



Morecambe Bay  
Community  
Renewables



# Share Prospectus

## November 2013

01524 66100

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[info@morerenewables.co.uk](mailto:info@morerenewables.co.uk)

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Appendix 1 The MORE Renewables Team

Appendix 2 Possible enhanced return through the Seed Enterprise Investment Scheme (SEIS) or Enterprise Investment Scheme (EIS)

## Summary

This document describes an opportunity to become a member of Morecambe Bay Community Renewables Ltd (MORE Renewables) by subscribing to shares in the organisation. MORE Renewables is an Industrial & Provident Society (a co-operative) that installs renewable energy systems in the Morecambe Bay Area.

As a community-owned enterprise, MORE Renewables represents an exciting new vision for economic ownership of our energy supplies, enabling local people to own and profit from the development of renewable energy resources. Please give this offer serious consideration, given the vital need for action to deal with the twin challenges of dwindling fossil fuel resources and the carbon dioxide emissions responsible for climate change.

By purchasing shares you will:

- Participate in ownership of local renewable energy resources.
- Be eligible for interest paid on your investment – we expect to be able to pay 4% from 2015, with lower rates before that.
- Gain an equal vote with every other member in how MORE Renewables is managed.
- Contribute to developing local renewable energy supplies which make use of our resources of sun, wind, rivers and biomass. This will make our area more self-reliant and resilient in the face of rising energy costs, and will strengthen our local economy.
- Contribute to reducing emissions of carbon dioxide, the main greenhouse gas which causes global warming and climate change.
- Enable projects which increase energy efficiency and help people to live more sustainably.

Please read the document carefully in full, before making a decision on whether you want invest.

Share issue offer:	minimum	12,000	
	target	17,000	
	maximum	18,000	shares at £1 per share

Minimum investment	£500 (total holding in MORE Renewables)
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Maximum investment	£20,000 (total holding in MORE Renewables)
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Share offer opens:	18 <sup>th</sup> November 2013
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Share offer closes:	9 <sup>th</sup> December at 5pm (unless closed earlier because of over-subscription, or extended)
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## 1. About MORE Renewables

Morecambe Bay Community Renewables Ltd (MORE Renewables) is an Industrial & Provident Society (a Co-operative) registered with the Financial Conduct Authority. We were set-up in 2011 by a group of Morecambe Bay area residents interested and experienced in sustainability, community, business and renewable energy. The motivation to start MORE Renewables came from a belief that part of the solution to the environmental and economic problems we all face, is for people to take control of their energy generation and distribute the benefits to their local community. We also want to enable people to make an ethical investment in their local community, which provides them with a financial return.

Our vision is to develop a range of renewable energy installations in the Morecambe Bay area, making use of our local resources such as sun, wind, woodland and fast flowing rivers, to reduce carbon emissions, provide a return to investors and funding to help people reduce their energy use and live more sustainably. Over the next 5 years we want to develop several small to medium scale renewable energy projects, including solar, small scale wind, hydro and biomass, representing an investment of £1-3 million, to provide a reliable return to our members and secure funding to community projects which reduce energy use.

What are our aims?

To provide a socially and environmentally beneficial investment opportunity for local people and organizations.

To reduce long-term energy costs and carbon emissions for local communities and not-for-profit organizations.

To increase the amount of renewable energy generated in the Morecambe Bay area.

To provide funding for community projects which help to reduce energy use and promote sustainable living.

MORE Renewables is committed to an ethical and environmentally responsible policy in sourcing and installing renewable energy systems. We will use installers based in the North West of England wherever feasible and purchase technology of proven reliability from reputable and ethical manufacturers.

MORE Renewables' first project was a 50 kWp solar PV system at the Lancaster Cohousing development at Forge Bank, Halton. The system was installed in July 2012. In October 2013 we paid members share interest of 2%, as outlined in our prospectus of May 2012. We also made a community benefit payment of £535 to LESS Home Energy Service, to fund refurbishment of their thermal imaging camera and training for their energy officer.

## 2. The Investment

MORE Renewables is currently offering £17,000 of shares to fund a pellet biomass boiler at the Horton Women's Holiday Centre (WHC), in Horton in Ribblesdale.

The Horton WHC (<http://hortonwhc.wordpress.com>) is a charitable co-operative which has been providing affordable holidays for women and children since 1980. Their day to day costs are funded by women paying for their stay on a sliding scale according to income, with big items of expenditure being covered by donations. Over the past year they have had their biggest turnover yet. Their existing heating system (which uses coal) has broken down and they urgently need a new one before the winter sets in but do not have the funds available for it at the moment. The building is a large, Victorian, stone built former rectory, owned outright by Horton WHC. The loft is insulated and double glazing has been installed.

The 20 kW pellet boiler will be installed by Sustaburn, a company based in Carnforth. This size of boiler is slightly small for the heating requirements of the building (estimated from current coal use). This means the boiler will be used at its full capacity more of the time, supplemented when needed by the open coal fires the centre currently have (which we have recommended they replace with stoves). Horton WHC will buy the pellets for the boiler and operate it. On current costs of pellets they should save around £600 a year compared to what they are currently paying for coal. The boiler will be covered under Horton WHC's existing insurance policy. It does not need planning permission.

MORE Renewables' income from the boiler will consist of the Renewable Heat Incentive (RHI) payments plus payments made by the Horton WHC for the heat produced by the boiler. The RHI payments are made by the government (out of general taxation) to encourage the use of biomass boilers. Payments are made for every kWh of heat produced by the boiler, which is measured by a heat meter. For this size of boiler the current rate is 8.6 p/kWh, up to 26,280 kWh per year. Once the system is registered for RHI payments (which can only be done once the boiler is installed and commissioned), the rate will increase with inflation (RPI) every year. We have assumed that the boiler will generate 26,000 kWh of heat per year, which is 80% of the heat the building currently uses, based on their coal consumption. This gives a margin for less cold winters or improvements in the energy efficiency of the building.

MORE Renewables will have a shared ownership agreement with Horton WHC, with Horton WHC paying £500 towards the capital costs, and owning 3% of the boiler. This agreement is being drawn up for us by Holdens solicitors in Lancaster. Amongst other things it will require that Horton WHC use the boiler in preference to any other sort of heat, buy the right sort of pellets, store pellets so they are dry etc. After three years Horton WHC can, if they wish, buy out MORE Renewables' share of the boiler for our total costs (including admin, maintenance, share interest and community benefit payments, etc) less income. Horton WHC has indicated that they are hoping to buy out some or all of MORE Renewables' share in the medium term.



MORE Renewables uses its income to:

- pay for its administration, maintenance and insurance costs
- pay into a fund to enable members' original investment to be repaid.
- pay a return to its members (share interest)
- fund community projects in the Morecambe Bay area which help people reduce their energy use and live more sustainably. The amount going to fund community projects is at least 25% of the share interest paid to members (this is rule 60 in our rules).

### 3. Financial Projections & Returns

The capital costs of the system are:

ÖkoFen PE 20-B wood pellet central heating boiler and associated equipment	£11,000
Installation	£3,800
MORE Renewables' costs	£1,800
Legal fees	<u>£800</u>
	<u>£17,400</u>

Our financial projections for this project indicate that it will enable us to pay the 3% in 2014 and 4% in following years that we are currently paying members.

This offer is for two classes of shares, Class A and Class B (please see Section 7 for more details on these). We have tried to ensure that the Class B shares will qualify for tax relief under the Enterprise Investment Scheme (EIS) or Seed Enterprise Investment Scheme (SEIS), as promoted by HM Revenue and Customs and we will apply for this in due course. If you are a qualifying income tax payer, and we receive such assurance, you should be able to claim back between 30% and 50% of the money you invest (up to the amount of income tax you paid in the year) in the year that you invest, increasing your effective rate of return. More details of EIS and SEIS are in Appendix 2. Approval for SEIS was given to the majority of investors in our first share offer.

MORE Renewables may buy back shares from members should, for example, Horton WHC purchase the boiler and MORE Renewables does not have other projects which can use this capital.

### 4. Community and Environmental Benefits

For every £1 paid as share interest to members of MORE Renewables, at least 25p is spent on local community projects which increase energy efficiency or help people to live more sustainably (this is rule 60 of our rules). The intention is to help fund projects such as LESS's Home Energy Service, which provides advice and support to householders, particularly those in fuel-poverty, on how they can reduce the amount of energy wasted in their home, and reduce their energy bills and carbon emissions. Decisions about what projects to support are made each year by directors, who are elected by members at the AGM.

By increasing the amount of renewable energy generated in the Morecambe Bay area, MORE Renewables and its members will be reducing the amount of carbon dioxide and other pollutants that are emitted as a result of burning fossil fuels, helping the UK meet its climate change and clean-air commitments.

Biomass pellets are classed as a low carbon technology as the carbon they release when burnt has been absorbed relatively recently (compared with fossil fuels). Changing from coal to pellets will reduce Horton WHC's CO<sub>2</sub> emissions by around 20 to 25 tonnes/year. Wood pellets are typically made from waste materials such as sawmill residue, and there are local manufacturers in Lancashire and North Yorkshire. Quality is an important factor for biomass, and our agreement with Horton WHC includes a requirement that they buy pellets which meet the quality standards required for RHI.

## 5. Membership & Shares

Membership is open to individuals over the age of 16, corporate bodies or nominees of unincorporated associations. You do not have to live in the Morecambe Bay area to be a member, just to wish to support our community.

There are two classes of shares, both of which have a nominal value of £1 and which carry the same voting rights and privileges. The minimum shareholding of both types of shares is 500 (including any that you hold already).

**Class A shares** – these may be paid for in a lump sum or in installments over 10 months or less.

**Class B shares** – these cannot be paid for in instalments and cannot be withdrawn for at least 3 years.

If you wish to qualify for tax relief under the Enterprise Investment Scheme you must purchase class B shares, and must not withdraw your shares for 3 years from the date that the shares are issued. If you do not intend to apply for tax relief please purchase Class A shares.

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

No member may hold more than 20,000 shares, unless the member is another Industrial and Provident Society.

The directors are elected at the AGM. Elected directors must be members of the Co-operative. At AGMs thereafter one third of the directors will retire, though they may stand for re-election. The Board may co-opt additional members to be directors and may appoint up to three professional external directors.

Under the Industrial and Provident Societies Act 1965 the liability of members is limited to their share holding.

## **Withdrawal, Repayment and Transfer of Shares**

You can receive your original investment back from MORE Renewables by withdrawing your shares. MORE Renewables sets aside a proportion of its income every year for this purpose. We have assumed that we will be able to receive 1.75% p.a. interest on this fund. There is a thirteen week notice period for withdrawals, though the directors can decide to repay shares to those with a real need to withdraw them sooner than this. However, directors can suspend the right to withdraw shares if MORE Renewables does not have sufficient funds available to repay them at that time. You need to maintain the minimum shareholding (currently £500) to retain your membership of MORE Renewables. If you have class B shares you will not be able to withdraw them for 3 years from when you made your investment.

MORE Renewables can buy your shares from you, returning the amount you paid for them, if Directors decide that the Co-operative needs to return capital to its members, even if you have not asked to withdraw your shares (see rule 10.1). Shares are not transferable, so cannot be sold and will not increase in value. Their value can be left to someone else in your will. They can also be held on behalf of children and grandchildren (but not by someone who is also a member in their own right) and can be owned jointly.

If MORE Renewables' liabilities and share capital exceed its assets, the Directors can write down the value of the shares. Should you then wish to withdraw your shares, you will only receive their written down value.

### **Interest on Shares**

Interest on shares will be subject to United Kingdom Taxation. Share interest payments are made gross (that is, without deducting tax) and you will be responsible for declaring this income on your tax return.

## **6. Over or Under-Subscription**

If the share offer is over-subscribed, we will (in this order):

1. Reduce the maximum share holding in MORE Renewables from £20,000 to a figure between £10,000 and £20,000. Subscriptions for new shares which mean members will hold shares in excess of this new maximum would be returned to investors. No member currently holds more than £10,000 shares.
2. If the share offer remains over-subscribed, we will accept offers on a first-come-first-served basis as determined by the date on which your application is received.

If the share offer is under-subscribed MORE Renewables will find other ways of financing the boiler, such as a long term loan from directors. This may result in the cost of loan repayments reducing the returns to members. We will also extend and/or re-open the share offer to allow more people to invest. MORE Renewables has £5,000 available to contribute to funding this project, if needed.



## 7. The Risks

All investment and commercial activities carry risk, although the Directors consider that investment in MORE Renewables is lower risk than many forms of investment because it will benefit from a secure, inflation linked income stream. However, there are still underlying risks, particularly during the installation phase up to registration for RHI. Investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity. An investment in shares is an investment in a trading business, not a loan or a deposit, and the rates of return are not guaranteed. This investment should be considered as medium to long term. Your shares may not be readily convertible to cash should you need to withdraw them.

Should MORE Renewables get into financial difficulties, then:

1. We may have to suspend your rights to withdraw your shares
2. We may have to write down the value of your shares
3. You may lose all the money you paid for your shares.

However, your liability is limited to the amount that you have paid for your shares.

This proposal is not regulated by the Financial Services and Markets Act 2000 because shares in MORE Renewables are not 'securities' for the purpose of those regulations. MORE Renewables is registered with, but not authorized by, the Financial Conduct Authority. If the business fails members have no right of complaint to the Financial Ombudsman and the money you pay for your shares is not covered by any depositor protection scheme.

You should be aware that your shares are in MORE Renewables as an organization, not in the specific project outlined in this document. The risks you are exposed to are therefore those associated with our existing solar PV project at Lancaster Cohousing, as well as the risks associated with this project and the organization as a whole. The biomass project will represent only around 20% of MORE Renewables' assets and income. Should it fail completely the returns we would be able to pay would be reduced by just 16%.

The Directors' assessment of the risks and how they intend to mitigate them is outlined in the following table:

## Risks to MORE Renewables associated with biomass boiler project

Risk	Impact/ Cost of risk	Considerations/ Mitigation
Under-use of the system by Horton WHC	RHI payments reduced. Possibly unable to pay return to investors.  Reduced likelihood of WHC buy-out.	Share ownership agreement with WHC sets out expected demand. Currently using over the expected heat demand (36,000 kWh). Our financial projections assume 26,000 kWh.  Some efficiency improvements could be made to the building but only significant change would be through reducing the use of the building.
Horton WHC abandons the building	Future RHI income lost.	WHC owns the building and has been there since early 1980s.  Could move the boiler to another site (if we can find one) and continue to claim RHI, or sell it.
Horton WHC install an alternative heating system	Future RHI income lost.	Clause in agreement will state that the boiler should form the main system for supplying heating and hot water, and the WHC should inform us, and require our agreement, if heating system changed.
Failure of the boiler or boiler parts	Repair cost or write-off.  Reduced likelihood of WHC buy-out.	Some additional maintenance costs assumed in years 10 and 15.
Increase in maintenance costs	Increased running costs reduce return payable.  Reduced likelihood of WHC buy-out.	Under warranty for parts for 2 years and labour for 1 year.  Additional maintenance costs assumed from year 5.  We may be able to buy an extended warranty.
Increase in pellet prices	Reduced use of system and thus reduced income. Open fires in main living rooms used in preference.  Reduced likelihood of WHC buy-out.	Clause in share ownership agreement stating that boiler must be main heating source.

Delays in accreditation of system due to government failing to bring in planned changes in regulations in December/January.	Loss of income in first year.	The boiler has an accreditation certificate but an error in the current regulations needs to be rectified by the government before it can be accredited for the RHI. This is due to happen by January 2014.
Changes to RHI	Reduce (or increase) return.  Reduced likelihood of WHC buy-out.	Unlikely once system RHI accredited.
Installer goes out of business	Possible increase in costs	Would need to engage another company to repair/maintain boiler.
Boiler malfunctions causing damage to property or people at WHC	Possible liabilities for MORE Renewables, not all of which may be insurable, or recoverable from the installer/manufacture	Boiler to be covered under Horton WHC's building and contents insurance.

### **Risks to MORE Renewables associated with existing PV system**

<b>Risk</b>	<b>Impact/cost of risk</b>	<b>Considerations/Mitigation</b>
There may be loss or damage to the panels, maintenance to roofs or mechanical or electrical equipment failure that interrupts generation of electricity.	Lost generation results in loss of income.	MORE Renewables insures the PV system, but this insurance does not cover all eventualities and is subject to an excess. Good quality panels and inverters have been specified, to reduce the risk of their failure. Panels have a 10-year product warranty and a 25-year linear performance warranty (this guarantees that the reduction in power output per year from year 2-25 will be no more than 0.7% per year). We intend to purchase 20-year warranties for the inverters (which on average last only 10 years).

The Halton area may have much lower levels of sunshine than expected, resulting in reduced output of the panels and reduced income.	Generation and hence income will be lower than expected.	The amount of sunshine will of course vary and it is possible that we may have particularly cloudy months or seasons, reducing output from the panels to below that expected in particular years. This will result in income being lower than anticipated in some years. However, it is likely that over the 25 years particularly cloudy periods will be off-set by particularly sunny ones. The data that we have collected for existing PV systems in the local area suggest that they outperform the predicted performance, suggesting that sunshine levels are in fact higher than assumed in the Standard Assessment Procedure, used by installers to calculate the performance of PV systems.
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### General risks of investment in MORE Renewables

<b>Risk</b>	<b>Impact/cost of risk</b>	<b>Considerations/Mitigation</b>
Whilst it is the intention of MORE Renewables to seek to qualify under and then to be managed to continue to qualify under the EIS there can be no guarantee that this status can be achieved or maintained.	If MORE Renewables ceases to qualify within three years of your investment you may have to repay any income tax relief you have received.	The directors have taken the best current advice to ensure that we qualify for the Enterprise Investment Scheme. However, it may simply be unavailable. Your decision as to whether to invest should not assume that you are likely to qualify for EIS.
Administrative, insurance and maintenance costs may rise faster than anticipated as a result, for example, of changes to legislation.	Increased operating costs will reduce returns to members.	Directors will closely monitor ongoing costs and the membership may be able to play a role in minimizing on-going administrative costs e.g. by receiving communications electronically.
MORE Renewables does not have sufficient funds available to repay shares on request.	Shares cannot be repaid when members request.	To provide funds for those who wish to withdraw shares (over and above that put aside each year in the capital fund), MORE Renewables may re-open this share offer to allow existing members to increase their shareholding (up to the legal maximum of £20,000), or to allow new people to become members by buying shares. MORE Renewables can also borrow money from its members or from a bank to repay shares.

Directors mis-manage the organization.	Financial mis-management allows expenditure to exceed income and MORE Renewables gets into financial difficulties.	Members review accounts and hold directors to account at the AGM and can elect different directors.
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## 8. Timetable

The Share Offer will remain open until 9<sup>th</sup> December, but will be closed early if the Maximum Capital is raised before then. The Directors expect the following timetable to apply, although the Offer Period may be extended or re-opened.

18 <sup>th</sup> November 2013	Offer period opens
9 <sup>th</sup> December 2013	Offer period ends (unless closed early or extended)
5 weeks after closure date	Share certificates issued.

## 9. Directors' Declaration

Due care has been taken in preparing this offer document, a process which has been overseen by the directors, who can vouch that the information it contains is in accordance with the facts and that there are no omissions likely to affect its import.

## 10. Terms & Conditions

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

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, but will consider applications in the order in which they are received, and are likely to accept those who have applied first, so the earlier the application, the more likely it is to be successful. Directors may also limit the number of Class A Shares paid for in instalments, and may scale back the number of shares allocated to those who apply for more than £10,000 shares (see Section 8).

MORE Renewables will acknowledge receipt of your cheque and application and may cash your cheque as soon as it is received. MORE Renewables will hold your money on trust for you until the Directors consider your application. However, we may use some of this money immediately, to finance the biomass boiler. Once the Directors have issued shares to you, the money will belong to MORE Renewables (to the extent that the Directors take it as payment for shares).

MORE Renewables will not pay you interest on any money it returns to you, or on the money you send us to buy your shares, before we issue the share certificates.

MORE Renewables will only accept and make payments in pounds sterling.



## **YOUR PROMISE TO MORE RENEWABLES**

You promise that:

Your cheque will be honoured on presentation.

You as an individual are at least 16 years of age.

You have the authority to sign the application form. If you are signing it for another person you will provide the Directors with evidence of your authority to sign if they ask to see it.

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

You agree to communications from us being by e-mail if you give us your e-mail address and to inform us if you change your e-mail address.

You will inform us if you change your postal address or name.

## **DEMUTUALISATION**

Your attention is drawn to rule 64 of MORE Renewables' rules which states that if MORE Renewables is wound up any asset remaining after it has met its liabilities (including repaying shares to its members) are not to be distributed to its members but to be transferred to another non-profit, co-operative or charitable body or bodies subject to at least the same degree of restriction on the distribution of surpluses and assets as MORE Renewables.

Before completing the application form you should:

Read the accompanying share offering.

Pay special attention to the risks set out in Section 9.

Consider taking financial or other advice in relation to the terms and conditions of this share offer.

Read the Rules of MORE Renewables and other supporting information.

## **11. Legal Statement**

This Offer and any agreement entered into for the purchase and sale of shares in MORE Renewables 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 MORE Renewables and any secondary Rules that the Directors of MORE Renewables may agree from time to time, if the Directors issue shares to you.

## **12. Banker**

The Cooperative Bank plc  
P.O. Box 250  
Delf House  
Southway  
Skelmersdale  
WN8 6WT

## **13. Further Information**

The following documents are available on our website:

MORE Renewables Rules (our constitution)

MORE Renewables secondary rules

If you do not have access to the internet we will be happy to send you hard copies of these, just contact us by post or phone:

MORE Renewables,  
c/o LESS, Room C9, St. Leonard's House  
St Leonards Gate  
Lancaster,  
LA1 1NN  
01524 66100

## 14. Glossary

EIS	Enterprise Investment Scheme, This is explained in Appendix 2.
FIT	Feed in Tariff. A government scheme to encourage energy generation from renewable sources. There are two parts: payment for each unit of electricity generated, however it is used, and payment for each unit of electricity exported to the National Grid.
HMRC	Her Majesty's Revenue and Customs
IPS	Industrial and Provident Society. Co-operatives are one type of IPS.
kW	kilowatts, a thousand watts, watts being a unit of power (i.e. energy per second).
kWp	kilowatt peak, applied to solar PV systems is the maximum power a system can produce.
kWh	kilowatt hour, the amount of power multiplied by the time for which it is produced (i.e. the amount of energy produced by a system)
p/kWh	pence per kilowatt hour
RHI	Renewable Heat Incentive: payments by the government made for every kWh of heat (measured by a heat meter) produced by a qualifying biomass boiler.
Solar PV	Solar photovoltaic. Solar PV systems produce electricity from sunlight.

## 15. Share Application Form

**APPLICANT DETAILS:** if applying jointly give all names but one address, on a separate sheet if required

Title (Mr/Mrs/Ms/other)  Forename(s)

Surname

Address

Town  Postcode

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

If you are happy to receive future communication from MORE Renewables by e-mail please provide your e-mail address

**If you want to buy shares on behalf of a child:**

Child's name:  Child's date of birth:

Child's address (if different from above):  Postcode:

### CORPORATE MEMBERSHIP:

Full name of company

Registered number

Address for correspondence

Contact name

Telephone

e-mail

### AMOUNT TO INVEST

I/We wish to invest: £

in Morecambe Bay Community Renewables Ltd. (MORE Renewables) on the Terms and Conditions of the Share Offer

I wish to purchase (please tick) Class A shares ☐ Class B shares ☐

*Your total holding in MORE Renewables must be between 500 and 20,000 shares.*

*If you do not intend to claim tax relief please purchase Class A shares.*

*If you wish to pay for class A shares in installments please also complete the standing order form.*

**YOUR BANK DETAILS:** – so we can pay your share interest by direct bank transfer:

Bank  Account name

Sort Code  Account number

### DECLARATION

I/We confirm my/our understanding that:

- This application, if and when accepted by MORE Renewables, forms a contract subject to English law on the Terms and Conditions of the Offer Document;

I/we confirm that:

- I/We have read the share offering, including risk factors
- To the extent that I am an individual, I am over 16 years old
- I/We am/are not making an application that would result in an aggregate holding for more than 20,000 shares (unless these are to be held by an Industrial and Provident Society)
- I/We will give proof of my/our identity and address if the Directors ask for it. They may need to do this for anti-money laundering purposes. The Directors may have to hold my/our shares until they see this.
- I/We am/are not relying on any information which is not included in the share offering.

**SIGNATURE(S)** For joint applications, all applicants (up to four persons) must sign below:

Date:

Please send with your cheque made payable to Morecambe Bay Community Renewables or completed Standing Order Mandate to:

MORE Renewables, c/o LESS, Room C9 St. Leonards House, St Leonards Gate, Lancaster, LA1 1NN

You may pay by internet/telephone banking (see the standing order form for our bank details), but you still need to send us this form. If you have paid in this way please tick here. ☐

## STANDING ORDER MANDATE

To: The Manager

Name of your bank

Address of your bank

Please pay:

The Co-operative Bank  
P.O. Box 250  
Delf House  
Southway  
Skelmersdale  
WN8 6WT

For the credit of:

Morecambe Bay Community Renewables Ltd.

Bank Details:

Account Number 65511369  
Sort Code 089299

The sum of:

*Please enter the amount  
in figures and words to  
be paid every month*

Commencing on \_\_\_\_ / \_\_\_\_ / \_\_\_\_ [Day/Month/Year] and thereafter on the \_\_\_\_ [Day] day  
of the month for \_\_\_\_ [no. of months, must be less than 10] months and debit my  
account accordingly:-

Account to be debited:

*Your bank account name*

Account number:

Sort code:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_





Please send this form with your Share Application Form to:

MORE Renewables, c/o LESS, Room C9 St. Leonards House, St Leonards Gate, Lancaster, LA1 1NN



## Appendix 1 The MORE Renewables Team

MORE Renewables is run by a dedicated team of local people, interested and experienced in sustainability, community business and renewable energy. Members of this team will be investing over £5,000 in this share offer. Meet them below:

	<p><b>Anne Chapman – Director</b></p> <p>Anne worked as an environmental consultant, before moving to Lancaster in 1997 to do an MA. She has been involved in various local organizations including North Lancashire Friends of the Earth, the Marsh Community Centre, and the Friendship Centre. She was a director of Friends of the Earth between 2000 and 2003 and was a Lancaster City Councillor for eight years to 2011. She was a director of LESS for six years until July 2013.</p>
	<p><b>Gill Fenna – Director</b></p> <p>Gill is director of Quantum Strategy &amp; Technology, a small company working with businesses and Local Authorities on energy efficiency and renewables. She has been involved in the Lancaster District Sustainability Partnership for the last 8 years and helped to set up LESS.</p>
	<p><b>Simon Gershon – Director, Company Secretary</b></p> <p>Simon has been in charge of retail, manufacturing and property businesses. He currently works on refurbishing older buildings to improve their energy efficiency. Simon helps run community-based volunteering projects and was a founding director of LESS. He has also helped to set up a Community Land Trust for Lancaster district.</p>
	<p><b>Caroline Jackson – Director</b></p> <p>Caroline, a former teacher, worked in senior management of secondary schools for 18 years before retiring as Head teacher of Hornby High School in 2009. Caroline is chair of Global Link, the Lancaster Development Education Centre and a member of Lancaster City Council. She is a member of Transition City Lancaster, and is a national blogger for the Transition network.</p>

**Steve Wrigley – Director**

Steve is a chartered mechanical engineer currently employed by the University of Cumbria to develop Sustainable Energy Engineering courses. He is also a member of Lancaster Cohousing and has been involved in the specification and integration of their renewable energy technologies including solar PV, solar thermal, bio mass heating, district heating and micro grid.

**Kevin Frea – Director**

Kevin works for the Solar Coop helping to develop community energy cooperatives and is a member of Lancaster Cohousing and a Director of Lancaster Community Car Club CIC. He is a founding Director of Gloucestershire Community Energy Coop.

**Debbie Mace – Financial Administrator**

Debbie is a Graduate of the Association of Chartered Certified Accountants and experienced financial administrator. She is currently the finance officer for LESS, as well as working for several other charitable and voluntary organizations. She is a member of Lancaster Cohousing.

## Appendix 2

### Possible enhanced return through the Seed Enterprise Investment Scheme (SEIS) or Enterprise Investment Scheme (EIS)

These are government schemes to give investors a financial incentive to invest in smaller, higher-risk ventures. It works by giving you tax relief, which you claim when you do your tax return. SEIS tax relief is 50% of the cost of your shares and EIS tax relief is 30% of the cost of your shares.

This is best shown through two examples...

Say you invest £1,000 in MORE Renewables. You can claim tax relief of £500 (50% of £1,000) under SEIS – you will do this on your 2013/14 tax return under 'Other tax reliefs'. This will reduce the income tax you have to pay by £500. Your £1000 investment will therefore have only cost you £500. However, the return that MORE Renewables pays will be on the original £1,000 invested. So if we pay a return of 4%, your actual return will be 8% (£40 interest on £500 cost).

Say you invest £1,000 in MORE Renewables. You can claim tax relief of £300 (30% of £1,000) under EIS – you will do this on your 2013/14 tax return under 'Other tax reliefs'. This will reduce the income tax you have to pay by £300. Your £1000 investment will therefore have only cost you £700. However, the return that MORE Renewables pays will be on the original £1,000 invested. So if we pay a return of 4%, your actual return will be 5.7% (£40 interest on £700 cost).

Our share offer is designed to enable you to qualify for SEIS, but we cannot guarantee this as SEIS is meant for new start companies. If we do not secure advanced assurance for SEIS, then we will apply for advanced assurance for EIS which is open for companies of any age. Our type 'B' shares are intended to qualify for SEIS and EIS, type 'A' shares will definitely not qualify.

However, there are several ifs and buts. Firstly, you need to pay sufficient tax in this tax year to claim tax relief! Secondly, you need to hold your shares for a minimum of three years from when the shares are issued (this is also a condition of purchasing our 'class B' shares).

You would normally claim tax relief in the same tax year as your investment (2013/14). You do have the option however, to claim relief in a later tax year – up to five years later. You can do this once we send you form EIS3, which will allow you to claim relief on your self-assessment tax form. We can only do this once HMRC approves our share offer as one which qualifies under the SEIS rules or EIS rules, so it may be several months before you will know the outcome.

SEIS and EIS are not normally available for renewable energy projects, but there is an exemption for community-owned companies like MORE Renewables. We were successful in obtaining SEIS tax relief for most of our investors, for our first share offer in 2012. However, there has only been one other community-owned wood heat share offer to date, and it has yet to receive approval for its application under the EIS scheme. As a result, you should not base your decision to invest on the likelihood of qualifying for SEIS or EIS tax relief.

More information on the Seed Enterprise Investment Scheme or the Enterprise Investment Scheme is available from HMRC: [www.hmrc.gov.uk/seedeis](http://www.hmrc.gov.uk/seedeis) and [www.hmrc.gov.uk/eis](http://www.hmrc.gov.uk/eis)

You can also find information at the EIS Association's website: [www.eisa.org.uk](http://www.eisa.org.uk)