

3rd Share Offer Re-opening Covering letter



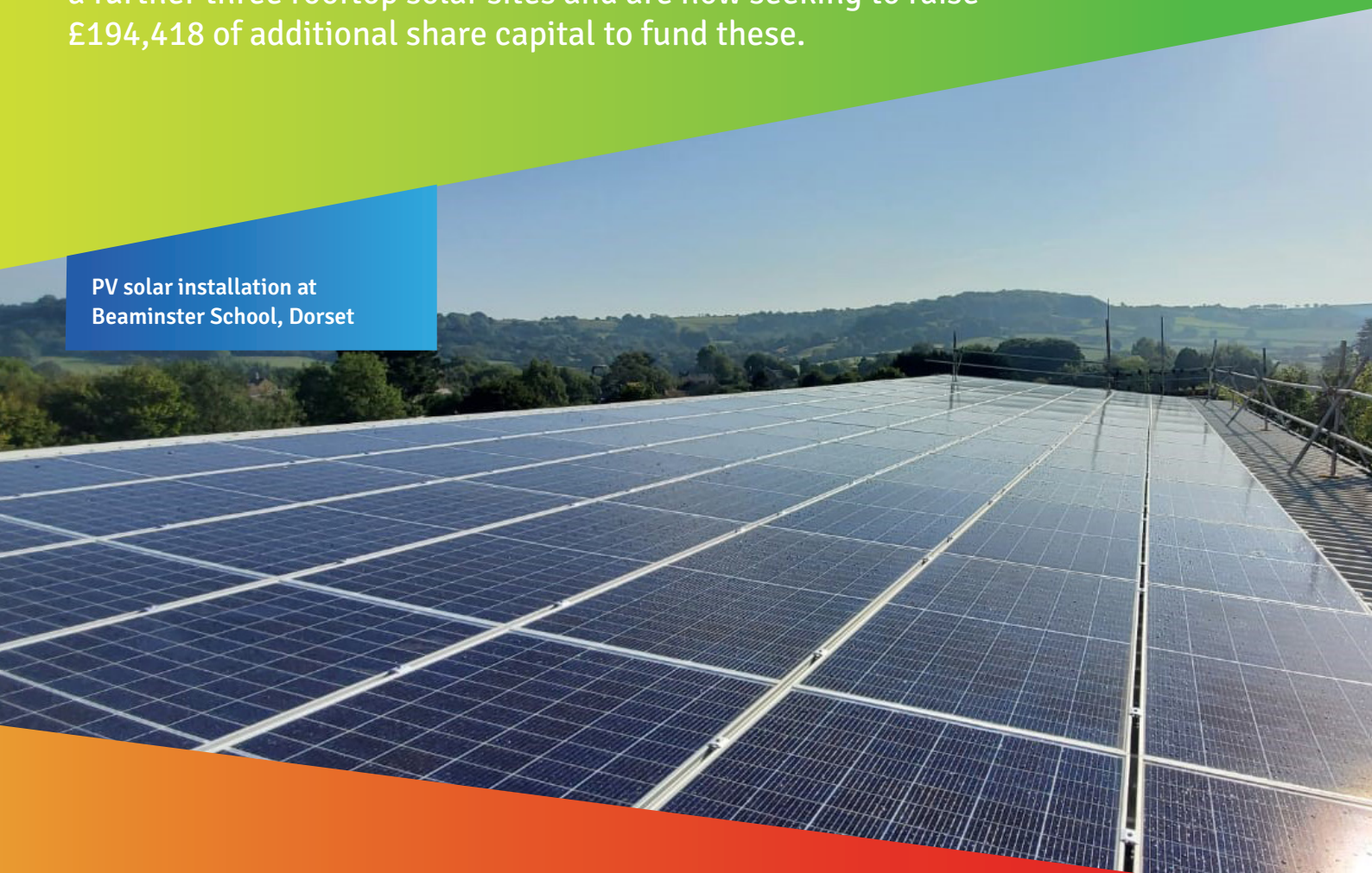
**DORSET
COMMUNITY
ENERGY**

May 10th 2021

Dorset Community Energy (DCE) is pleased to announce that it is re-opening its 3rd share offer that closed in July 2019 having successfully reached its target of £445,000.

These funds have been used to install 700kWp of rooftop solar panels on schools and hospitals across Dorset. We have been able to secure a further three rooftop solar sites and are now seeking to raise £194,418 of additional share capital to fund these.

PV solar installation at
Beaminster School, Dorset



Summary of Offer



We are offering these shares on the same terms as described in the 3rd Share Offer Document. The share offer was written in such a way that it could be re-opened if further sites were identified.

This covering letter is designed to be read in conjunction with the 3rd Share Offer Document to explain this new offer of shares. Those interested in investing should only do so after reading both documents in full and taking appropriate professional advice. This share offer is not covered by the Financial Ombudsman Service or the Financial Services Compensation Scheme.

Summary of Key Terms that apply to the re-opened offer

Item	Details
Offer Period	May 2021 until target is reached
Fundraising target	£194,418
Minimum required	£22,437
Min/ Max investment	Min is £100 Max is £50,000
Target Interest Rate	5.5% (first payment expected following 2023 AGM)
Capital Repayment	Intends to repay in seventeen equal payments from year 4

DCE's 3rd Share Offer was over-subscribed, and we will first offer new shares to those we had to decline previously. The share offer will then be made open to the public, with our existing membership notified of the offer in advance of any public publicity.

Offer Timetable Schedule of Notification

Timing	Who
10th–16th May (1st week)	Over-subscribers from 3rd Share Offer in 2019
17th–23rd May (2nd week)	Existing Membership
24th May (onwards)	General Public

The share offer will close when the target has been met. The minimum number of shares the Society will issue is 22,437 (enough to pay for the smallest installation) and, if there are fewer applications than this by 31st July 2021, then all monies will be returned.

Further Details

Details on how to apply are on our website including the 3rd Share Offer Document and Application Form. www.dorsetcommunityenergy.org.uk

We hope you choose to support us with these installations.

If you have any queries, please contact Shareenergy on: **T 01743 835 242** | **E admin@shareenergy.coop**

This document has been prepared by Wessex Energy Solutions with the support of Shareenergy Co-operative.





Update on DCE's 3rd Share Offer that closed July 2019.

In May 2019, DCE launched its third share offer which successfully raised £445,000 to support the installation of 700kWp of solar panels on Schools and Hospitals across Dorset. The programme had a total budget of £729,080 as DCE was successful in securing a 40% grant from Low Carbon Dorset.

Since July 2019, DCE has been busy completing this programme and, as of April 2021, the full 700kWp is now installed. Members have been kept informed of progress but there were delays due to challenges arising from Covid, in particular for the Dorset Healthcare sites. We had originally hoped to have all sites installed by March 2020.

The Share Offer Document targets paying an interest rate of 5.5%. However, as already advised to investors in the 3rd share offer, due to delays it will not be possible to pay this for 2020/2021. The Board has reviewed the end of year financials and is recommending a payment of 3.50% for agreement at July's AGM. Going forward we expect to be able to pay the target interest rate of 5.5% as all the installations are complete and performing in line with expectations.

The portfolio has been completed under budget, with left over funds being used to support the development of new sites and installation costs. The final list of sites and capacities installed is below:

Final breakdown of 700KWp Portfolio			
Site Name	Size kW	kWh/Year	Tonnes CO ₂ Saved
Wey Valley School	97	96,634	50
Blandford School	86	82,510	43
All Saints School, Weymouth	61	67,190	35
Beaminster School	112	116,691	60
Bridport Hospital	99	101,117	52
Blandford Community Hospital	50	54,278	28
Alderney Hospital	97	102,520	53
Weymouth College (2 buildings)	98	101,500	52
TOTALS	700	722,440	374

DCE has now installed 24 solar PV installations across Dorset with a total capacity of 1.1MWp.

DCE's latest financial accounts for 2019/20 can be found on the Members section of our website along with the other information compiled for the 2020 AGM. The Board has remained the same as overviewed in the 3rd Share Offer document, and since the 2020 AGM.

Re-opened 3rd Share Offer



New sites and other supporting details.

Three more sites are fully developed and ready for installation during the school summer holidays. Like the 700kWp portfolio, these sites have also been awarded a 40% grant from Low Carbon Dorset.

New Site Details and Costs					
Site Name	Size kW	Total Cost £	Cost for Share Raise £	kWh/Year	Tonnes CO ₂ Saved
Weymouth College	370	£242,059	£145,235	379,320	196
Linwood School	50	£37,395	£22,437	55,151	29
Sturminster Newton High School	47	£38,724	£23,234	50,418	26
TOTAL - SITES	467	£318,178	£190,907	484,889	
Other Costs		£21,962	21,511		
TOTAL COSTS		£340,140	£212,418		
Less PV3 installation underspend		£30,000	£18,000		
TOTAL FOR RE-OPENED OFFER		£310,140	£194,418		

The share offer was written in such a way that it could be re-opened or extended for this eventuality – see the Terms and Conditions on page 22, “The Directors reserve the right to re-open the offer should more sites come forward that meet the Society’s required returns as outlined in this offer”. This is also explained in the Summary of Offer on Page 5.

We can confirm the new sites meet the financial return requirements of the Society which have been modelled by Wessex Energy Solutions using the same model that was used for the 3rd Share Offer. However, the Board and Wessex Energy Solutions cannot be held liable for the accuracy of the projections.

The 3rd share offer document remains an accurate summary of the targeted Members return for the re-opened offer namely:

- Interest payments of 5.5%. The first interest payment on the shares from this re-opened offer are expected to be made following the 2023 AGM based on the 2022/23 financial year.
- Repay Members’ share capital with seventeen equal annual payments over the 20-year term from Year 4 (2025/26) to Year 20 (2041/42).

The new shares will be linked to the performance of the new installations and not the previous ones.

DCE reserves the right to reopen the share offer if more sites come forward which can be installed under the same terms.

DCE will continue to look for opportunities to build more low carbon generation to help Dorset decarbonise in ways that are also financially viable.