
Member interest payments		£561,596	£701,995	£651,020	£445,513	£57,140	£2,417,264
Loan capital payments		£1,122,081	£2,016,167	£2,620,480	£2,595,562	0	£8,354,290
Member capital payments		0	£97,172	£648,412	£1,738,171	£324,223	£2,807,978
Taxation		0	0	£22,444	£263,411	£51,526	£337,381
Community fund payments	£100,000	£350,000	£350,000	£350,000	£630,000	£2,446,546	£4,226,546

Note the following:

- The BEC solar programme has an operational lifetime of 25 years, but FIT revenue ends after Year 20. In Years 21 onwards the bulk of the revenue is from electricity sales alone.
- BEC aims to make a £100,000 contribution to the community fund at the start of the project; that is, early in 2016, before full operation commences.
- Loan interest and loan capital payments refer to payments made to bondholders and to the banks providing project finance.
- Member interest payments are based on 5% of the member capital balance in each year. Therefore as member capital is repaid, member interest payments decline over time.
- The intention is for the Puriton solar farm project to be refinanced after three years, once it has demonstrated its reliability in operation and has yielded consistent revenues.
- A parallel BEC 3-year Bond Offer for £2.662m will run alongside this share offer. The funds raised by this bond will be repaid at the end of the third year as part of the refinancing exercise.
- As well as loans, the refinancing exercise at the end of Year 3 may therefore also include the issue of new bonds, conversion of existing bondholders' funds to equity (if bondholders wish to do so) or the sale of additional shares through a further share offer. The BEC board and BEC members will review all options closer to the time and make a decision based on optimising the benefits to members and the initiatives supported by the community fund.

7 | KEY RISK FACTORS AND HOW THEY ARE MANAGED

If you are considering buying shares in BEC, it is important you are aware of the risks. We have outlined the major risks below.

This may not be an exhaustive list or a complete explanation of all the risk factors involved and it is worth noting that BEC'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 BEC get into financial difficulties, then:

- We may have to suspend your rights to withdraw your shares
- We may not be able to pay interest at the projected rate, or any interest at all
- We may have to write down the value of your shares
- You may lose all the money you have paid for your shares

Regulatory matters

BEC is a Registered Society and, in offering withdrawable shares, it is exempt from the requirement to be regulated under the Financial Services and Markets Act 2000 (FSMA) and subsidiary regulations. Accordingly, this offer document is not required to be approved as a share offering by the Financial Conduct Authority, nor has it been.

The shares are not specified investments for the purposes of section 22 of FSMA (which specifies which activities are regulated by the Act) 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 the Financial Services Compensation Scheme or dispute resolution scheme and investors have no right to complain to the Financial Ombudsman Service.

Principal risk factors

1. BEC may be unable to raise enough capital to proceed with installations.

Mitigation: BEC has contingencies in place to replace a potential shortfall through debt finance. In the event that none of the projects can proceed even with additional debt finance, shares will not be issued and investors will be repaid their investment in full.

2. Capital costs of the installations could be higher than anticipated. Operational costs may rise faster than anticipated.

Mitigation: BEC will use fixed-price contracts for installations and maintenance.

3. There may be interruptions to the generation of electricity from the installations once built, caused by damage to or mechanic/electrical failure of equipment.

Mitigation: Installations will be insured for damage, breakdown and loss of income, though the usual 'Acts of God' exceptions apply.

4. Solar PV panel performance projections are based on methodologies commonly used by the industry, but long-term changes to weather patterns and/or equipment under-performance may result in lower levels of electricity generation and therefore income.

Mitigation: BEC's assumptions around potential renewable energy generation levels each year are based on site capacity and yield calculations provided by our construction partners. These calculations, and the solar radiation data behind them, will be reviewed and verified by external technical experts appointed by our banks as part of their due diligence process.

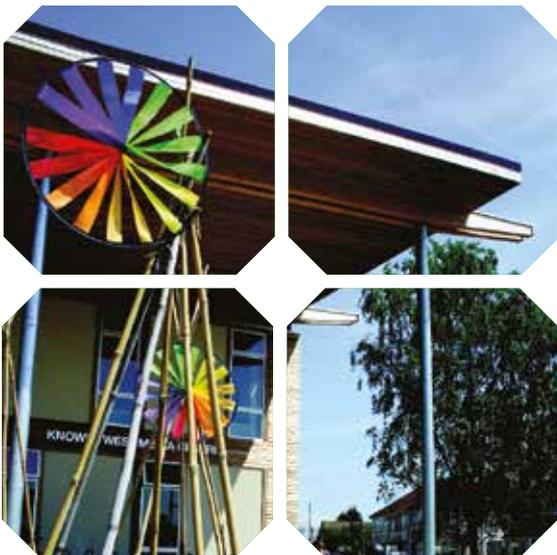
7 | KEY RISK FACTORS AND HOW THEY ARE MANAGED

5. Changes in Government legislation may affect the profitability of future renewable energy projects undertaken by BEC.

Mitigation: Both Puriton and Lawrence Weston have been pre-accredited with Ofgem which means that the Feed-in Tariff (FiT) for these projects is fixed for 20 years. All rooftop schemes have been submitted to Ofgem for pre-accreditation (>50kwp) or pre-registration (<50kwp). This risk would therefore only relate to future investments that are not part of this share offer, and BEC will assess each one on its own financial merits at the time.

6. Previous investments made by BEC and possible future projects in which it invests could affect its ability to pay interest.

Mitigation: BEC has delivered successful projects and generated its target return to members over the last three years - annual accounts from previous years are available for inspection. The directors will ensure prudent on-going management practices are used to minimise risk. BEC will only make investments in future projects if they meet the required financial performance criteria.



“You can really achieve things when you combine technologies with people’s action”

Rachel Clarke, Communications and Press Officer, Knowle West Media Centre

8 | PERSONS RESPONSIBLE, DIRECTORS AND ADMINISTRATION

Our team

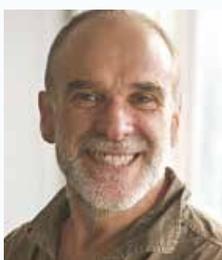
We have been working together since 2011, and have a successful track record in the delivery of community renewable energy projects. This is our third share offer.

Our directors have worked in the financial, environmental, IT, and healthcare industries, as well as the cooperative, social, education and company director sectors. Equally importantly, we were all attracted to the director role through an existing involvement with local energy groups or because we wanted to help the development of community energy. We care about the local economy, the global environment and believe in the power of community to create alternative business solutions that effect real change.

The co-op's existing members are also actively engaged in the development of the co-op, and this has allowed us to develop a number of specific working groups, including solar PV and wind. Many of our working group members also work in the environmental technologies sector.

Our partnership with Mongoose Energy on this programme of solar PV projects means that we can draw on Mongoose's considerable skills and experience in fund raising, project development, and working with banks and other financial institutions.

The directors



Eric Booth

Eric has worked in environmental and social organisations, including nearly 20 years for the Soil Association and then for Sustrans as part of the Cycling City project. Eric has lived in an

1820's house in Southville for over 20 years and over that time has brought the energy standards up about as high as they can go for a refit, starting with the essentials such as draft-proofing and insulation, through to external solid wall insulation. PV and solar thermal were installed in 2006 and since then he has tracked the energy use of the house every month. The house has been part of the Bristol Green Doors network since it was set up and has been visited by hundreds of people.



Gareth Hoskins

Gareth's professional background is working as a finance officer in the public sector. He is also a founder member and CEO of Brendon Energy - a community owned

renewable energy co-operative in Somerset - and has experience of running community solar PV projects.



Andrew Lee

Andrew is another founder director and works as an architectural technician and a New-Build Domestic Energy assessor. He has been instrumental in negotiating with

the owners of proposed roof installations, preparing planning applications, arranging energy assessments and liaising with structural engineers to make sure that the route to installing solar PV on our partner's roofs has run smoothly.

8 | PERSONS RESPONSIBLE, DIRECTORS AND ADMINISTRATION



Andy O'Brien – Secretary

Andy is a founder director and former founder chair of Sustainable Westbury-on-Trym in North Bristol. He has a background in project management and IT. He also has

a Post Graduate Certificate in Education, and previously taught for 10 years in England and overseas. He is a member of Sustainable Thornbury.



Peter Thompson – Chair

Peter works for a consultancy business in the telecommunications industry and has a long-standing interest in both the practical and academic sides to sustainability.

He has a Diploma in Sustainability from the Schumacher Institute, and has run a small company and chaired a trade association. His house has been part of Bristol Green Doors.



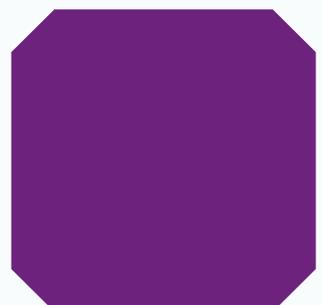
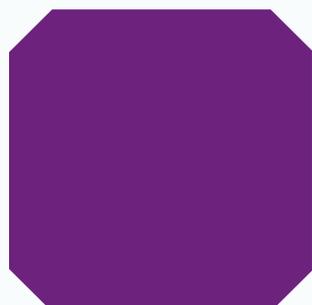
Chris Speller

Chris is a retired doctor who worked as an NHS Consultant and manager. He co-founded and chaired Sustainable Bishopston. Chris has a long-standing interest in sustainable architecture and

energy use, and has opened his home in Bishopston as part of the Bristol Green Doors project. He joined the board inspired by BEC's aim of making greater Bristol's energy economy much more sustainable and equitable.

“I wanted to do something about global warming”

Richard, Investor



9 | TERMS AND CONDITIONS

The share offer

This investment opportunity is open to individuals over the age of 16, corporate bodies or nominees of unincorporated associations. The purchase of shares automatically registers you as a member of BEC.

This is a long-term investment. It is unlike investment in a for-profit enterprise where the investor typically seeks to both share in profits through dividends and make capital gains from an increase in the value of shares held which are freely marketable.

There is a single class of shares with a nominal value of £1. This value does not change.

The minimum investment is £50.

The maximum investment is £100,000, unless the investor is another Industrial and Provident Society. Existing members can make further investments provided their aggregate investment does not exceed this amount.

All members of BEC have one vote regardless of how many shares they hold.

Investors may request to withdraw their share capital after three years from the date of issue, subject to Board approval and availability of funds.

Shares under this offer are not transferable to third parties except on the death of a shareholder.

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

Terms & Conditions for the Share Application

Offer timetable

The full offer period is from 26 November 2015 to 31 January 2016 but will be closed early if fully subscribed, or extended for a further period at the sole discretion of the directors.

Shares may be issued before the close of the offer to enable projects to progress efficiently.

Investments will qualify for interest payments from the date the shares are issued.

Targets and contingencies

The full share offer target is £2.8m.

If less than £150,000 is raised, BEC may decide not to proceed with any project and in this event all investments will be returned.

If the share offer is oversubscribed, BEC may use the funds on additional projects that are viable and meet the investment criteria.

Sale or withdrawal of shares

Shares in BEC cannot be sold to a third party or traded and there is no prospect of them ever being worth more than their nominal value of £1.

You may seek to withdraw your shares after three years from the date of issue giving 90 days' notice.

The directors of BEC have the right to change the notice period for withdrawals, or to suspend withdrawals. BEC will not repay you more than you paid for the shares.

Although shares in BEC are withdrawable, this is at the discretion of the directors, and you may not be able to withdraw the full amount you purchased if BEC does not have sufficient funds available at the time you want to withdraw your shares. In the case of joint investors, all investors concerned must agree to the withdrawal. In some 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.

Interest will be paid on all shares held in BEC until they are withdrawn.

10 | APPLICATION PROCESS

How to buy shares

Share applications will be handled by Ethex, a not-for-profit online platform that promotes and manages positive investing.

To buy shares and become a member of BEC you should apply online through the Ethex website www.ethex.org.uk/bristol where our share offer is listed. This is our preferred method. It is a paperless process and is the most efficient mechanism for investing.

Your application

You cannot withdraw your application for shares after we receive your application. 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.

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

Your payment

Online applications: Ethex will acknowledge receipt of your application and provide bank details for payment by bank transfer. You may also be able to pay in Bristol Pounds, but please contact us first to discuss this option.

BEC will issue shares to you after your application has been considered. Your money will be returned to you within 28 days after you have invested if it decides not to issue shares to you. If BEC decides to issue fewer shares to you than you applied for, it will return the balance to you within 28 days. BEC will not pay you interest on any money it returns to you.

Your promise to the society

You promise that:

- You as an individual are at least 16 years of age
- You have the authority to make the application for investment
- If you are signing it for another person, you will provide BEC or Ethex with evidence of your authority to sign if they ask to see it. BEC will be unable to issue your shares until they see this evidence.
- You will give proof of your identity and address if BEC or Ethex asks for it. They may need to do this for anti-money laundering purposes. BEC may have to hold your shares until it sees this proof.

Dissolution

Your attention is drawn to rule 101 of the rules governing BEC, which requires members to give up any 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 will 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.

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 BEC if we issue shares to you.

Banker

The Co-operative Bank
PO Box 250, Skelmersdale, Wigan WN8 6WT

11 | FURTHER INFORMATION

You can find a copy of our Society Rules and business plan at:

www.bristolenergy.coop

www.ethex.org.uk/bristol

Before completing the application form you should:

- Read this Share Offer Document.
- Pay special attention to the risk factors set out in this document.
- Consider taking financial or other advice in relation to the terms and conditions of this share offer.
- Read the rules of BEC at the web links above.

Additional information about BEC can be found at:

www.bristolenergy.coop

If you have any problems or if you need help about how to apply for shares in BEC, call Ethex on **01865 403 304** or email **help@ethex.org.uk**.

For questions relating to BEC and the investment opportunity call **07503 372 689** or email **invest@bristolenergy.coop**

Bristol Energy Cooperative
Happy City Hub
1st Floor, Canningford House
38 Victoria Street
Bristol
BS1 6BY

Registered address:
77 Stokes Croft
Bristol
BS1 3RD

Investing in renewables

Cutting carbon

Building community



This share offering has been prepared by Bristol Energy Cooperative and its Directors, who are responsible for the contents. The Directors have taken all reasonable care to ensure that every statement of fact or opinion included in this share offering is true and not misleading.

This offer is unregulated and not covered by any form of compensation scheme. Please consider carefully the section on risk factors and membership before investing. Any decisions to invest should be based upon consideration of the entire share offering and, where considered necessary, having consulted an independent financial adviser authorised by the Financial Conduct Authority or a solicitor or accountant.
