

adfywio
gwyr
gower
regeneration

Be part
of the FIRST
community owned
solar farm
in Wales!

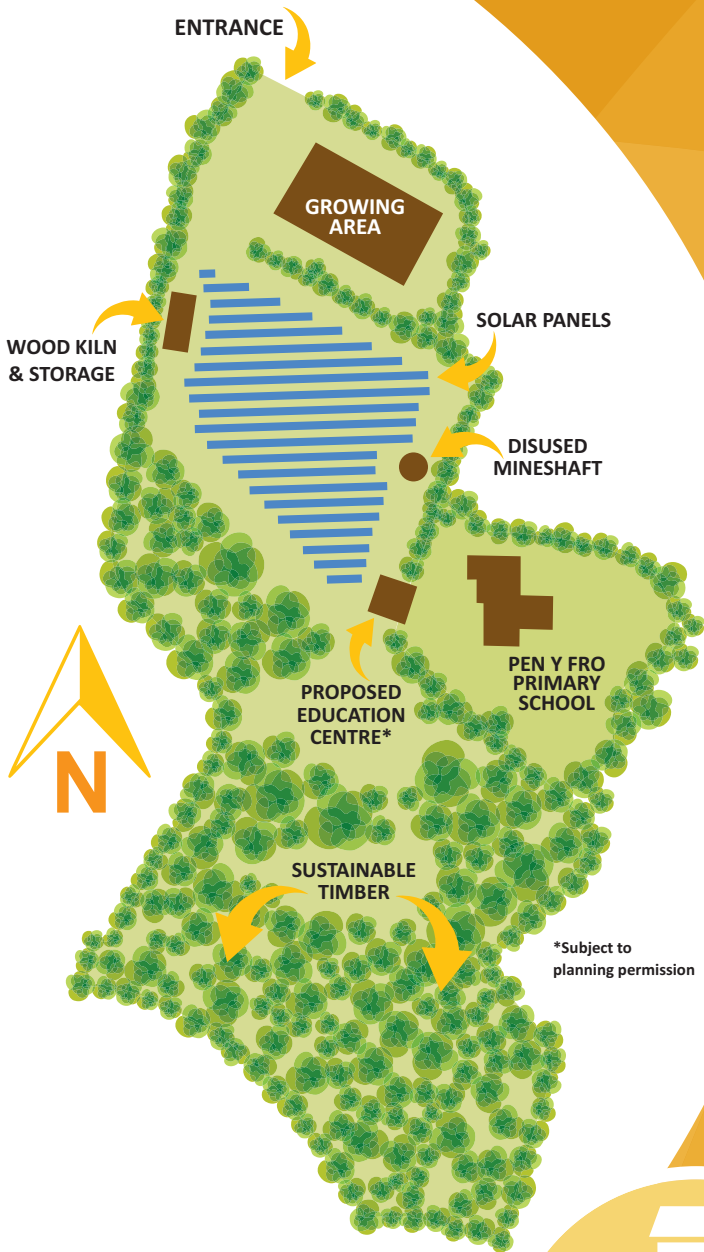


Community Share Offer

www.regengower.co.uk

Share Offer
closes
14 July 2017

Brightening the future



**KILLAN FARM, DUNVANT
SWANSEA**



Disclaimer:

This is an unregulated Offer. An investment in this Offer carries risk and prospective members should read through this document carefully. Investors risk losing some, or all, of the amount invested. The withdrawable shares offered are not covered by the Financial Services Compensation Scheme and in the event of the society being unable to pay either the capital or interest payments you will not be entitled to make a claim against the scheme.



If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a financial or other professional adviser.

Images used in this Share Offer come from a variety of sources. Many thanks to all the photographers. All the volunteers and organic vegetables were pictured at Cae Tan CSA.

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 @gowerpowercoop
 Gower Power Co-op CIC

Further documents are available online at: www.regengower.co.uk
FAQs - Society Rules - Gifting Shares to Children and Nominating Beneficiaries - Social Impact Plan - Glossary

Contact the Secretary via email: regen@gowerpower.coop

Or by post at the Registered Office: *Gower Regeneration Ltd. Gower Heritage Centre, Parkmill, Swansea, Wales SA3 2EH*

WELCOME

Hello!

Swansea has so much to be proud of. We boast some of the most stunning beaches, beautiful landscapes and creative communities in the UK and there is a growing movement driving innovation to safeguard what we have here - and beyond - for future generations.

While the Tidal Lagoon project proposes the first power plant of its kind in the world, a 16-turbine wind farm is being built near Llangyfelach and our county is also already home to over half a dozen solar farms. These schemes promise clean energy for years to come, and long-awaited regeneration for communities in the shadow of the lost coal industry.

It feels great to offer you a chance to become part of this renewable energy revolution!

Renewable energy has been driving community benefits on Gower for over 900 years. At the Gower Heritage Centre, Y Felin Ddŵr Charitable Trust cares for Park Mill, a 12th century water-powered corn mill which used sophisticated technology to harness water power, and became the hub of a thriving community of artisans, entrepreneurs and farmers. Gower Regeneration Ltd follows in these footsteps, generating renewable energy and using profits to power a variety of beneficial projects, as well as providing a great return for investors.

Gower Power Co-op CIC, known for getting eco-friendly projects off the ground, is proud to be behind this, Wales's first community-owned solar farm. The last community share offer co-ordinated by Gower Power sold out within two months and we expect this one to be just as popular, so grab shares while you can!

Gower Regeneration Ltd shares are valued at £1 each. You may invest as little as £100 if you live in the City & County of Swansea (£300 if you live outside). We aim to raise over 500k and up to £1.085m towards development and construction costs, and make you, the community, the solar farm's owners. With income from electricity sales we offer investors a projected 5% annual rate of interest, as well as the satisfaction of supporting exciting local enterprises. By purchasing shares you will co-own a local renewable energy company; have an equal say in how Gower Regeneration Ltd is run; be consulted on how surplus funds are spent; and help reduce the impact of climate change.

Our Share Offer launches on May 12th and will close at noon on 14th July 2017.

We look forward to welcoming you as a member of our community benefit society, Gower Regeneration Ltd.

Roy Church

Trustee,
Y Felin Ddŵr Charitable Trust CIC

Ant Flanagan

Director,
Gower Power Co-op CIC



SHARE OFFER SUMMARY

£

Total project costs
£1.085m

£

Share offer raise
£500k - £1.085m



1 MegaWatt
of power



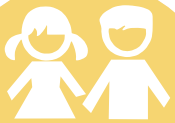
One member
One vote



3,568
solar panels



Now generating clean
energy for the
equivalent of over
300 Swansea
homes*



£550k+ surplus
reinvested into local
social enterprises

CO₂

Approx
11.5 tonnes CO₂
prevented from
entering the
atmosphere**

£

5% projected
annual return
for investors

£

£100K
maximum
investment

£

£100
minimum
investment***

Share Offer
NOW LIVE on Ethex

www.ethex.org.uk/GowerRegeneration

*www.gov.wales/docs/statistics/2015/150225-energy-generation-consumption-2013-en.pdf

**www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2016

***£300 outside City and County of Swansea (£100 if your postcode starts with SA)

ABOUT GOWER REGENERATION LTD

Gower Regeneration Ltd is a Community Benefit Society (7546) founded in 2017 by Y Felin Ddŵr Charitable Trust and Gower Power Co-op CIC to fund and manage a community owned solar farm at Killan Farm, Dunvant, Swansea.

It is Wales' first community owned solar farm, producing clean electricity and enabling you to invest in the scheme.

We hope to deliver wider benefits through reinvesting income into local social enterprises, such as Gower Heritage Centre and Cae Tan Community Supported Agriculture to create training and employment, and also by working closely with the neighbouring Pen Y Fro Primary School to harness educational opportunities.

The solar farm is producing a lot of clean electricity (1,026,983 kWh), enough for powering the equivalent of 300 average sized Swansea houses. It will contribute to meeting Wales' legally binding target to reduce net carbon dioxide emissions by 80% of 1990 levels by 2050.* We, the Community Benefit Society owning the farm, will continue to sell that clean electricity for 30 years and receive subsidies for generating it from a renewable source for the next 20 years.

We want to spend our income on fantastic local projects with far-reaching social benefits. But first we need to pay off the Welsh Government loan, administered by Finance Wales, that we used to build the farm. ***Selling shares to people who want to invest in something ethical, over the long term, is not 'necessary' - we could just repay the loan with our income - what it will do is allow us to move more quickly to the point of being able to deliver the long-lasting benefits we aspire to create.*** This is because the terms of investment from institutional lenders are more expensive than what we regard as the fair offer we are making to you as ethical investors.

Bringing financial and social benefit to the community, our conservative financial projections indicate that income from sales of electricity to the grid, and from Renewables Obligation Certificates (ROC) payments, will be around £106,000 per annum in gross revenue, rising in line with inflation for the 20 years of the ROC and whilst shareholders are repaid their investment. With a successful community share offer, we forecast a surplus of well over £550,000 which will be used to support other community focused eco-projects in line with a social impact plan (see p9) reviewed and endorsed by the shareholders each Annual General Meeting. The amount available will vary from year to year depending on factors such as interest payments, unforeseen problems, and the weather.

*www.gov.wales/topics/environmentcountryside/climatechange/emissions/?lang=en

The solar farm, that started generating electricity on the 31st March 2017, is the result of 3 years of design and development, and will generate clean electricity for the next 30 years.



The purpose of this share offer is to give you an opportunity to invest in creating a positive relationship with the environment at a community level, to get a fair return on your investment, and for profits to be reinvested into the local area.



PROGRESS SO FAR

The idea for a community owned solar scheme at Killan Farm was first conceived in July 2014. The Project has received extensive technical and financial support through the Welsh Government's Ynni'r Fro and Local Energy Service to carry out feasibility studies and a planning application was approved in December 2015. Further detailed technical studies were then commissioned before the project was put forward to Finance Wales for a loan in late 2016. Finance Wales awarded a £992,000 loan to cover all construction costs.

On 31st March 2017 the 1 Megawatt solar array was commissioned, meeting the deadline (31st March) for the Renewables Obligation: a subsidy that will make up over 50% of this project's income for the next 20 years.

The site is now producing enough clean electricity to power over 300 average Swansea homes and is forecast to make over £100,000 per year. The project is community-owned and will reinvest its profits into new projects creating rural employment and educational opportunities and will protect the environment for this and the next generation.

We are now running a community share offer. You can invest and take ownership of the scheme. We intend to raise over £500,000 and up to £1.085m with a projected 5% annual rate of interest.

Selling community shares will make the solar farm community-owned, and also make the most of the profits, increasing the circulation of money locally. The interest we are offering our investors is generous, but we would have to pay even more on a loan from a lending institution. This way, more surplus is left to invest in regenerating Gower through social impact programmes which we will deliver. These could include training, employment initiatives, more ways for community members to own things together and reduce costs (for firewood, food etc). This will ultimately regenerate the local area, making life here more affordable, locally-sourced and sustainable.

Drawing in more local members will make us stronger as a Community Benefit Society, enabling us to better identify and respond to local needs. Membership of Gower Regeneration Ltd is open to individuals over 16 years old, corporate bodies, voluntary organisations and public sector investors. It is also possible to gift shares to under 16's though their full membership and voting powers won't be available until they're older.

The Share Offer will close on July 14th, so long as we have reached our minimum target of £500,000. We may extend the Offer if we don't reach the minimum target by that date, but if we reach our maximum target of £1.085m before, the Offer will close early. If we do not reach our minimum target, all money received by Ethex will be returned to investors.

As an individual or an organisation you can apply for shares online through Ethex at:

www.ethex.org.uk/GowerRegeneration

However, if you would like to use a paper application form, it is provided within this document and is also available to download from:

www.regengower.co.uk



**1MW
Solar Farm**



MORE THAN A SOLAR FARM

WHAT WE HAVE ACHIEVED

To date, we have carried out extensive due diligence; we have put a variety of contracts in place and secured a £992,000 loan from Finance Wales. We have used this to build the 1MW solar farm, made up of 3,568 solar panels. We have consulted key local stakeholders and started developing a Social Impact Plan for reinvesting the surplus, to make sure our profits genuinely help regenerate the local area, as intended.

Our community share offer for up to £1.085m now enables you to invest in and take ownership of the scheme, have a say in how our Society is run and immediately enable us to deliver wider community benefits.

THE INSTALLATION

The installation took place from February to March 2017 and was commissioned on 31st March. The panels will provide renewable energy for the 30-year duration of our Lease on the land.

There will be an educational display created onsite enabling pupils, staff and parents from the primary school next door to monitor how the project is performing.

INCOME STREAMS

Gower Regeneration Ltd will generate income from:

Renewables Obligation Certificate (ROC) payments: for each unit of electricity generated for 20 years, which is projected to make up over 50% of the project's income during that period. As a condition of the loan finance we have secured a price for the Renewables Obligations Certificates that we receive for the first years of operation at 95% of the ROC 'buy-out' price (5.20 p/kWh).

Power Purchase Agreement (PPA) payments and associated embedded benefits: for each unit of surplus electricity sold to an energy retailer. As a condition of the loan finance we have secured a 1 year PPA with Good Energy (estimated at 4.97p/kWh including REGO and embedded benefits).

On current projections, the above income will be more than enough for:

- *the ongoing upkeep and administration of the project -*
- *a 5% annual return to investors -*
- *a Surplus of over £550k through the life of the project -*

The energy supply market is evolving very rapidly therefore Gower Regeneration Ltd is also exploring local energy supply models with a view to selling electricity directly to consumers. As well as potentially enabling local consumers, including the local school, to buy electricity at a discount; we at the same time would receive a better price for each unit of electricity than selling it wholesale, which would create additional surplus to use for community benefit projects.

REINVESTING THE SURPLUS

Gower Regeneration Ltd will use profits that it generates from the sale of electricity and from subsidies to invest into initiatives in the local area which build the rural economy in a way which won't cause harm for future generations. We will identify, develop and support projects that are socially focused, ecologically sensitive and celebrate the natural heritage of the local area. As per the Rules of our Society, the distribution of profits to deliver these wider social objectives will be agreed at each AGM by our members.



Gower Heritage Centre



Education & Training



Sustainable Fire Wood



THIS PROJECT AIMS TO DELIVER:

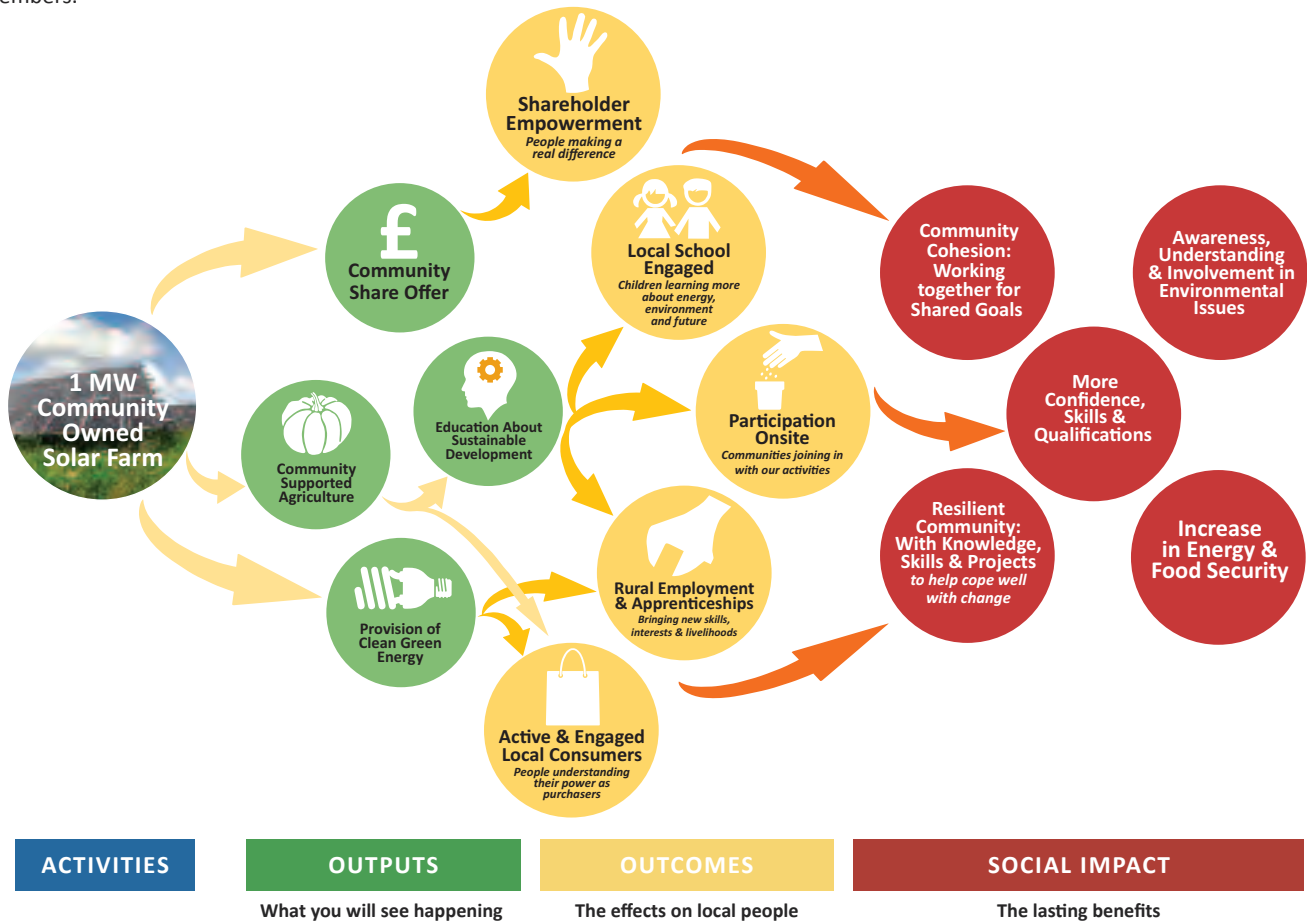
An environmentally acceptable renewable energy project which will be controlled by the local community through its community investor members.

An 'asset lock' will ensure the assets remain for community benefit in perpetuity.

The society's members will remain in control of the management of the society.

Investors will have equal voting powers, however large or small their investment. One member one vote.

All net profits will be invested in the local community through the development and delivery of social impact plans like the one outlined below.



CAE TAN CSA

A successful share offer will allow us to invest in expanding projects like Cae Tan CSA onsite. Cae Tan CSA is already providing organic vegetables for over 100 local households and is looking for new spaces to grow food and engage community members including school children. More information is available at www.caetanrsa.org

A more detailed social impact plan is available for download at:

www.regengower.co.uk

ENERGY THROUGH THE AGES

The Gower Regeneration Ltd site at Killan Farm, Duvant, has played its part in providing energy through the ages to the communities of Gower and beyond. As we look to the future of this site and its potential to provide sustainable, renewable energy for years to come, it's inspiring to acknowledge the different energy sources surrounding the site, and the way they've been used throughout history.



COAL was mined just opposite the Killan Farm site until the 1920's.

Duvant colliery employed 400 people. There were also mines at Penclawdd and Morlais, working the same seam. Worldwide, coal is still the largest source of electricity producing energy, responsible for the largest release of carbon dioxide into the atmosphere by humans. We will contribute to changing that. Just recently, we heard reports that on the sunny Saturday of 25th March 2017, solar power made a greater contribution to the National Grid than coal-fired power stations.



Farming is surely one of the oldest forms of energy production, growing the energy - in the form of food - we all need to power that most impressive and sophisticated of machines: the human body. As people become more aware that we are what we eat, demanding local, natural produce, it's worth remembering that a vast variety of food, from Salt Marsh Lamb to seaweed, is available here on Gower.



Wood has been used as fuel for centuries, and our increasing understanding of the environmental damage caused by fossil fuels like coal has rekindled our interest in it for both domestic and larger-scale energy production. Burning wood releases the same amount of carbon dioxide that the tree absorbs while it is growing. This means that if processing and transportation can be done in ways which minimise CO₂ production, wood can be a carbon-neutral fuel.



Water is the oldest source of renewable energy on Gower. Water wheels with systems of blades and buckets around their outer rim would be spun by a current of running water, transmitting power through a central axle or shaft to gears driving machinery. This provided power for many processes, including grinding corn, working textiles and sawing wood. The best example, Park Mill was built c.1170.

Today new technologies promise to once again harness the renewable power of water. The Swansea Bay Tidal Lagoon, once approved, will be the first of its kind in the world.



Solar Farm

Our solar farm will convert sunlight into energy - roughly enough to meet the energy demands of around 300 houses, for the 30 years of our lease on the land the panels stand on. As well as providing clean, renewable energy, reducing the nation's need for fossil fuels, your vital investment will mean that in a very short time, surplus funds will be available, to re-invest in developing people-power and supporting growth in our local rural economy.



Gower Heritage Centre

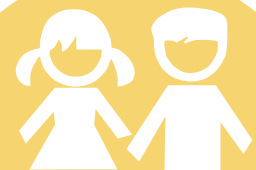
Over its lifetime, Park Mill has been an important focal point for the community and it was adapted for different uses: sawing timber for construction, grinding wheat for bread-making during WW2. Today the centre built around it is a hub for enterprise, small businesses and artisans. It will be an important resource for our community benefit society, transforming income from electricity sales into projects hosted there.



5% annual interest for investors

Community Supported Agriculture

Our site has enough open space to grow food. We plan to develop a community supported agriculture scheme onsite - your investment will help us to build on the success of 'Cae Tan CSA', a local partner project already supplying over 100 households with seasonal organic vegetables.



Educational Facility

An education facility on-site will allow us to nurture a relationship with the school and others nearby wishing to learn more about sustainability.



Employment Support

We will develop apprenticeship schemes, work experience opportunities and provide developmental support to growing, small businesses, strengthening Gower Heritage Centre's role as a greenhouse for local ideas and talent.



Sustainable Fire Wood

Our onsite woodland offers a host of possibilities - perhaps a wood co-operative, providing sustainable, carbon-neutral fuel for local households, or a wood-fired boiler for the nearby school.



Education & Training

A variety of training courses and workshops have been delivered at Gower Heritage Centre over the years. Our support will allow this to expand, and safeguard its future as a resource for learning what we can about the past to benefit present and future generations.

THE INVESTMENT OPPORTUNITY

RETURN ON INVESTMENT AND REPAYMENT

Gower Regeneration Ltd is a community benefit society. It can raise capital to carry out its objects and meet its requirements, through selling shares to members, and can pay interest to members on their shareholdings. Gower Regeneration Ltd forecasts that it will pay members a 5% gross annual interest rate. Any surpluses after paying running costs and interest go towards delivering the Gower Regeneration Ltd Social Impact Plan.

To raise the capital required, Withdrawable Shares are being issued and any interest due will be paid by Gower Regeneration Ltd annually, within two months of each AGM. Interest on Withdrawable Shares will be calculated from 1st January, 2018. The target date for each AGM will be in January any payments to members that are due will be paid before the end of the tax year. Members are welcome to donate all or part of their projected 5% annual interest payments to the Social Impact Plan if they wish to do so. Gower Regeneration Ltd intends to repay members a proportion of their capital every 6 months over the first 20 years of the project, though capital repayments may vary each year period.

ASSET LOCK

If Gower Regeneration Ltd is wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; finally, any surplus remaining will be passed on to a charity, society or other asset-locked body serving the community. If a member dies their personal representative can apply for withdrawal of the share capital. Return of share capital in this situation will be prioritised by the Board over any other return of members' capital.

GIFTING SHARES / BUYING SHARES FOR CHILDREN OR GRANDCHILDREN / NOMINATING BENEFICIARIES

As a longer-term investment which can span the generations, you can invest in Gower Regeneration Ltd now for your children and grandchildren; or can invest on your own behalf now and give your investment to your children and grandchildren or other beneficiaries in your will. Interest earned will be paid to the beneficiary named at the share registration stage. Capital will automatically be repaid into the same account. You will need to notify us if you would like it repaid into a different account. NB: if giving shares to someone under the age of 16, the giver will have to retain the voting rights for those shares until the recipient reaches 16 and each individual shareholder can only exercise one set of voting rights.

There is a separate application form and further information for gifting shares to children and nominating beneficiaries available at:

www.regengower.co.uk

SALE OR WITHDRAWAL OF SHARES

Withdrawable Shares in Gower Regeneration Ltd are non-transferable except on death or bankruptcy; they cannot be sold to a third party or traded. There is no prospect of the Withdrawable Shares being worth more than their nominal value of £1. In exceptional circumstances, if the society is under financial stress, the Withdrawable Shares could reduce in value; this decision would be at the discretion of the Board of Directors.

It is possible to withdraw shares after two years from the date of issue, giving three months' notice. However, it is important to note that any withdrawal is at the discretion of the Directors and depends on sufficient funds being available. The Board of Gower Regeneration Ltd has the right to change the notice period for withdrawals or to suspend withdrawals. Gower Regeneration Ltd will not pay members more than they paid for the Withdrawable Shares. If buying shares for under 16s, please note it will only be possible to request to withdraw the shares when the member reaches the age of 16.

The Directors of the Society will generally make repayment of Withdrawable Shares in the order that they receive the notice requesting repayment. However, in the event of the death of a member, a formal request for repayment of Withdrawable Shares by a legally appointed representative of the member's estate will be prioritised over other requests.

Also, whilst some members may wish to withdraw their Shares, others will want to increase their holding. Gower Regeneration Ltd Board is committed to helping with this.

FURTHER INFORMATION

Further information, including any updates, will be made available at:

www.regengower.co.uk

www.ethex.org.uk/GowerRegeneration

For further detail about the application process please contact Ethex at:

help@ethex.org.uk / 01865 403304

If you have any questions about the terms of the Offer please contact the Company Secretary at:

regen@gowerpower.coop



THE OFFER TERMS

TIMETABLE

The offer launches on 12th May 2017 and will close at noon on 14th July 2017, unless fully subscribed earlier or extended at the sole discretion of the Board.



Share Offer
OPENS



Share Offer
CLOSES



5% annual
interest for
investors

KEY TERMS

The key terms of the offer are as follows:

SHARES ISSUED BY:

Gower Regeneration Ltd.
(Registered Community Benefit Society number 7546)

NUMBER OF SHARES ISSUED:

550,000 - 1,085,000

SHARE VALUE:

Nominal value of £1 per share.

MINIMUM SUBSCRIPTION:

£550,000.

MAXIMUM SUBSCRIPTION:

£1,085,000.

MEMBERS ROI:

Projected annual return on investment is 5% (unless members opt to donate their annual interest payments to the Gower Regeneration Ltd Social Impact Fund).

MINIMUM INVESTMENT:

£300 (300 shares).
There is a lower minimum investment of £100 (100 shares) for investors living within the City & County of Swansea.

MAXIMUM INVESTMENT:

£100,000.

SHARE CLASS:

Withdrawable - investors may withdraw their share capital after a period of two years from the date of share issue, if the Board agrees and funds are available.

TRANSFERABILITY:

Shares under this Offer are not transferable to third parties.

TERM:

Long term investment - although interest will be paid annually, repayments of capital may take up to 20 years.

OVER SUBSCRIPTION:

In the event of over-subscription, the Board may invite applicants living outside the City and County of Swansea to reduce the number of shares they have applied for to enable more local people to subscribe. Any reallocation of available shares will be on a first come first serve basis.

VOTING RIGHTS:

One member, one vote.

CONDITIONS TO THE OFFER

The Offer is conditional on:

- The Minimum Subscription having been met on or before 12 noon Friday 14th July 2017 (or at the date to which the Offer is extended at the sole discretion of the Board) -
- Confirmation from Ofgem that the project has been successfully registered for Renewable Obligation Certificates (target date July 1st) -
- Gower Regeneration Ltd entering into an Operations and Management Contract (target date June 1st) -

Funds raised through this Offer will be held by Ethex, as Receiving Agent. They will not be released to Gower Regeneration Ltd until evidence that the above three conditions has been provided to the Receiving Agent.

MEMBER ENTITLEMENTS

- earn interest on your shares, with a target interest rate of 5% (gross) per annum, starting 1st January 2018 -
- withdraw some or all of your share capital, subject to terms and conditions -
- receive copies of the annual accounts, reports and notices of meetings -
- call for a general meeting with the support of other members -
- attend, speak at, and submit resolutions to general meetings of all members -
- stand for election to the Board of Gower Regeneration Ltd -
- vote in elections for the Board members and on other important decisions, including rule changes -
- inspect the Gower Regeneration Ltd register of members and officers -
- contact other members and officers about matters to do with the society -
- resign as a member -
- members will also be the first people invited to sign up to further initiatives on the same site, for example, community supported agriculture and wood fuel co-operatives -



BOARD OF DIRECTORS

Roy Church



Roy is a resident of Gower and a Trustee of the Gower Heritage Centre - a visitor and local attraction in the village of Parkmill in the heart of the Gower Peninsula - The Centre is based around a 12th Century water powered Mill, and can claim to be Gower's first renewable energy project as the water power at the site has been used for over 900 years to provide energy for a number of different rural trades and activities. Roy initiated the setting up of a Charitable Trust to restore the Mill Buildings and create a thriving hub of rural activities. Roy is a qualified Solicitor specialising in commercial property and has worked for legal firms in Wales and London on a variety of different commercial and other projects. Roy studied at Aberystwyth University and has always had a keen interest in local history and culture and is also Trustee of the Barham Centre (a local village Trust which provides IT and other resources to the Local Community).

Ant Flanagan



Ant has an MBA from Cardiff Business School and has been developing and managing social enterprises since 2001. He has long been fascinated by and involved in Positive Investment. He is the director of numerous social enterprises including Gower Power Co-op CIC, Cae Tan CSA and SCEES, whose over-subscribed community share offer he co-ordinated at the end of 2016. He sits on Swansea Environmental Forum's Executive Board and is vice chair of Swansea Local Action Group which helps to deliver the Welsh Government's Rural Development Plan. He cares passionately about the importance of supporting local producers and suppliers, and wants to build more community ownership of local assets.

NOTES:

The Gower Regeneration Ltd Board of Directors is made up of the founder members and professionals who are taking responsibility for ensuring timely construction of the project and financial completion. As a Community Benefit Society and co-operative, future Board Members will be democratically elected by shareholders at the Annual General Meeting. In addition, the existing Board intend to co-opt key local stakeholders onto the Board after financial completion. As per the Rules of the Society the Board can be made up of up to 30% non-investors provided they have either suitable professional experience or are key stakeholders of the Society. Further local stakeholders will be co-opted onto the Board after the Share Offer has been completed.

CONFLICTS:

Roy Church is a trustee of Y Felin Ddwr Trust; he is the manager of Gower Heritage Centre; he is co-owner of Duvant SBG Ltd which owns the land being leased; he has carried out some of the legal work for both Gower Regeneration Ltd and also for Duvant SBG Ltd.

Ant Flanagan and Chris Small are both directors of Gower Power Co-op CIC; Ant Flanagan is also an employee.

Gower Power Co-op CIC has invoiced the project for a total of £42,062 for its involvement in all stages of project development since inception in 2014, of which £10,502 was paid for through grants, £7250 of which will be paid on financial completion.

Helen Grey



Helen has a BSc in Environmental Science and has extensive experience of developing and managing projects in the fields of community and rural regeneration, environmental sustainability and nature conservation. Helen currently works for Swansea Council as a programme officer playing key roles in the Gower Landscape Partnership scheme and Swansea's Rural Development Programme. She is also a director of Cae Tan CSA, a local community supported agriculture project based on Gower, which will be developing opportunities for horticulture onsite with the neighbouring school. Helen also enjoys getting hands-on with projects and can be found laying hedges or helping to tend crops at Cae Tan CSA.

Chris Small



Chris is one of the Founder Directors of Swansea Community Energy & Enterprise Scheme which he nurtured to success at every stage of development, and also a director of Gower Power Co-op CIC. Chris has an MSc in Environmental Consultancy and recently left his role at Swansea Council as a Sustainable Development Officer to progress his career as a Heat Networks Specialist at the Department of Business Energy & Industrial Strategy (formerly DECC). Chris is also a Trustee of the Swansea Environment Centre. Chris enjoys travelling, keeping fit and running marathons.

Ruth Evans



Ruth Evans is a chartered accountant and has a first class honours degree in Maths from Swansea University. She trained with KPMG in Cardiff and worked for audit clients including TSB General Insurance before leaving to work in industry. Ruth was management accountant for Biomet UK and financial controller at Dawn Pac. Following an extended career break to spend time with young children, Ruth is now self employed and provides accountancy services for Gower Power, Cae Tan and Forest School. She also works for Coeden Fach Community Tree Nursery. Favourite past time outside work is walking her dog and enjoying the natural beauty of Gower.

FINANCIAL PROJECTIONS

A summary of the society's post-commissioning cashflow over the 30 year life of the project is found below and assumes the full £1.085m is raised through the Share Offer.

SUMMARY CASHFLOW PROJECTIONS POST COMMISSIONING BASED ON P90

	31 DEC 2022	31 DEC 2027	31 DEC 2032	31 DEC 2037	31 DEC 2042	31 DEC 2047	TOTAL
Operating Income electricity sales & Ros	£619,450	£601,041	£657,214	£667,636	£384,082	£361,709	£3,291,132
Operating Costs	-£113,528	-£114,191	-£159,310	-£190,770	-£215,839	-£209,816	-£1,003,455
Cashflow available for financing & social impact	£505,922	£486,849	£497,904	£476,866	£168,244	£151,893	£2,287,677
Members interest payments	-£247,242	-£194,515	-£127,221	-£ 41,459			-£610,437
Members capital repayments	-£190,846	-£243,573	-£310,867	-£337,939			-£1,083,224
Social Impact Fund (before taxation)	-£ 27,188	-£ 62,658	-£ 59,816	-£ 97,468	-£168,244	-£151,893	-£567,266

This above summary uses the warranted performance at p90 (i.e. the yield predicted to be exceeded 90% of the time) as the basis of the income generation figures. The logic is that there will be many more years that generation figures exceed expectations than there will be ones where they fall short, giving us confidence that we can honour our commitment to shareholders.

The income projections below are at p50 (the yield predicted to be exceeded 50% of the time). For the purposes of financial due diligence with Finance Wales and for calculating the interest payment offer to members the P90 figures were used. However, there is a significant likelihood that the project will perform much better than this as shown below.

SUMMARY INCOME & SOCIAL IMPACT FUND PROJECTIONS POST COMMISSIONING BASED ON P50

	31 DEC 2022	31 DEC 2027	31 DEC 2032	31 DEC 2037	31 DEC 2042	31 DEC 2047	TOTAL
Operating Income electricity sales & Ros	£675,340	£655,270	£716,511	£727,873	£418,736	£394,344	£3,588,073
Cashflow available for financing & social impact	£561,812	£541,078	£557,201	£537,103	£202,897	£184,528	£2,584,618
Social Impact Fund (before taxation)	-£83,077	-£116,887	-£119,113	-£157,706	-£202,897	-£184,528	-£864,207

NOTES:

Projections are based on a number of assumptions and there is no guarantee these projections will be achieved. Income is from selling exported electricity as well as from payments through the Renewables Obligation (RO) scheme and a number of Embedded Benefits. Costs comprise of operation and maintenance management charges, insurance, rent, repair provisions (e.g. for inverters), Gower Regeneration Ltd administration (e.g. accounts and shareholder management) and decommissioning costs. The project was successfully accredited for RO with Ofgem by 31st March 2017 and has secured a RO of 5.20p/kWh for the first year of operation which accounts for 51% of projected income during the first year of operation; the PPA of circa 4.97p/kWh has been secured through a 1 year contract with Good Energy (the price is based on an estimated all in one price for power and embedded benefits provided by Good Energy). Alternative refinancing packages are being explored in case the Offer is not fully subscribed. Based on current discussion with lenders, it is not expected that the terms of a refinancing package would be detrimental to the interest rate payable to members, but there would most probably be a reduced amount of funds available for delivering wider social impacts.

ASSUMPTIONS:

The key assumptions underlying these projections are as follows:
 Total project costs are £1,085,000 including: development (not paid for by grants), legal, construction, loan set up costs, fundraising and contingency costs;
 The society successfully raises the maximum equity funding;
 The construction of the solar scheme was completed by end of March 2017 and any snagging issues resolved by July 1st 2017;
 The solar scheme generates 1,026,983 kWh in its first full year of operation as per its P90 prediction;
 Degradation in solar panel performance is at 0.68% per year in line with product warranties;
 The power purchase agreement will rise in line with inflation expectations;
 Rate received for ROCs will rise with inflation expectations from the initial rate secured for the first year of operation
 Annual electricity and retail price inflation of 2.5%

MEMBERS CAPITAL REPAYMENT & INTEREST PAYMENT PROFILE

In our projections we have modelled repaying members' capital in 6 month installments for the first 20 years of the project, during which the project will qualify for the Renewables Obligation government support mechanism. We intend to repay members capital as follows:

	YEARS 0-5	YEARS 6-10	YEARS 11-15	YEARS 16-20
Capital Repayment as %	18%	22%	29%	31%
Capital Repayments if you invest £10,000	£1,800	£2,200	£2,900	£3,100

“We anticipate that the solar farm will generate a surplus of over £550k during the lifetime of the project.”

*Ant Flanagan,
Gower Regeneration Ltd Founder
and Board Member*



The community benefit society has the right to repay members their capital in part or full if the Board thinks this will be of benefit to the Society. Members can request to withdraw their capital but whether this will be possible will be dependent on there being sufficient reserves available. Typically, this can be made possible by other members offering to increase their shareholding. The Society is committed to facilitating this process.

Members' annual interest, projected at 5%, will start being accrued from January 1st 2018 and will be earned on the capital each member retains in the project each year. If for whatever reason, interest payments reduce one year we will do everything possible to address this and rebalance in following years, though ultimately it is at the Board's discretion whether interest is payable.

In order to be able to deliver as many social benefits as soon as possible, it is possible for you as a member to choose to forgo your interest payments for any given amount of time. The interest payment you choose not to receive will go into the Social Impact Fund. Instructions for this will be given at the time of share registration.

SOCIAL IMPACT FUNDS

The Board will consult members and other key stakeholders about what to do with the society's profits each year and design, deliver and report against a social impact plan, more detail of which can be downloaded from:

www.regengower.co.uk

As can be seen in the financial projects opposite, the funds available are projected to increase considerably over time as members' capital is repaid.

RISKS

An investment in this Offer carries risk and prospective members should read through this document carefully. If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a financial or other professional adviser.

The Board consider the key risk factors to be as follows:

As a newly formed company, Gower Regeneration Ltd has no track record prior to this project. The directors involved have extensive commercial and legal experience of running successful social enterprises, including raising finance, and have contracted demonstrably competent contractors to build the solar farm and are taking technical advice procuring the operations and maintenance contract.

CONSTRUCTION: Gower Regeneration Ltd entered into a 'turn-key' construction contract to mitigate risks of unforeseen construction costs. The Society has selected its construction partner Lark Energy carefully, taking into account their experience and track record delivering similar scale projects to tight deadlines. Although the site energized on 31st March, remedial works / snagging can be expected to continue during the Offer. In addition, the contractor has asked to be paid for additional earthing works which we have disputed. We have built in an appropriate contingency amount for unforeseen circumstances including allowing for any delays or downtime in the first three months of operation. Our technical advisors will also ensure that equipment has been installed correctly to ensure the warranted performance.

OPERATION: Generation of electricity involves mechanical and electronic processes which may fail under certain conditions leading to lost income and repair or replacement costs. In order to lessen this risk, the Society has used Tier 1 panels with a 20 year performance guarantee on a warranted degradation ratio (0.68%) and inverters on an extended 10 year warranty. The Society will undertake regular preventative maintenance through an O&M contract which at the time of share offer launch was still being finalized, though budgeted for conservatively within our projections. We have taken out insurance to cover business interruption caused by major equipment failure.

LIQUIDITY: It is not intended that any capital will be withdrawable by members for at least two years. Withdrawal of shares will only be possible if the company is generating sufficient surpluses or if other members wish to buy more shares. Any withdrawal will be at the Board's discretion. Investment in Gower Regeneration Ltd is intended to be a long term investment and although capital will be repaid incrementally, members should be prepared to hold their investment for the first 20 years of the project. Should the members withdraw their shares and the Society go into liquidation, creditors could reclaim the value of those withdrawn shares from members for up to one year after their withdrawal.

GENERATION: The Society's assumptions around potential renewable energy generation levels are based on figures provided by Lark Energy in the EPC contract (installed capacity of 999 kWp with yield of 1,026,983 kWh in first year). Any variance from this will be met through the award of liquidated damages, or where variance to contract has been accepted through the allocated contingency budget.

ELECTRICITY PRICES: Wholesale prices of electricity fluctuate, which will have an impact on sale prices for the Society's exported electricity and therefore revenue. There is also no guarantee that the Society will secure a satisfactory power purchase agreement beyond the first year contract that has been signed with Good Energy. However, UK Government forecasts suggest that, overall, the long term trend is for wholesale electricity prices to increase. The Power Purchase Agreement (PPA) is made up of a fixed price per unit of electricity and an estimate of additional embedded benefits which arise due to the solar farm exporting electricity into the local electricity network. The PPA price used in the modelling is based on an estimated all in one price for power and embedded benefits provided by Good Energy; embedded benefits may decrease. The directors are committed to securing the best possible price for the electricity produced on an annual basis, including investigating local supply model options.

RENEWABLES OBLIGATION ACCREDITATION: At the point of launch, Gower Regeneration Ltd has not received evidence of accreditation for RO. Prospective members can be assured that their investment will not be drawn down from Ethex until Gower Regeneration Ltd has had full confirmation of successful accreditation. If accreditation is not secured, investors can be assured all monies will be returned by Ethex.

RENEWABLES OBLIGATION CERTIFICATES: Over 50% of the Society's forecasted income is generated from Renewables Obligation Certificates; a government support mechanism. Renewables Obligation Certificates are issued to operators of accredited renewable generating stations for the eligible renewable electricity they generate. Renewables Obligation Certificates will be awarded to the solar farm for every MWh of electricity generated. Suppliers are obligated to buy a certain number of Certificates every year or pay the ROC 'buy-out' price. Operators can trade ROCs with other parties and are ultimately used by suppliers to demonstrate that they have met their obligation. A Renewables Obligation Order is issued annually detailing the level of the obligation on suppliers and the 'buy-out' price. The price for the ROCs secured for the first year (95% of the ROC buy-out price) is assumed to increase with inflation within our modelling.

REFINANCING: In our modelling we have assumed successfully refinancing the construction loan from Finance Wales either through the share offer or through an alternative lender. The costs for doing this and the rate of interest have been estimated based on discussions with potential re-financing partners and other offers in the market place. If they end up being higher than estimated, this will affect the amount of funds there are for delivering our Social Impact plan or at worst reduce payments to members in early years. If this happens the Society aims to make sure that payments in later years are increased to make up for this reduction.

UK ENERGY POLICIES: Changes in the law surrounding the RO could have a negative impact on the revenues and profits of the Society. The RO is subject to regular review though all UK Governments have so far avoided changes which impact projects retrospectively by adopting a grandfathering policy for operational projects. That is, post accreditation by Ofgem, RO will remain in place for the full 20 year period.

EXIT STRATEGY: We have budgeted for decommissioning of the installation. Members' capital is forecast to be repaid within the first 20 years (the Lease length is 30 years).

MATERIAL CONTRACTS

All necessary planning consents, site lease and grid connection agreements have been obtained to build and operate a solar installation on the proposed site.

LEASE

Prior to installation, Gower Regeneration Ltd entered into a thirty year lease with the Landlord. This enabled the installation and will allow for ongoing maintenance of panels over the lifetime of the project. The agreed total annual rental payment of £3,750 is set to rise with the retail price index at the end of each year. The document has been officially sealed and registered with Land Registry.

ENGINEERING, PROCURMENT AND CONSTRUCTION (EPC) CONTRACT

This contract covers the design, supply, installation testing, commissioning of the project, the liaison with Ofgem to ensure accreditation for RO, and is between Lark Energy and Gower Regeneration Ltd. The contract provides for a guaranteed performance ratio of 82% for the solar array, an assessment of the effect of system losses on the overall output of the system, subject to an annual degradation of 0.5%.

If the performance ratio falls below this guaranteed level in the first 12 months of operation Lark will be obliged to pay Gower Regeneration Ltd compensation for the reduced income to the project during its operational lifetime.

OPERATIONS AND MAINTENANCE (O&M) CONTRACT

Gower Regeneration Ltd is working with Juno to secure an O&M contractor via an open market exercise. This contract is expected to be in place by June 1st. The O&M Contract will require preventative maintenance to an agreed schedule. This will include remote monitoring of the system, 7 days a week, as well as regular site visits and annual functional tests of system components.

Finance Wales will review the O&M contract prior to release of the final stage payment of the construction loan which will be used to pay outstanding construction costs. Entering the O&M contract is a condition of drawdown of both the remainder of the Welsh Government loan and this Offer.

POWER PURCHASE AGREEMENT (PPA)

The PPA ensures the price for the sale of electricity produced. The PPA is made up of a fixed price per unit of electricity and an estimate of additional embedded benefits which will arise due to the solar farm exporting electricity into the local electricity network. The PPA price used in the modelling is based on an estimated all in one price for power and embedded benefits provided by Good Energy. As a condition of finance from Finance Wales, Gower Regeneration Ltd entered into a 1-year PPA with Good Energy.

PROJECT DEVELOPMENT, CBS MANAGEMENT AND ADMIN CONTRACTS

A Project Management Agreement has been entered into with Juno Energy: This includes technical advice, consenting, health and safety, construction supervision, witness testing and site handover.

A Project Management Agreement has been entered into with Gower Power Co-op CIC. This includes feasibility, corporate structuring, lender and equity engagement, marketing, administrative and secretarial services going forward.

Ethex have been appointed as the Receiving Agent. They will list the Offer on their website and deal with enquiries about the application process as well as receive membership applications. They will hold investors' money in a segregated client account until the Offer conditions have been satisfied to allow drawdown.



£

Total project costs
£1.085m

Share Offer
NOW LIVE on Ethex

www.ethex.org.uk/GowerRegeneration

KEY ORGANISATIONS



Gower Regeneration Ltd (Gower Regeneration), previously known as Killan Solar CIC is the name of the business which owned the Project Rights before it converted from a community interest company to a community benefit society called Gower Regeneration Ltd. It needed to do this to be able to become community owned.
www.regengower.co.uk



Y Felin Ddŵr Trust is the charitable trust which was the owner of the Killan Solar CIC before it converted into a community benefit society. Y Felin Ddŵr is now a Founder Member of Gower Regeneration Ltd and also owns the Gower Heritage Centre which is a local tourist attraction and rural resource centre that supports dozens of artisan producers, tradespeople, artists and musicians.
www.gowerheritagecentre.co.uk



Gower Power Co-op CIC is a Founder Member of Gower Regeneration Ltd. Gower Power has been involved in feasibility studies, commercial structuring, business planning, project management, securing finance, stakeholder engagement, developing and running this community share offer.
www.gowerpower.coop



Juno Energy are technical consultants. Juno has been involved from the outset in feasibility studies, planning and consenting and is project managing the EPC contract and H&S.
www.junoenergy.co.uk



Lark Energy is delivering the EPC contract. Lark Energy is an award-winning provider of commercial and utility scale energy schemes encompassing a wide range of renewables, particularly solar PV and biomass as well as conventional energy sources.
www.larkenergy.co.uk



Ethex is a not-for-profit web-based investment platform designed to 'make positive investment easy to understand and easy to do', and will be the Receiving Agent for the Share Offer.
www.ethex.org.uk



Welsh Government's **Ynni Lleol / Local Energy** service provides financial and technical support to help social enterprises and SMEs across Wales to develop their own renewable energy schemes. It is delivered by the Energy Saving Trust with the loan finance administered by Finance Wales. It has provided technical support, grants and loans to help to develop the project.
www.localenergy.gov.wales



Finance Wales is a Welsh Government initiated programme which provides investment finance for Welsh Small and Medium size Enterprises, and provided Gower Regeneration with a £992,000 loan.
www.financewales.co.uk



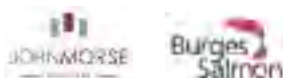
Cae Tan CSA will lead Community Supported Agriculture developments onsite.
www.caetanca.org



Also, many thanks to:



Robert Owen Community Banking who provided a loan at a critical stage of project development.



John Morse who carried out conveyancing work and Burges Salmon for various pieces of legal advice.



GWYRDD who carried out the creative design work, funded through Renew Wales.



Wales Co-op Centre who helped with the Community Share Offer document. Their support was financed through the Big Lottery Fund.



The research for this scheme was part-funded by the Leader European Agricultural Rural Development Fund through the Welsh Government.



Tidy Translations whose translations are well tidy!

We would prefer it if you apply for shares online at: www.ethex.org.uk/GowerRegeneration. However, if you would rather use a paper application **PLEASE COMPLETE BOTH PAGES OF THE SHARE OFFER APPLICATION IN BLACK INK AND CAPITALS**. If you would like to nominate someone to receive shares on death or are applying for children, then please download the extra application form available at: www.regengower.co.uk



INVESTMENT

I wish/my organisation wishes to invest a total amount of in Gower Regeneration Ltd based on the Terms and Conditions of this Offer Document at the price of £1 per share. Please note that you must invest at least £100 if you live within the City & County of Swansea (postcode starting with SA) and £300 if you live outside.

NAME OF APPLICANT

FIRST NAME

SURNAME

**Please only complete boxes marked with an asterisk if you are applying on behalf of an organisation. If you are applying on behalf of an organisation, please include the address of the organisation below and suitable contact details.*

*ORGANISATION NAME AND REG NO:

OR N/A

ADDRESS:

POSTCODE:

ADDRESS: (if less than 3 years at above)

POSTCODE:

DATE OF BIRTH:

DD / MM / YYYY

NATIONALITY:

TELEPHONE:

EMAIL:

*NAME OF AUTH SIGNATORY:

How did you find out about Gower Regeneration Ltd ?

PAYMENT DETAILS

I confirm that I have paid by bank transfer/BACS on:

DATE: DD / MM / YYYY

to Ethex Investment Club Ltd and agree to the terms and conditions described in this share offer document.

(Ethex Investment Club Ltd are receiving payments on Gower Regeneration Ltd's behalf in a segregated client account)

Please pay:

Sort Code: 60 - 83 - 01 Acc No: 20358868

When making an online payment please include a reference name. This should ideally be your SURNAME and DATE OF BIRTH (e.g. JONES160472)

I confirm that I have enclosed a cheque made payable to 'Ethex Investment Club Ltd' and agree to the terms and conditions described in this Share Offer document.

I CONFIRM MY UNDERSTANDING THAT:

When accepted by Gower Regeneration Ltd this Application forms a contract subject to the law of England and Wales on the Offer Terms of the Offer Document.

An Applicant who/which is not a UK resident is responsible for ensuring that this Application complies with any laws or regulations applicable outside the UK to which he/she/it is subject, and that he/she/it will need to provide a UK based bank account.

If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole.

I CONFIRM THAT:

I have read the Offer Document (including the Risk Factors and the Guidance Notes to this Application Form) and the Rules of Gower Regeneration Ltd

I am over 16 and the Applicant meets the Offer eligibility criteria.

Gower Regeneration Ltd is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application.

The Applicant is not (unless a Registered Society) making an application or multiple applications for a total of more than 100,000 Shares (and this includes the aggregated total of any shares applied for children in the Applicants name).

The Applicant is not relying on any information or representation in relation to the Offer Shares in Gower Regeneration Ltd which is not included in the Offer Document.

The Applicant shall provide all additional information and documentation requested by Gower Regeneration Ltd in connection with this Application, including in connection with money laundering, taxation or other regulations.

PLEASE NOTE THAT BEFORE COMPLETING THIS DOCUMENT YOU SHOULD HAVE:

Read this Share Offer Document -

Considered the Offer Terms and the Risks as set out in this Document -

Considered whether you need to take any financial advice in relation to the Offer Terms -

NB: The data that you provide on this application form will be stored within a computerised database, by Receiving Agent Ethex and administrators Gower Power Co-op CIC. Your information will only be used for Gower Regeneration Ltd's and Ethex' purposes and will not be disclosed to any third party.

If you would like to receive occasional news from Gower Power Co-op CIC about other projects, please tick here:

I understand that the cheque supporting this application (if enclosed) will be presented for payment upon receipt and I warrant that it will be paid on first presentation.

*SIGNATURE:

*DATE: DD / MM / YYYY

*If applying on behalf of an organisation, the authorised signatory must sign here

ONCE COMPLETED PLEASE SEND YOUR APPLICATION TO:

Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE

Cheques should be made payable to 'Ethex Investment Club Ltd'

