



OVESCO

IPS FOR COMMUNITY BENEFIT

COMMUNITY-OWNED SOLAR ROOFING



COMMUNITY SHARE OFFER

OFFER OPENS ON 19TH APRIL AND CLOSES ON 27TH MAY 2011

Ovesco Limited invites you to invest in community-owned solar generation, in what is believed to be one of the first projects of its kind in the country.

This is an exciting and innovative opportunity to support local generation of green electricity. The project is designed and costed to be self-sustaining over its lifetime. The electricity generated will be fed into the National Grid and the exported electricity will be bought by Good Energy, which supplies 100% renewable electricity.

The main aim of the project is to provide benefits to the local community, understood as the population of Lewes District, by developing and increasing the services we have been offering over the last three years in partnership with Transition Town Lewes. We expect to be able to give you interest on your investment from the third year of operation and to return your money to you in full at the end of the project at the latest.

This document explains what is planned and how you can be involved.

How does it work?

The number of sunshine hours in Lewes is among the highest in the United Kingdom: 4.66 hours a day on average.¹ While the largest volume of electricity is generated during these hours, PV panels continue to generate at lower levels, even under overcast skies. This project will harvest this resource.

Ovesco Limited has entered into a partnership with a site owner and the installer of the PV array. We are working actively on recruiting more site owners to expand the volume of energy generated locally.

The Sussex brewery Harveys has agreed to lease the roof of its main storage and distribution depot in Daveys Lane, Lewes to Ovesco for 25 years, the duration of the project. Up to 544 solar PV panels will be installed on the roof to produce an estimated 92,000 kilowatt hours (kWh) of electricity each year,² save up to 893 tonnes of CO₂ over its lifetime³ and receive up to £30,000^{4 5} a year from the inflation-linked feed-in tariff (FIT) which the Government has undertaken to maintain for 25 years.^{6 7} Harveys will use some of the electricity, free of charge, for its operations, while Ovesco will receive the FIT and export the rest of the electricity to the National Grid. The FIT will provide the income from which Ovesco plans to finance local community advice and support, pay interest to investors, build a fund for repayment of investments and administer these activities.

Our partners

Harveys Brewery of Lewes is the oldest brewery in Sussex, dating back to 1790. It owns 48 pubs in south-east England, and is famed for its cask ales and its Celebration Beers. Since 1952 it has received 57 accolades for its beers. The company is well-known for its commitment to ecological sustainability and to the local community.

Southern Solar has designed the solar array in co-operation with Ovesco Limited, and will install it on Harveys' roof. Southern Solar is a well-established firm with its headquarters in Ringmer, near Lewes, and in April 2010 a *Which* review of 14 solar energy companies described it as 'the only one... worthy of mention for its helpful and sensible approach'.⁸

¹ www.metoffice.gov.uk/climate/uk/averages/regmapavge.html#sengland

² Calculation of known electricity outputs from installations of known capacity for Lewes District, averaged, and checked with combined output/capacity for a wider region in the South East.

³ Derived from the calculation of carbon dioxide savings recommended by Renewables UK (ex British Wind Energy Association) and accepted by the Advertising Standards Authority after a court case in Dec/ 2005 which decided on the figure of 0.43kg of CO₂ /kWh. www.bwea.com/edu/calcs.html.

⁴ Derived from PVGI-CMSAF dataset, from EC Joint Research Centre, hour-by-hour and week-by-week power and directionality of sunlight in this area.

⁵ Based on calculated output, level of feed-in tariff and income from the sale of electricity not used on site (assumed 50% of output at not less than 3p/kWh).

⁶ www.ofgem.gov.uk/Media/FactSheets/Documents1/fitfs_energy%20prices%20update%20F5.pdf

⁷ The solar system is to be installed before the deadline of 1st August 2011 announced in the recent Budget when the FIT will be reduced for installations of this capacity.

⁸ www.which.co.uk/news/2010/04/solar-panel-sellers-slammed-in-which-probe-212256



My dad's solar array is bigger than your dad's

The team

The Board of Directors of Ovesco Limited currently has five members with a sound combination of skills and experience who have been working for more than a year to establish this project. At the first AGM we intend to stand down and offer ourselves for re-election by the members. The part-time paid position of project co-ordinator is currently held by Chris Rowland, one of the Directors. The Directors are not related to each other.

The founding Directors are Paul Bellack, Dirk Campbell, Elizabeth Mandeville (Company Secretary), Chris Rowland and Nick Rouse.

Paul Bellack

Paul has been in the commercial property business for over 35 years, and brings a wealth of business experience to Ovesco Limited. As well as running his own company, he has been a Director of the Ethical Property Company since its inception 12 years ago. Paul has been involved in several community projects and is particularly passionate about sustainable development and energy.

Dirk Campbell

Well-connected in the community and worked on the inception of the Lewes New School and of Transition Town Lewes. Founder member of the Lewes Community Partnership, Chairman of the Lewes Matters Sustainability Group, member of the Lewes Community Land Trust and the Transition Town Energy Group, Dirk brings his skills and connections, as well as a deep interest in community involvement, to Ovesco Limited's aims of generating local sustainable power.

Elizabeth Mandeville

Director and Company Secretary. Formerly Research Manager in an IT consultancy, specialist areas including home automation and energy load management systems. Until recently an Associate Lecturer at the Open University. An active member of a local charity, a number of community groups and the Transition Town Lewes Energy Group, Liz is working with the community to raise awareness and promote practical steps towards a low-carbon future.

Chris Rowland

Graduated from the Royal College of Art as an MA furniture/product designer in 1988, and worked in the design and build construction industry for over 16 years on projects for McLaren, HSBC, Shell and GSK. Architectural Glass Design Manager for Komfort Workspace PLC for four years before joining Ovesco Limited as a Director and project co-ordinator, managing the Ri/REG grant scheme and Energy Efficiency Advice Service. Excellent project management and construction skills and knowledge of design and build.

Nick Rouse

Technical Director for OVESCO Limited with a BSc in Electrical & Electronic Engineering (with commendation). Nick has worked for over 30 years in the electronics and electrical engineering industry. His wide range of skills includes knowledge of semiconductors, infra-red imaging/tracking systems, satellite image-processing systems, design of high-performance electron microscopes and alternative energy fields. As Chief Engineer and Head of Design/Development for Telcon Ltd he has worked on the design and development of the company's products, principally electrical current and energy sensors, many of which are used in the renewable energy industry around the world. Nick has a vast knowledge of technical skills in energy conservation and power generation (his own home is fitted with PV, solar thermal and a ground source heating plant).



*Up on the roof
– left to right:
Nick Rouse, Liz
Mandeville, Miles
Jenner (Harveys),
Howard Johns
(Southern Solar),
Dirk Campbell,
Hamish Elder
(Harveys), Chris
Rowland*

Why are we doing it?

The vision of Ovesco Limited is to develop locally owned renewable energy generation resources, that reduce our dependence on imported energy and our carbon emissions. This project is the first step towards this goal.

The project has been calculated to produce a highly reliable income stream from which interest can be paid to investors in addition to community benefits. Green energy, produced from local renewable sources, provides many other, non-financial, benefits. We have designed the offer to balance the need for members to receive a reasonable financial return with community benefits.

Ovesco Limited intends to dedicate a sum, not less than £500 each year and rising as means allow, to be given to local community groups to assist with insulation, advice on generating renewable energy if appropriate, energy audits to establish the best ways to reduce energy use, and other similar projects. Over a number of years, in partnership with Transition Town Lewes's Energy Group, we have organised energy fairs, established open eco house week-ends, carried out home energy audits and arranged talks on the need for energy reduction and how to achieve it, and will continue and extend this work.

We are engaged in talks with Good Energy to establish a means to donate part of the surplus electricity to local projects such as the Pells Swimming Pool in Lewes, if not physically then on an equivalent generation and consumption basis.

This green energy project is expected to provide many, and less tangible, benefits for all those who are concerned about energy security, environmental damage and the future of young people.

- It helps protect against insecurity of energy supply.
- It gives a clear sign to children and young people of our care for their future.
- It helps meet local, regional and national targets for reduction of CO₂ emissions.
- Local electricity generation is more efficient than electricity from the grid.⁹
- Everyone aged 16 or over can apply to contribute to generation of green energy through the scheme, even if their own property is a listed building, in the National Park or not suitable for PV, or if installation would be too disruptive for the household.
- Ovesco intends that this will be the first of many such schemes in which it will work with site owners to generate electricity from their properties.
- The project combines a pioneering approach to local energy generation, community action and a secure financial foundation.

If you invest, you will be taking part in an important and innovative approach to energy security and renewable generation, while drawing a financial benefit.



I just sit in the garden and watch it making money

The offer

Ovesco Limited is a not-for-profit organisation set up as an Industrial and Provident Society for Community Benefit (IPS) to enable community investment. It provides an opportunity for local people and organisations to contribute financially to the community with the expectation of both a social dividend and a financial return.

Individuals and organisations can invest between £250 and £20,000. The maximum limit does not apply if the member is an Industrial and Provident Society. Your investment will make you a full voting member of Ovesco Limited and provide working capital for the first two years of trading and beyond.

We expect to be able to pay interest of 4% from the third year of operation after the date on which the array starts to generate. The interest that you receive will depend on how much you have invested, and assumes that all will go as planned.

We plan that your investment will be returned to you in full 25 years from the date on which the installation starts to operate unless you have withdrawn it before then.

If you prefer, you can make a donation or a loan to Ovesco instead. We will not pay interest, but will make an individual agreement with you on the terms of the donation or loan. The donation option may be attractive in combination with registration for the Enterprise Investment Scheme for all tax payers, and particularly those paying the higher rate of income tax.

Please contact Ovesco Limited if you are interested in making a donation or a loan; contact details are given at the end of this document.

⁹ <http://tinyurl.com/6jvwajt>

The investment needed

We need to raise £306,000 for the project to go ahead. If we raise more than this sum from community investment we will ask those whose payments arrive at the Ovesco office after that sum has been raised whether we can use their money to fund additional activities including finding further sites suitable for renewable energy projects and developing and managing such projects for community benefit. Alternatively, we will return the money to you if you tell us that you would prefer that.

The money invested will be used to pay for the installation of the PV roof and associated costs, including contracts, management costs and insurance.

The income will be used for four primary purposes:

- to provide advice and assistance to the local community on reducing energy bills and understanding how they can make use of available methods of generating energy, and a fund to help people take action on energy use
- to pay interest to members (starting in the third year of operation)
- to accumulate a fund for future repayment of members' outstanding money in full, and
- to cover the cost of administering the project.

New local energy generation projects may be sought and undertaken under this offer document if in the future funds allow and with the agreement of members.

A detailed financial spreadsheet has been prepared by Ovesco Limited's accountant. It demonstrates the viability of the project and an increasing income over time to spend on community benefits and exploration of new generating opportunities.

This spreadsheet can be viewed on Ovesco Limited's website <http://www.ovesco.co.uk>.

We are working to ensure that the shares are eligible for Enterprise Investment Scheme (EIS) tax relief, which allows investors who do not withdraw their investment for three years from the start of trading to set up to 30% of their investment above £500 against income tax liability. We will keep you informed of progress. EIS also has capital gains possibilities. EIS is arranged between the investor and HMRC. **We cannot guarantee your individual entitlement to EIS tax relief because tax rules are complex and ever-changing. If you are unsure, please seek professional advice.**

How does the share offer work and what guarantees do I have for my investment?

No form of investment is entirely without risk. This is a long-term investment, and the value you will receive includes the contribution you will be making to community benefit.

The value of a share in Ovesco Limited cannot increase beyond the nominal value of £10 and can be reduced if liabilities exceed assets.

Shares can only be sold back to Ovesco Limited; to get back the sum you initially invested (or any reduced value) you will have to give 180 days' notice. This can be done only after two years have elapsed from the date when the solar roof begins producing electricity.

Withdrawal will be at the discretion of the Directors, who will have to judge whether Ovesco Limited has adequate cash reserves to fund withdrawal at that time.

Ovesco Limited can pay interest on shares and intends to do so, but the Directors must exercise their discretion to take particular account of the fact that Ovesco Limited provides an opportunity for people to contribute financially to the community with an expectation of a community benefit, as well as for financial reward.

We will consider sympathetically all requests to withdraw money, and intend each year to support requests totalling at least 5% of the total invested if means permit.



How do I invest?

The minimum investment is £250 and the maximum is £20,000 (this maximum does not apply to an IPS for community benefit). You are investing in Ovesco Limited which is registered with the Financial Services Authority (Registered No. 30875R). Ovesco Limited uses the Rules for an IPS created by Wessex Community Assets, specialists in community investments (www.wessexca.co.uk), who have advised us on the preparation and launch of this share offer. Our governing document, the Rules, explains members' rights as well as details of the nature of the shares and the management and constitution of the society. They can be examined in the Ovesco office or sent via email on request.

Risk factors

The Directors consider that this project is more risk-free than many forms of investment because it creates what is expected to be a secure income stream over 25 years and the calculation of the investment needed includes the costs of administering the project and maintaining the installation. Any cost arising from damage to the solar roof structure itself, apart from Acts of God, the result of terrorist activity or any other standard exclusions,¹⁰ will be fully covered by insurance and our contract with Southern Solar.

Nevertheless, the Directors have identified the following risks.

- The price of electricity can go down as well as up.
- Changes in legislation, especially to the value of the FIT, would affect the project.
- The amount of electricity produced may vary because of unusual weather patterns.
- The project may be delayed for technical, financial or legal reasons.
- There may be interruptions to electricity generation because of financial or legal matters.
- There may be damage to the site that interrupts generation of electricity.
- The capital costs are based on calculations carried out before this share issue. Any subsequent increase in capital costs will have to be met by monies raised in this share offer and any other sources of funding (gifts, grants and loans).
- Legislative changes to the roles and functions of the Financial Services Authority or to those of other regulatory bodies may change the way in which Ovesco Limited is regulated.



It's the new Lewes currency madam

This list is not necessarily comprehensive.

The most serious and immediate threat is the Government's recent announcement in the Budget of the intention to reduce very substantially the rate at which the Feed-in Tariff will be paid for solar installations with capacity of more than 50kW which are not installed and registered before 1st August this year. We intend to meet this deadline. If factors beyond our control make that impossible, we will seek agreement with Harveys to cap the capacity of the Harveys Brewery roof array to just below 50kW, and bring forward a partner working arrangement with Lewes Football Club for an array of a similar size. The Club and Ovesco are already in positive talks about this array. We will keep investors up to date on these plans.

Offer documents such as this one have to point out that all forms of investment are risky in one way or another. Our share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations, which means that you have no right of complaint to an ombudsman. A community benefit society is registered with but not authorised by the Financial Services Authority and so any money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. Please consider your investment carefully in the context of the complete share offer document, and seek independent advice if you are not sure about anything.

A share application form is included with this document. It can also be downloaded from www.ovesco.co.uk.

Ovesco Limited has paid-up capital and reserves of £2000.

¹⁰ Apply to Ovesco for information on the insurance policy.

Your payment

Individuals, charities and other organisations may invest in this offer.

We will acknowledge receipt of your cheque and application. We may cash your cheque as soon as it is received. Ovesco Limited will hold your money on trust for you in a separate account until the Directors have considered your application, which will be after the offer has closed.

We will return your money to you (within 28 days of the Board of Directors meeting at which we consider your application) if we decide not to issue shares to you. If we decide to issue fewer shares to you than applied for, we will return the balance to you within 28 days of the Board of Directors meeting. If we have received more money from this offer than we need (£306,000) before we receive your cheque, we will contact you to find out whether you are willing for your money to be used to develop other similar projects as described above. If you don't want that, we will return your money or whatever part of it takes the total investment above the target figure without making any administrative charges.

If we do not receive enough money by the closing date of the offer to pay in full for the Harveys roof solar array, we will inform you of the fact and ask you whether you would prefer:

1. to have your cheque returned without any administration charges, or
2. to leave your cheque with us for one calendar month from the date when this offer closes to be used for one or more smaller solar array projects.

If you choose the second option, we will keep you informed of the progress of our discussions with site owners and ask you again at the end of the calendar month from the closing date of the offer whether you want you want to have your cheque returned or held by Ovesco Limited to help fund any projects confirmed as a result of these discussions.

The money will belong to Ovesco Limited (and the Directors will no longer hold it on trust for you) as soon as the Directors issue shares to you (to the extent that they take it as payment for shares).

Ovesco Limited will not pay you any interest on your money it returns to you.



*Drinks are on me lads! The sun's come out
and I'm in the money!*

Your promise to us

You promise that:

- Your cheque will be honoured on presentation.
- You as an individual are at least 16 years of age.
- You have authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it.
- You will provide us with proof of your identity and address if the Directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The Directors may have to hold back your shares until they see this.
- You are a British Citizen and resident in the United Kingdom.

Demutualisation – protection from ‘carpet-baggers’

You may not benefit financially from your shares if Ovesco Limited converts, or transfers its business or is wound up. In this case, the only financial benefit you may receive from your shares is the possibility of interest (at a low rate).

The possibility of the return of the money you pay for your shares

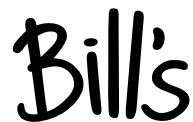
The Directors draw your attention to your obligations under Rule 14 of Ovesco Limited's Rules, regarding the windfall if Ovesco converts, transfers its business or is wound up. If any greater financial benefit comes into your hands, it will belong to such charity or community benefit society as we may nominate from time to time. You are to hold the benefit on trust for that charity or community benefit society. To secure that (and your obligation under Rule 14.2 of our Rules) you appoint as your attorney the person holding office (from time to time) as our Secretary. That appointment is irrevocable. Your attorney has power to sign on your behalf an undertaking for which we may ask in accordance with Rule 14.3.

- The law of England applies to these terms.
- The courts of England and Wales have non-exclusive jurisdiction.
- You will be bound by the Rules of Ovesco Limited (which may be amended from time to time) if the Directors issue shares to you.



Left to right: Dirk Campbell, Nick Rouse, Liz Mandeville, Chris Rowland

This launch event is sponsored by



The registered office of Ovesco Limited is:
2 Station Street Lewes East Sussex BN7 2DA
Tel: 01273 472405 Email: invest@ovesco.co.uk Web: www.ovesco.co.uk

Advisors and bankers

Our lease agreement has been prepared by Lawrence Chellenbron of Blake Lapthorn,
Seacourt Tower, West Way, Oxford OX2 0FB.

This document was prepared with the assistance of Sean Wheeldon of Wessex Community Assets.
It was written by Liz Mandeville and designed by Dirk Campbell. Photographs by Toby Smedley

Our bank account is with HSBC:
Account Name: Ovesco Ltd IPS
Sort Code: 40-28-15
Account Number: 71409166

APPLYING FOR SHARES IN OVESCO LIMITED

How to invest: individual applicants (for organisations please see other side)

To become a member requires the purchase of shares. Each share costs £10.
Each shareholding member has one vote, regardless of the size of their shareholding.

Application form

I/We wish to become a member of Ovesco Limited in accordance with the Rules, and apply for:

£250 (min.) £500 (min. for EIS tax relief) £1000 £2000 £20,000 (max.)

Other (please state amount) £

of Ordinary shares and enclose payment for that amount (cheques payable to Ovesco Limited).

First name(s) in full Last name

Address

Telephone E-mail

For joint applications, all applicants (up to four persons) must sign in the space below.

Agreement

I am at least 16 years old.

I agree to be bound by the Terms and Conditions included in the attached offer document and the Rules of Ovesco Limited.

I understand that Ovesco Limited's Board may reject my application and does not have to tell me why it has been rejected.

Data protection and money laundering

The data provided by you on this form will be stored in a computerised database. The data will be used only for Ovesco Limited purposes and will not be disclosed to a third party. It is a term of the offer that to ensure compliance with the Money Laundering Regulations 2003, Ovesco may at its absolute discretion require verification of identity from any person seeking to invest.

Signed as a deed

Please sign here

A witness to your signature must sign here

Date

Please return, enclosing your cheque, to **Ovesco Limited, 2 Station Street, Lewes, East Sussex BN7 2DA.**

For more information please contact:
01273 472405
invest@ovesco.co.uk
www.ovesco.co.uk



How to invest: organisations (for individual applicants please see other side)

To become a member requires the purchase of shares. Each share costs £10. Each shareholding member (organisation) has one vote, regardless of the size of their shareholding.

Application form

I/We wish to become a member of Ovesco Limited in accordance with the Rules, and apply for:

£250 (min.) £500 (min. for EIS tax relief) £1000 £2000 £20,000 (max.)

Other (please state amount) £

of Ordinary shares and enclose payment for that amount (cheques payable to Ovesco Limited).

Name and address of organisation

Full name

Address

Telephone

E-mail

For joint applications, all members of the organisation required for a valid agreement must sign in the space below.

Agreement

The signatories to this agreement have authority to sign on behalf of the organisation.

I/We agree to be bound by the Terms and Conditions included in the attached offer document and the Rules of Ovesco Limited.

I/We understand that Ovesco Limited's Board may reject our application and does not have to tell us why it has been rejected.

Data protection and money laundering

The data provided by you on this form will be stored in a computerised database. The data will be used only for Ovesco Limited purposes and will not be disclosed to a third party. It is a term of the offer that to ensure compliance with the Money Laundering Regulations 2003, Ovesco may at its absolute discretion require verification of identity from any person seeking to invest.

Signed as a deed

Please sign here
(All required signatories)

A witness to your signature(s) must sign here

Date

Please return, enclosing your cheque, to **Ovesco Limited, 2 Station Street, Lewes, East Sussex BN7 2DA**

For more information please contact:

invest@ovesco.co.uk

01273 472405

www.ovesco.co.uk

