



PUNL SHARE OFFER

Partnering with our community to combat climate change together.

Prepared for:

Prospective shareholders

Date:

December 2019

This share offer in Power Up North London, a Community Benefit Society, is for the amount of £46,000 to install a 48 kWp solar PV array at Hampstead School Westbere Road, London NW2 3RT.

The offer will open on 16 December 2019, and close on 31 January 2020 or when the target amount is reached, whichever occurs first.



SUPPORTED BY

MAYOR OF LONDON



Aerial view of Hampstead School

Existing PV panels

Location for further PV panels

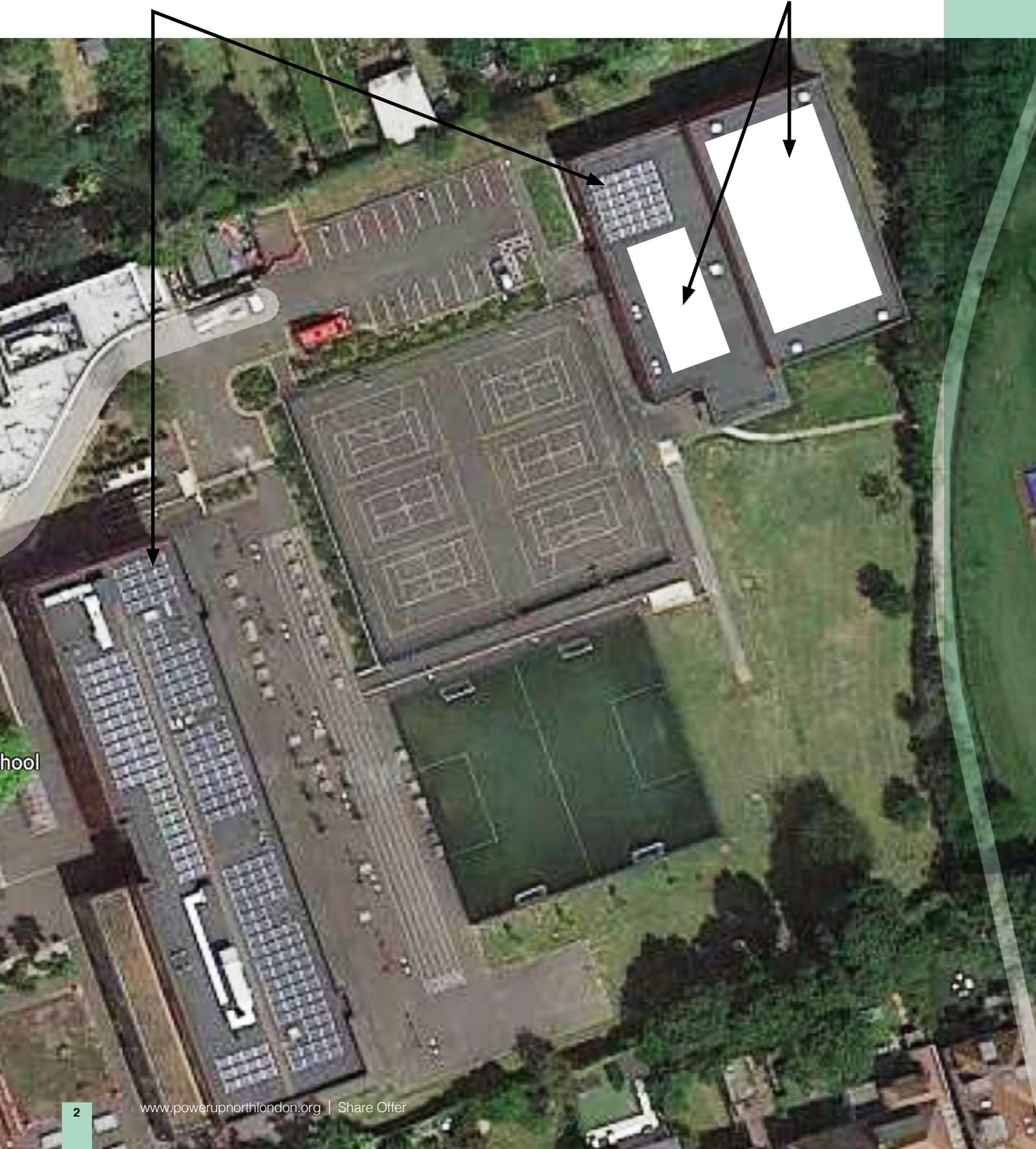


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Important Information

The Offer

Power Up North London (PUNL) and Hampstead School, in partnership with Camden Council, want to install solar panels on the school roof. The Council and School have agreed to allow PUNL to install 48 kWp of solar panels. We are now looking to raise £46,000 in total which covers the purchase of the panels, display, crowdfunding and project management costs.

The Share Offer will open on 16 December 2019 and run until 31 January 2020, unless the target amount is reached at an earlier date. The minimum investment is £250 and the maximum investment is £4,500. The minimum investment for families and carers with children at the school, as well as school staff, is £100.

Cost of panels	39,000
Display, project management, contingency	7,000
Total	£46,000

Investment Risks

Those interested in investing should do so only after reading this document in full and taking appropriate financial and other advice. Community shares are fully at risk, and you could lose some or all of the money you invest. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service.

Declaration

Power Up North London and each of its Directors confirm that we have taken all reasonable care to ensure that the information contained in this Offer Document is to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its overall meaning.

Director's Letter

Power Up North London is a community business that emerged from the Transition Town movement and was set up in July 2015. Power Up North London is constituted as a Community Benefit Society, meaning our activities must aim to benefit our community as a whole, not just those who chose to invest in our shares.



Our vision is that Camden and Islington become zero carbon boroughs, driven in part by a resilient, independent and collaborative community of local residents harnessing clean energy. We do this by empowering North London residents through ownership of clean energy generation.

In September 2016, we successfully installed 19kWp of solar PV on St Anne's church in Highgate, following a full feasibility study and a share offer that raised £30,000 of community investment. In 2018 we were awarded £34,000 of funding from the London Mayor's Community Energy Fund to enable professional feasibility assessments to be undertaken on three PV solar installations in Camden. We have also supported six organisations in Islington to secure £51,000 of grants from Islington's Community Energy Fund to undertake clean energy infrastructure projects. Four of these projects have been completed and two others are currently in the feasibility phase.

In March 2019 we successfully raised £28,300 through a community share offer and installed PV solar panels on the roof of the Caversham Group Practice, a NHS health practice in Camden. This installation has cut carbon emissions, provided cheaper, clean energy for the Practice, and is contributing to the creation of a community energy fund for other local projects. The fund will enable PUNL to play an important part in the wider community energy revolution that is happening across the UK. During the year, PUNL worked as part of Climate Emergency Camden, a coalition of local groups working with the Council to trigger a borough wide response to the climate and ecological crises we face. In July 2019, Camden Council convened the first Citizens Assembly to discuss the climate crises and in October 2019, Camden Council declared a Climate and Ecological Emergency which laid out a series of actions the Council will take to address the growing crisis.

Throughout this period, PUNL and Camden Council have been working to develop a new partnership which will help to accelerate the commitment to achieving a zero carbon by 2030 by scaling the delivery of community owned and managed renewable energy. This project is the first outcome of that process, and we hope it will be followed by others. In November 2019, we received a further £26,870 from the London Mayor's Community Fund to invest in further feasibility studies, including three schools in Camden and at Muswell Hill Golf Course. We are just about to launch a share offer to raise £37,000 for the Golf course. PUNL is run by a core group of volunteers day-to-day and we also have support from a wider network of people in the local area. We thank all the PUNL volunteers who have supported us at different stages of this project from site visits, to project management, appointing and liaising with expert advisors, community engagement around the share offer and launching this share offer. We could not have developed this project without their help and support.

PUNL's volunteers have expertise in business, finance, engineering, communications and project management. We also bring in other experts for specific technical aspects of our projects that need architectural, structural engineering and design skills. PUNL are well placed to grow our activities over the coming months and years to tackle the climate emergency at scale. We cannot do this without the support of local residents investing in our community share offers and taking direct action to tackle the climate crisis. We thank everyone who has helped to support PUNL over the past four years and encourage you to make an investment, big or small, to share in the ownership of a community asset that will benefit the local community and the environment.

With thanks,

Ben Pearce, Chair Power Up North London



Overview of share offer

This document details and contains an invitation to subscribe for shares in Power Up North London, which will install photovoltaic (PV) energy systems on the roof of Hampstead School.

Introduction

The purpose of this community Share Offer is to finance the installation of 48kWp of solar PV on the roof of Hampstead School, a community school in the London Borough of Camden. PUNL will seek to offer an interest rate of 2% to shareholders during the life of this investment.

The installation of solar panels will benefit the School through lower consumption of fossil fuel energy, reduced carbon emissions and lower energy bills. It will help the investing members and local community to contribute to the effort against climate change by taking a stake in this carbon-reducing scheme. It will also generate a small surplus to go towards a PUNL community energy fund that will be used to invest in other community renewables projects.

The Share Offer

We are seeking to raise £46,000 for the installation of the solar panels. The Share Offer will open on 16 December 2019 and run until 31 January 2020, or until the target figure in the share offer is matched, whichever comes first. In the event the Share Offer falls short of the target, the Project will not proceed.

Shares will be allocated on a first-come first-serve basis. In the event applications exceed the target amount, unsuccessful applicants will have any deposited funds returned and will be placed on a priority list for PUNL's next share offer.

Membership and its Benefits

Buying shares in PUNL means you will automatically become a member of the Community Benefit Society. Members are entitled to receive the Society's annual accounts, vote at the Society's Annual General Meetings, and stand for election to the Board of Directors. Members will democratically decide on future projects and the allocation of funds from PUNL's Community Energy Fund.

For each member, the minimum investment is £250 and the maximum is £4,500. For parents and carers of pupils attending Hampstead school, as well as staff from the school, the minimum investment is £100. Applications can be made online via the link <http://www.powerupnorthlondon.org/school/> or manually by returning the **Application Form** at the end of this pack.

The Shares

Shares are in Power Up North London (PUNL), a registered Community Benefit Society. The Shares are Ordinary shares of £1 each with the average annual interest rate estimated to be 2% for the length of this project. The actual amount may vary based on the output of the panels, the energy used by the school itself and other projects that PUNL invests in over the 20 years.

We hope you will view this investment as an opportunity to support a project with environmental and social benefits. The rate of return is modest in keeping with our rules as a Community Benefit Society that require the primary reason for membership to be community benefit and not financial gain.

Withdrawals

Members should regard these shares as a long-term investment. Shares cannot be transferred and will not be listed on any stock exchange. From 2021 members may apply to withdraw their shares from the Society on giving three months' notice, however please note withdrawal approvals are subject to the discretion of the PUNL Board who are obliged to consider the prevailing financial position of the organisation.

Share Interest

These shares are being issued to raise funding for solar panels on the roof of Hampstead School. The project will be run and delivered by PUNL alongside its other installations at St Anne's Church, Highgate and Caversham Group Practice, Camden, and Muswell Hill Golf Course, Haringey. Please note interest rates may be affected by the performance of other projects in PUNL's portfolio (either existing or future projects).

Asset Lock

As a Community Benefit Society PUNL has an asset lock as part of its rules. Its assets, i.e. the solar panels on the roofs of the buildings where it has installations, must be used for the benefit of the community, and cannot be sold or transferred to anyone else unless they also have an asset lock in place. This ensures the community purpose of the group. More information on the nature of the asset lock is in our rules available on our website.

<https://powerupnorthlondon.org/about/>

Role of the community

This project will create a community asset that can be used to engage pupils, staff and the wider community at Hampstead School on the benefits of renewable energy and to start a wider discussion about local ownership of energy generation.

PUNL is a Community Benefit Society (no 7181), constituted to act in the best interests of the community as a whole and not just its members. Therefore, we will continue to engage with the public through various forums including our regular monthly meetings that are open to all, school events, assemblies and newsletters. We also share updates and communications about our work through our website and on Facebook, Twitter and Instagram. Our meetings are advertised on our website and the minutes are shared with members by email with their permission.

Members are required to vote on all project proposals including those from the wider community on how the Community Energy Fund is spent.

Risks

Community shares are fully at risk and you can lose some or all of the money you invest. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. Further risks are outlined in section 9 of this share offer.

Note: This document has been prepared by the Directors of PUNL. Technical and project specific words and phrases used in this Offer Document are defined in the Glossary. This summary should be read as an introduction only and any decision to invest made on the basis of the document as a whole.

About Hampstead School in Camden

Hampstead School is a large comprehensive school in the London Borough of Camden, England. The school building is one of the oldest in the borough. It has about 1,300 students between the ages of 11 and 19 attending the Lower School (Year 7 through to Year 11) and the Sixth Form College (Year 12 and Year 13).

History

The main School building was originally the site of Haberdashers' Aske's Boys' school, now situated in Elstree. Hampstead School relocated to Westbere Road from Hoxton in 1902, chosen as a healthy place away from the City. Hampstead School was founded as a secondary modern in 1961 and incorporated Harben Secondary Modern School in Netherwood Street, Kilburn before becoming a comprehensive. The old school's Latin motto *Is est emendo; tendo quod macula iocus notitia* (to correct faults, give direction and impart knowledge) can still be seen on the face of the main building.

Benefits

The installation of solar panels will benefit the school through lower consumption of fossil fuel energy, reduced carbon emissions and lower energy bills. We estimate annual carbon savings of 11 tonnes which is equivalent to the carbon sequestered by 4.5 acres of new forest.

PUNL will enter into a 20-year roof licence with Camden Council and the School, and will receive income from the sale of the solar electricity to the school and from the Feed-in Tariff. The school will receive discounted electricity during the life of the licence and will benefit from free renewable electricity thereafter. Any surpluses PUNL generates after paying for running costs such as, insurance, maintenance and investor distributions, will be put towards a PUNL Community Energy Fund that can be used to invest in other community renewables initiatives. This will help to build resilience of the local community in tackling climate change.

The School can be an important flag-bearer for community renewable energy and we hope that this installation will inspire many other community buildings and schools across the Borough to follow suit. This project will create a community asset that can be used to educate members of the school community on the benefits of renewable energy and to start a wider discussion about local ownership of energy generation. We will have an electronic display board to show how much solar electricity has been generated and used by the School.



Hampstead School
Entrance gates

Community Engagement and marketing

The School community will be kept informed about our progress in delivering the solar panels through regular newsletters and updates on the School website.

Information about the upcoming share offer and its benefits will be shared with the School, the Council and members of the wider community, including through Transition Kentish Town.

We are marketing the share offer by connecting with various local forums and events on air pollution and climate change. We will also publish news of the share offer in local papers including the Camden New Journal, Ham and High, and through relevant social media platforms including Twitter, Facebook and NextDoor, for example.

Power Up North London

Power Up North London was formed by three local Transition Town groups in North London. PUNL's vision is that Camden and Islington become zero carbon boroughs, driven in part by a resilient, independent and collaborative community of local residents harnessing clean energy.

Our mission is to empower North London residents through ownership and understanding of clean energy generation and reduced energy consumption. We will do this by connecting residents with clean energy technologies through projects such as this one, and by providing information and education on energy usage. Our activities promote community benefit, community ownership, sustainability, independence and resilience.

The Society

We follow in the footsteps of other community energy groups in London and across the UK, and enable our community to own clean, green energy sources. Our current projects extend from Bethnal Green, to Haringey, West Hampstead, Highgate, Islington, Kilburn, Kentish Town and Camden. Our members are also geographically spread out with pockets in Highgate, Camden, Islington and beyond.

The PUNL Community Fund

As well as funding a small return to our investors and reduced energy bills for the School, income generated from this project will contribute towards PUNL's Community Energy Fund.

The Community Energy Fund supports local projects that meet environmental and social goals, such as, energy saving programmes that help address fuel poverty.

Share Interest Paid and Share Withdrawals

PUNL's first share issue raised £31,050 from the local community in late 2016. As formally communicated at the PUNL AGM in June 2018, and as set out in the St Anne's Share Offer, we commenced annual repayments to investors during 2019. The first capital repayment was 10% of the amount raised (£3,105) and the interest rate was 4% (as it included 2 years of interest). Thereafter we estimate capital repayments to be 5% a year and interest payments to be 2% a year.



St Anne's Church
53 Solar PV panel install completed

Our Directors

The Board of Power Up North London is made up of members, all of whom are professionals, who bring diverse experience in the spheres of business, engineering, the environment, communications and finance. We are committed to tackling climate change and fuel poverty. At each PUNL AGM held in June members have the opportunity to both stand and vote to elect new Board members.



Ben Pearce

Ben was a co-founder of PUNL in 2014 and has been Chair since 2018. Ben is the Head of Investment & Advisory at CAN Invest, managing social investment funds that provide consultancy to social enterprises and charities. He leads on PUNL's business planning, utilising his skills to develop our impact-led strategy for growth.



Ian Grant

Ian is one of Power Up North London's founding directors and has been an editor and writer on the environment and built environment for over 30 years. He has extensive experience managing small companies having founded two publications and is also a freelance consultant.



Joanna Macrae

Dr Joanna Macrae has lived in Camden for nearly 30 years. She is passionate about tackling the climate and ecological crisis. Jo currently works for the UK's Department of the Environment, Food and Agriculture working on international forests and land use. She is recognised internationally for her expertise in humanitarian policy, research and innovation management and has served in a variety of roles in government, the World Bank, NGOs and think tanks.



Tanuja Pandit

Tanuja joined Power Up North London in October 2017. She is a long-term resident of Islington and brings extensive experience from the commercial, not-for-profit and charity sectors in senior finance and general management roles. Tanuja is committed to tackling climate change through individual and collective action.



Sara de le Serna

Sara has played an active part in Power Up North London since its first meeting in May 2014. Sara has been involved in projects in the energy and transport sectors giving advice to policy makers. She is committed to local renewable energy initiatives and enjoys the thrill of seeing the direct impact of her work through tangible outcomes.



Martin Narraway

Martin joined PUNL in 2016 to promote clean energy in Highgate and north London. A long-term resident of Highgate, Martin is a Chartered Engineer who brings technical knowhow having spent the last 40 years developing technical projects for breweries and distilleries. He also works part-time with paper mills, in the UK and Africa.



Adam Spence

Adam joined Power Up North London in February 2015, wanting to support clean energy initiatives alongside a career in commercial investment management and fundraising. Adam is a chartered accountant and runs his own investment and advisory group, Edition Capital, along with three other colleagues.

Our Supporters

PUNL is grateful to the Greater London Authority for providing us with the finance for the feasibility study at Hampstead School. The grant has enabled us to pay for experts to undertake the structural survey of the roof, for legal advice on the licence, the design and production of the share offer prospectus, and the DNO certificate.

We also thank Camden Council for its strong support for this initiative, in particular Cllr Adam Harrison (the Cabinet Members for Sustainability), Cllr Angela Mason (Cabinet Member for Best Start For Children and Families), as well as Harold Garner, James Davies and Karen Corkery.

We also thank all the PUNL volunteers, and especially Joanna Macrae and Martin Narraway, who have committed many hours of their time to developing this project.

Invitation to Purchase Shares

PUNL is offering ordinary withdrawable (subject to board discretion) shares for purchase. Each ordinary share has a nominal value of £1. The minimum investment is £250 and the maximum investment is £4,500. For members of the school community, including parents, carers and staff the minimum investment is £100. Membership is open to UK residents aged 16 and over. Corporate bodies, voluntary organisations and public sector investors may also become Members.

Your Investment

Investing in this share offer should be seen as a long-term ethical investment opportunity attracting a mix of social, environmental and financial returns. The estimated financial return to Members of the Society is based on projected income and costs, calculated by combining the installer's quote on generation of electricity with data we have gathered on electricity utilisation at the School. Your investment decision should consider these assumptions carefully, as well as the identified risks.

The projected interest over the expected life of the Hampstead School project is an average of 2% on remaining capital in the project. We believe that the returns from this project are comparatively secure because the income streams are primarily derived from the Feed-in Tariff, which is a programme implemented and guaranteed by the UK Government for 20 years. Although the FIT closed on 31st March 2019, as a Community Benefit Society PUNL pre-registered the Hampstead School installation and have until 6th March 2020 to complete the installation. However, no investment is completely risk-free and the rate of annual interest payment cannot be guaranteed. The Society intends to repay Members' share capital over the 20-year period, at 5% a year, subject to financial performance and available funds.

Forecast Income

Income generated will primarily be derived from the following and annually adjusted for inflation and system performance:

- The Generation Feed-in Tariff (FIT): a 20-year inflation-protected price per kWh scheme that is legally required to be paid by licensed electricity suppliers to PUNL for generating electricity from renewable resources. The Generation Tariff for Hampstead School is currently 4.14 pence per kWh. We anticipate selling 90% of the energy generated for use on-site each year, bringing an income of £1,484 in the first full year of operation. After annual adjustments for energy price inflation, and reductions in site energy generation due to panel efficiency, we anticipate an income of £47,532 over 20 years.

- The sale of solar electricity consumed on-site by the School: this is measured using a generation meter and is underpinned by a Power Purchase Agreement. For the School, the opening electricity price will be 11% lower than that being paid by the School at the start of generation (estimated in March/April 2020). This rate will be reset annually in line with the electricity price negotiated by the School with their supplier so that the School will continue to benefit from a discount to market price. After annual adjustments for energy price inflation, and reductions in site energy generation due to panel efficiency, we anticipate an income of £108,113 over 20 years.

Forecast Operating Costs

A portion of revenue will be set aside annually in order to meet the operating costs outlined below and to repay capital and interest to shareholders. We estimate that ongoing costs will be approximately £3,500 annually and will be used to cover:

- Annual service and maintenance of the solar PV equipment
- An annual administration charge to cover PUNL's costs for running the project including, insurance, billing and financial accounting & shareholder management
- Provision for inverter replacement
- Depreciation costs of the solar panels and equipment

Invitation to Purchase Shares

Tax Relief

Tax reliefs under the Enterprise Investment Schemes (EIS) and Seed Enterprise Investment Schemes (SEIS) are no longer available to community energy projects. From 6 April 2016 there is a new tax-free interest income allowance, called the Personal Savings Allowance. This is applicable if you are a basic rate taxpayer paying 20% tax, meaning you'll be able to earn up to £1,000 in savings interest tax-free.

Higher rate taxpayers will be able to earn up to £500 interest tax-free. For more information on if you qualify for this tax relief, visit the government website: <https://www.gov.uk/apply-tax-free-interest-on-savings>. You should seek further advice from a financial advisor or accountant on tax matters as appropriate.

Option to donate shares and/or interest arising

Members may choose to donate all or some of their shares or the interest from them to the Community Energy Fund. Such donations will be used to accelerate the scaling of community energy and other local environmental projects. Decisions regarding allocations of the Fund will be made by members.

Hampstead School Financial Model

INCOME (£)	2020	2021	2022	2023	2024	2025-2040	Total
Generation FIT	1,484	1,825	1,870	1,917	1,964	38,473	47,532
Sale of energy on-site	3,550	4,366	4,475	4,586	4,699	86,437	108,113
Feasibility grant*	1,300	175	175	175	175	2,800	4,800
	6,334	6,366	6,520	6,677	6,838	127,710	160,445
OPERATING COSTS							
Start-up costs	1,300	-	-	-	-	-	1,300
Maintenance	217	268	276	284	293	5,684	7,021
Inverter replacement	-	-	-	-	-	6,300	6,300
Export meter	46	57	58	60	62	1,202	1,485
Depreciation	2,054	2,465	2,465	2,465	2,465	37,379	49,291
Administration	592	711	732	754	777	16,123	19,689
	4,209	3,500	3,531	3,563	3,596	66,689	85,087
SUMMARY							
Income	6,334	6,366	6,520	6,677	6,838	127,710	160,445
Operating Costs	(4,209)	(3,500)	(3,531)	(3,563)	(3,596)	(66,689)	(85,087)
Shareholder Interest	(767)	(882)	(836)	(790)	(744)	(5,648)	(9,667)
Income before tax	1,359	1,984	2,153	2,324	2,498	55,373	65,692
Tax @ 19%	(258)	(377)	(409)	(442)	(475)	(10,521)	(12,482)
Profit after tax	1,101	1,607	1,744	1,882	2,023	44,852	53,210

*Covers both revenue and capital items. The capital grant is released over the life of the project.

Terms & Conditions

Please read this section carefully – it sets out the details for becoming a Member of Power Up North London. While you may hear about this investment opportunity from other sources, you should ultimately make your decision based solely on the information contained or referenced in this share offer.

Aims of the Share Offer

This Share Offer aims to:

- Raise the necessary capital funds of £46,000 to install a 48 kWp solar PV array on the roof of Hampstead School, London;
- Generate a source of renewable energy and provide opportunities to local businesses to bid for the installation;
- Provide a modest source of income for all shareholders in the form of annual interest payments;
- Build a small Community Energy Fund that can be used for other renewable energy projects in North London.

Eligibility criteria

Membership is open to all UK citizens over 16 years old, corporate bodies and voluntary organisations.

Voting

All Members of the Society will have one vote regardless of the size and value of their shareholding.

Shareholdings

- When buying shares through this Offer you will automatically become a member of Power Up North London, which operates on a one member, one-vote basis.
- All applicants must purchase shares at a minimum of £250. The maximum investment for all shareholders is £4,500. For Members of the School Community, parents, carers and staff, the minimum investment is £100.
- Each share in Power Up North London has a nominal value of £1. The prevailing value of each share shall not exceed £1, however it may decrease should the Society suffers sustained financial losses.
- You cannot trade your shares on a stock exchange or transfer them to other individuals (subject to certain provisions in the Rules).
- Withdrawal of shares shall only be in accordance with the terms described below

Taxation

Interest payments will be made gross and subscribers will be responsible for declaring this income on their tax returns, although they may not have to pay tax on this interest where the Personal Savings Allowance or any similar scheme applies. Shareholders should consult with a financial expert regarding the effects of the tax on earned interest.

Membership

Each person or organisation issued with Shares becomes a Member of the Society, with membership rights defined in the Rules (available on the PUNL website, www.powerupnorthlondon.org/about/). The principal rights are:

- Each Member has one vote, regardless of the number of Shares held. This vote applies to resolutions proposed by Members in the Society, as well as in relation to the appointment of Board Directors.
- The right to receive a proportionate annual interest payment as a return on the investment in shares (subject to available surplus).
- The right to the return of initial share capital by the end of the life of the solar PV installation (subject to available surplus assets and any new business of the Society).
- As a Member, the right and eligibility for election to the Board.

Withdrawing shares

We strongly encourage investors to view their investment as a long-term commitment to Power Up North London for the project's 20-year period. You do have the right to withdraw any or all of your share capital from 1 April, 2021, upon approval by the Board of Directors. This will be subject to three months' notice and in accordance with the Society's Rules and the sole discretion of the Board of Directors so as not to adversely affect the financial strength of the Society.

Interest

Payment of interest may be made annually in gross on a date approved by the Members at each Annual General Meeting. This forecast percentage return has been calculated by the Directors to be approximately 2% of the project's annual net profits across its duration. Investors should not expect interest payments that mirror the returns of commercial investments. Investors should also note that they can choose to donate the interest payments to PUNL's Community Energy Fund. This option is available both online and in the Application Form at the end of this pack.

Financial Model

Detailed financial information on PUNL's profit and loss, balance sheet and cash flow forecasts are provided in the consolidated financials in section 8 of this Share Offer.

Consolidated financial statements

Profit & Loss account

TURNOVER (£)	2018	2019	2020	2021	2022	2023	2024
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
SOLAR GENERATION							
<i>St Anne's Church</i>	3,362	2,783	2,839	2,896	2,954	3,014	3,075
<i>Caversham Group Practice</i>	-	11,013	4,066	4,134	4,204	4,276	4,350
<i>Muswell Hill Golf Club</i>	-	-	4,450	4,346	4,429	4,514	4,600
<i>Hampstead School</i>			6,334	6,366	6,520	6,677	6,838
Group revenues	18,057	11,273	5,000	5,150	5,305	5,464	5,628
Total	21,419	25,069	22,689	22,892	23,412	23,945	24,492
EXPENSES (£)							
SOLAR GENERATION							
<i>St Anne's Church</i>	(451)	(464)	(478)	(493)	(507)	(523)	(538)
<i>Caversham Group Practice</i>	-	(7,293)	(180)	(186)	(191)	(197)	(203)
<i>Muswell Hill Golf Club</i>	-	-	(1,317)	(268)	(276)	(284)	(293)
<i>Hampstead School</i>			(1,563)	(324)	(334)	(344)	(355)
Site Operating Costs	(451)	(7,758)	(3,538)	(1,271)	(1,309)	(1,348)	(1,388)
Depreciation	(1,859)	(2,930)	(7,203)	(7,961)	(7,961)	(7,961)	(7,961)
Group costs for projects	(17,390)	(2,797)	(2,937)	(3,084)	(3,238)	(3,238)	(3,238)
PUNL Operating Costs	(282)	(2,464)	(4,000)	(4,120)	(4,244)	(4,371)	(4,502)
Total	(19,982)	(15,949)	(17,677)	(16,435)	(16,751)	(16,918)	(17,089)
Profit before interest and tax	1,437	9,120	5,011	6,457	6,660	-7,027	7,402
Interest payable	(602)	(1,046)	(2,506)	(2,654)	(2,511)	(2,369)	(2,227)
Profit before tax	835	8,074	2,505	3,803	4,149	4,658	5,175
Tax	(159)	(1,534)	(476)	(722)	(788)	(885)	(983)
Profit after tax	676	6,540	2,029	3,081	3,361	3,773	4,192
Memo: Community Energy Fund			1,015	1,540	1,681	1,886	2,096

Consolidated financial statements

Balance Sheet

(£)	2018	2019	2020	2021	2022	2023	2024
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
FIXED ASSETS							
Tangible Assets	26,019	61,580	145,368	137,407	129,446	121,485	113,525
CURRENT ASSETS							
Debtors	4,116	4,817	4,360	4,399	4,499	4,601	4,706
Cash at bank and in hand	18,702	18,917	21,763	25,941	30,191	34,966	40,277
Total	22,818	23,734	26,123	30,340	34,690	39,567	44,983
CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR							
Creditors	(14,748)	(6,000)	(6,300)	(6,615)	(6,946)	(7,293)	(7,658)
Deferred Income	(1,600)	(15,030)	(22,462)	(21,571)	(20,740)	(19,911)	(19,086)
Interest Payable	(602)	(1,046)	(2,506)	(2,654)	(2,511)	(2,369)	(2,227)
Current assets less current liabilities	5,868	1,658	(5,145)	(499)	4,493	9,994	16,012
Net Assets	31,887	63,238	140,223	136,908	133,939	131,479	129,536
CAPITAL AND RESERVES							
Share Capital	31,050	54,327	128,807	121,689	114,571	107,453	100,335
Retained Profit	678	7,218	9,248	12,328	15,689	19,462	23,655
Total Liabilities	31,728	61,545	138,054	134,017	130,260	126,915	123,989
CREDITORS: AMOUNTS FALLING DUE AFTER 1 YEAR	159	1,693	2,169	2,891	3,679	4,564	5,547
Net Assets	31,887	63,238	140,223	136,908	133,939	131,479	129,536

Consolidated financial statements

Cash flow

(£)	2018	2019	2020	2021	2022	2023	2024
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax	835	8,074	2,505	3,803	4,149	4,658	5,175
Adjustment for:							
Depreciation	1,859	2,930	7,203	7,961	7,961	7,961	7,961
Interest payable	602	1,046	2,506	2,654	2,511	2,369	2,227
CASH FROM OPERATIONS BEFORE WKG CP CHANGES	3,296	12,050	12,214	14,418	14,621	14,988	15,363
Decrease in Debtors	(2,348)	(701)	457	(39)	(100)	(102)	(105)
Increase in Creditors	14,195	4,682	7,732	(577)	(500)	(482)	(461)
CASH FROM OPERATIONS ACTIVITIES	15,143	16,031	20,403	13,802	14,022	14,404	14,798
Interest Paid	-	(602)	(1,046)	(2,506)	(2,654)	(2,511)	(2,369)
Taxation Paid	-	-	-	-	-	-	-
NET CASH FROM OPERATING ACTIVITIES	15,143	15,429	19,357	11,296	11,368	11,893	12,429
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of Fixed Assets	-	(38,491)	(90,991)	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES							
Net proceeds of share offers	-	26,506	80,906	-	-	-	-
Withdrawal of shares	-	(2,450)	(6,426)	(7,118)	(7,118)	(7,118)	(7,118)
NET CASH FROM FINANCING ACTIVITIES	-	24,056	74,480	(7,118)	(7,118)	(7,118)	(7,118)
Net Increase in Cash	15,143	215	2,846	4,178	4,250	4,775	5,311
Cash at beginning of period	3,559	18,702	18,917	21,763	25,941	30,191	34,966
CASH AT END OF PERIOD	18,702	18,917	21,763	25,941	30,191	34,966	40,277

Risk Factors

All investment and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity. Attention is drawn to the following:

General Investment Risks

- The value of shares can fluctuate with the value of the underlying business.
- Offer Shares will not be transferable or traded on any stock exchange.
- Members wishing to withdraw their share capital will be able to apply to the Board for this purpose at any time, however, withdrawal of share capital is at the discretion of the Board.

Renewable Energy Industry Risks

Policy: The UK electricity industry and Government policy for renewables are predicted to change. However, many of the government policy changes that could negatively impact on the industry have already occurred, namely the removal of the FIT subsidy, the increase in business rates for solar PV and the removal of tax benefits for investment. While this project will attract the FIT over 20 years and there is no precedent for it being withdrawn retrospectively.

Technical: Income is impacted by lower electricity output from unexpected weather patterns or underperformance of the solar panels. Short-term weather conditions could affect expected levels of generation, but long-term patterns outside anticipated parameters are considered unlikely especially with global warming. By diversifying the number and type of renewable energy projects that PUNL undertakes we will reduce the impact of such variations.

Risks specific to the society/project

Financial: The sale of energy to the site may be higher or lower than forecast. Higher sales will increase the benefits to all parties. Lower sales could result in lower returns but we will have the offsetting effect of our other two projects.

The shares are illiquid and the Board of Directors may not feel in a position to allow withdrawal when you request it. We expect that share withdrawals will be gradual and we have provided for regular annual capital returns to shareholders in our financial modelling.

Retail and energy price inflation may be higher or lower than the forecast of 3% used in the financial model. Lower inflation could reduce income from the FIT and export tariffs that are index-linked. We expect to see some offsets from lower running costs as these are also inflation-linked.

Operational: Temporary interruptions to electricity generation because of temporary roof repairs or maintenance works required may result in reduced Member returns. We have had the school roof professionally inspected and so we have sought to mitigate this risk. This will mean that any short-term interruptions should not materially affect our returns particularly as we have income protections built into our lease agreement with the School and the Council.

Operational costs for insurance, administration, service and maintenance may increase over the life of the project by more than the amounts assumed. As PUNL invests in more projects we expect the operating costs to reduce due to economies of scale and greater buying power.

Termination: Please note that, in accordance with typical licensing arrangements, termination provisions will apply. Should the School exercise such an option, they would buy the installation at a market rate and you would receive payment for any outstanding shares you retain from this offer at that point in time.

Questions about the Application Process

When can I apply for shares in Power Up North London?

This share offer will be available between 16 December 2019 and 31 January 2020, or until the target amount is reached, whichever occurs first. The closing date may be extended at the discretion of the Society's Board of Directors.

How can I apply?

Share Offer applications must be made either using this link <http://www.powerupnorthlondon.org/school/> or by completing and posting the Application Form included at the end of this Share Offer Document.

Applications will only be considered if complete, and if the conditions laid out in this share offer are met. Once we have received your application form, it cannot be withdrawn. Though all applications will be considered, we are not obliged to accept your application for shares, and we may decide to issue fewer shares than requested. In the case that this happens, we do not have to give any reasons for our decisions.

What happens if and once my application is accepted?

We will acknowledge receipt of your application once it has been received. It will be considered at the next Board of Director's meeting. Your money will be held by us on trust until we issue shares to you. After this, you will be bound by the Rules (which can found at <https://powerupnorthlondon.org/about/>). Once issued, you will receive an email from us confirming your share allocation, along with a signed share certificate and relevant tax information.

What if my application is not accepted?

We may exercise our right to reject your application, or issue you fewer shares than you applied for. If so, we will return your money that has not been accepted for the purchase of shares to you within fourteen days of this decision, which will be made at the Board of Directors meeting. We will not pay you interest on any money that is returned to you.

Are some share applications given priority over others?

If oversubscribed, applications for shares will be prioritized on a first come, first served basis.

What happens if the share offer fails to raise enough money?

At the discretion of the Board of Directors, the share offer deadline may be extended to attract more funding. However, if this share offer ultimately fails to raise the full target of £46,000, Power Up North London will not be responsible for any financial losses suffered by applicants. Applicants' money will then be returned to them as soon as practically possible.

How will my information be used/data protection?

Details of all shareholders shall be held on a share register. Share register information will only be shared with the Society's Members, Officers and Directors, any organisation we may appoint for shareholder administration and other persons specially authorised by resolution of the Society.

Pursuant to section 103 and 104 of the Co-operative and Community Benefit Societies Act 2014, a member of the Society, and any person having an interest in its funds, shall be allowed to inspect the following in the manner and under the conditions authorised by the Society's Rules:

(i) the member's own account, and (ii) all entries in the Society's duplicate register kept pursuant to section 30, which is a register of Members' and officers' information, excluding and not disclosing the number of shares purchased, the amount paid, and information on property held by Members. Under no condition shall a Member inspect another Member's account without that other Member's prior written consent. The following information shall be made available on the Society's website:

- Copies of the Society's annual accounts for the previous years accompanied by any auditor's report or equivalent.
- Copies of the Society's annual return to the FCA for the previous three years.
- An up-to-date list of the officers of the Society and its Management Committee Members, including details of how to contact them.
- An up-to-date copy of the Society's Rules.
- A copy of any community share offer document published in the previous five years.
- A copy of any business plan published in conjunction with an offer document in the previous five years.
- A copy of any current registered charges over the Society's assets.

Nomination Option

You may (if you wish) elect to nominate a recipient for the value of the shares (but only up to £5,000) and thus (under current legislation) remove the value of the shares (up to £5,000) from your estate for probate purposes (but not for capital tax purposes). If you have any questions, you should seek independent advice.

Provisions on death of a Member

In accordance with the Society's Rules, on the death of a Member of the Society, their personal representative can apply for withdrawal of the share capital. Return of share capital under this provision will be prioritised by the Board of Directors over any other return of Members' capital.

Investment risk and disclaimer

All investment and commercial activities carry risk and, as such, there is a chance that you will lose the value of your investment. Since this share offer is exempt from the Financial Services and Markets Act 2000, or subsidiary regulations, you will have no right of complaint to an ombudsman.

A society formed under the Co-operative and Community Benefit Society Act 2014 is registered with but not authorised by the Financial Conduct Authority - any money you invest is not safeguarded by a depositor protection scheme or dispute resolution scheme. As a result, should Power Up North London get into any financial difficulties:

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

Can you afford to be without the money you pay for these shares? If not, you should not buy them. If you are in doubt about any information contained in this document, you should consult an Independent Financial Advisor under the Financial Services Act 1986, or you should seek advice from a solicitor or accountant.

Glossary

Glossary

Annual interest payment: Annual interest payment: In a community benefit society, a discretionary allocation of profit paid to investor Members

Applicant: An applicant for offer shares through submission of an application form

Application Form: The form in this share offer which must be completed and returned in accordance with the Terms and Conditions of this share offer and the Guidance Notes

Application Monies: The total gross sum realised by this share offer

Board: The Board of Directors of Power Up North London Limited

Climate Change: the phrase widely used to describe changing weather patterns as a direct result of global warming. The main cause of global warming is the carbon dioxide that results from burning fossil fuels (coal, oil and natural gas) which traps the Earth's heat in the atmosphere.

Commissioned: Panels registered for Feed-in Tariff and system in active service

CO2: Carbon dioxide gas emitted during the burning of fossil fuels and regarded as the main cause of global warming

Directors: The Directors of Power Up North London

FIT: Feed-in Tariff, an incentive for microgeneration up to 5MW introduced by HM Government on 1st April 2010 under powers from the Energy Act 2008

Feasibility: The work undertaken by Power Up North London to establish the suitability of i) the roof of the School and ii) the site for a PV solar installation

Grid, or National Grid: The National Grid is the high-voltage electric power transmission network in Great Britain

kW: Kilowatt, a unit that measures power and is equal to 1000 Watts

kWp: Kilowatt peak, a unit that measures maximum power generated by the installation or a single panel under a specified set of conditions

kWh: Kilowatt hour, a unit that measures energy and is equal to the energy that can provide the power of 1 kW for the period of one hour

Offer Costs: The expenses incurred by or on behalf of Power Up North London in issuing this share offer

Offer Period: The period during which the invitation to purchase shares pursuant to this share offer will remain open (including any extension) as set out in the timetable in this document

Offer Shares: New withdrawable shares in Power Up North London, offered at a par value of one pound (£1.00) each pursuant to the Terms and Conditions of the share offer and payable in full on application

PV: Photovoltaics is a method of generating electrical power by converting the sun's radiation into direct current electricity. Each panel is composed of a number of solar cells containing a photovoltaic material that draws upon the sun, which is our most plentiful renewable energy source.

PPA: Power Purchase Agreement for the sale of electricity by PUNL to Hampstead School.

Project: the proposed ownership and operation by Power Up North London of a 48 kWp photovoltaic array at Hampstead School.

Projections: The financial projections for Power Up North London that underlie this share offer

Rules: The Rules of Power Up North London, available online or on demand by using the contact details set out in this share offer

Share offer: The offer of shares in Power Up North London contained in this document

Site: The location of the proposed solar array being the roof of Hampstead School.

Solar Array: Collection of photovoltaic panels connected in series to generate electricity

Power Up North London (or the Society): Power Up North London, which is registered with the Financial Conduct Authority (Registered No. 7181). The Society aims to create renewable energy and low carbon projects that benefit the residents of North London.

Application Process & Forms

Before completing the Application Form you must:

- Read the accompanying Share Offer Document.
- Consider whether you need to take financial or other advice in relation to the Terms and Conditions contained in Section 7 of this Share Offer.
- Read the Rules of Power Up North London available on the project website at <https://powerupnorthlondon.org/about/>

The cost of a single share is £1 and you may purchase a minimum of 250 and a maximum of 4,500 shares. For members of the school community, including parents, carers and staff, the minimum investment is £100.

Applications and payment must be received by 31 January 2020 at the latest.

Online application

As a volunteer- led organisation we have limited resources and would prefer applications using our online platform as all the required information is captured electronically.

Applications can be made online via the link:
<http://www.powerupnorthlondon.org/school/>

If you do not feel comfortable applying online then you may complete the application form at the back of this share offer document and return it by post along with your cheque to:

Power Up North London, 96 Highgate West Hill, London, N6 6NR

Individual applicant details

I wish to purchase shares to the amount of £ _____ in Power Up North London Ltd on the Terms and Conditions of the Hampstead School Offer Document at the price of £1 per share. The minimum investment must be £250, maximum investment £4,500. For members of the school community, the minimum is £100.

Title ____ First name _____

Surname _____

Address _____

Town/City _____

Postcode _____

Telephone _____

Email _____

All applicants must provide an email address so that administration costs can be kept to a minimum.

Donating your shares back to PUNL

If you would like to donate the interest and capital from your investment to PUNL, please tick this box

If you would like to donate the interest from your investment to PUNL, please tick this box

Capital and Interest Payments

To keep costs of administering the Society to a minimum Power Up North London is required to make interest and capital repayments by bank transfer. Please provide the details of the bank account you would like to receive capital and interest payments. Please note your application will be deemed to be incomplete if your bank account details are not provided.

Name on Bank Account _____

Sort code _____

Account number _____

If the applicant is nominee for a child (noting tax implications)

Child's name _____

Child's date of birth _____

Child's address _____

Postcode _____

Application form

Organisations Purchasing Shares

Please provide the details of your organisation below and fill out the rest of the application form with the details of your authorised signatory

Organisation name _____

Type of organisation _____

Registration number (e.g. company number) _____

Position of authorised signatory _____

If you wish to nominate a person to whom you wish your shares to be transferred on your death then please tick here ___ and complete the Nominee Appointment Form on page 23.

Declaration

- I am over 16 years old and am willing to become a member of Power Up North London
- I have read the attached Share Offer in full and I understand the risk factors set out in this Share Offer
- I agree to be bound by the terms and conditions set out in the attached Share Offer and the rules of Power Up North London
- I understand that Power Up North London may reject my share application and does not have to tell me why it has been rejected
- I understand that Power Up North London is authorised to make enquiries as deemed necessary to confirm the eligibility of my application or that I am not making multiple applications
- I understand that my shares are a long-term investment, that they will be non-transferable and withdrawable only at the discretion of the Society.
- I will supply any additional information requested by Power Up North London in connection with money laundering, taxation or compliance with other regulations.

I agree to all of the above

Data protection and money laundering

The data provided by you in this form will be stored on a computerised database. The data will only be used by Power Up North London. It is a term of the Offer that to ensure compliance with the Money Laundering Regulations 2003, Power Up North London may at its absolute discretion require verification of identity from any person seeking to invest.

Signed as a deed:

(Please sign here)

Witness signature:

Date:

Your payment

Please make your cheque for £_____ payable to **Power Up North London Limited**

Please write your reference **PUNL 4** on the back of your cheque. **Don't forget to include your cheque with this form when you post it to us.**

Please post your completed form to:

Power Up North London
96 Highgate West Hill, London, N6 6NR

Further information

If you have any questions please email us at:

powerupnorthlondon@gmail.com

Nominee appointment form

This form should only be completed if you wish to nominate a person to receive your shares on your death. You can nominate a person to whom you wish your shares to be transferred on your death. We will respect those wishes (as far as UK law and the Community Benefit Society Rules permit).

Individual applicant details

If you are a nominee for a child (see page 21), you MUST also enter the child's details into this form.

Title ____ Firstname _____

Surname _____

Address _____

Town/City _____

Postcode _____

Telephone _____

Email _____

All applicants must provide an email address so that administration costs can be kept to a minimum.

Designated Nominee signature:



www.powerupnorthlondon.org