

ANNUAL BONDHOLDERS REPORT

DECEMBER 2017



**GAWCOTT
FIELDS
COMMUNITY
SOLAR
PROJECT CIC**

COLLATED BY COMMUNITIES
FOR RENEWABLES CIC

WELCOME

The Directors of Gawcott Fields Community Solar Project CIC (“Gawcott Solar CIC”) are pleased to present the first annual report to bondholders. The Gawcott Fields community solar farm has been generating electricity and income from the sun since June 2016 and the first 18 months of operation have been a success. The refinance of the construction loan through a combination of loan finance and the community bond offer completed in May 2017. Overall, the solar farm has performed as projected. Gawcott Solar CIC has begun to deliver its community purpose with an energy and fuel poverty advice service launched in Autumn 2017 and a grant fund for local sports projects to be launched in early 2018.

This report provides a summary of performance from commissioning in June 2016 to end December 2017 and financials to end June 2017 (the year end). Accounts to the year end will be published in January.

ABOUT GAWCOTT SOLAR CIC

Gawcott Solar CIC is a professionally managed Community Interest Company (“CIC”) that has been established to own and run a community solar farm at Gawcott Fields Farm, between Gawcott and Buckingham. The 4.17MWp solar Farm is expected to generate over 4 million kWh of renewable electricity each year, equivalent to the annual electricity consumption of around 1,000 homes.

Surplus income generated by the solar farm (after operating and finance costs including payments to bondholders) will be used to support community organisations and projects in the local area, and to help local people struggling with energy debt and fuel poverty.



“The power generated by the solar farm is equivalent to the electricity consumption of over 1,000 households and reduces carbon emissions by around 1,500 tonnes of CO₂e (or nearly 4.7 million car miles!).”

FINANCING

The construction of the solar farm was funded by a short-term loan from Pfalzsolar GmbH who built the project, and provide ongoing service and maintenance services. The construction loan was repaid through a finance raising which completed in May 2017. The long-term finance structure is summarised below.

Senior loan from Santander Bank 10 year loan with 15yr amortization	£3,180,000
Junior loan from Social and Sustainable Capital (SASC) 2 year loan with repayment at end of term	£575,000
Gawcott Solar CIC bond offer As per December 2016 Bond Offer Document	£419,000
Total	£4,174,000

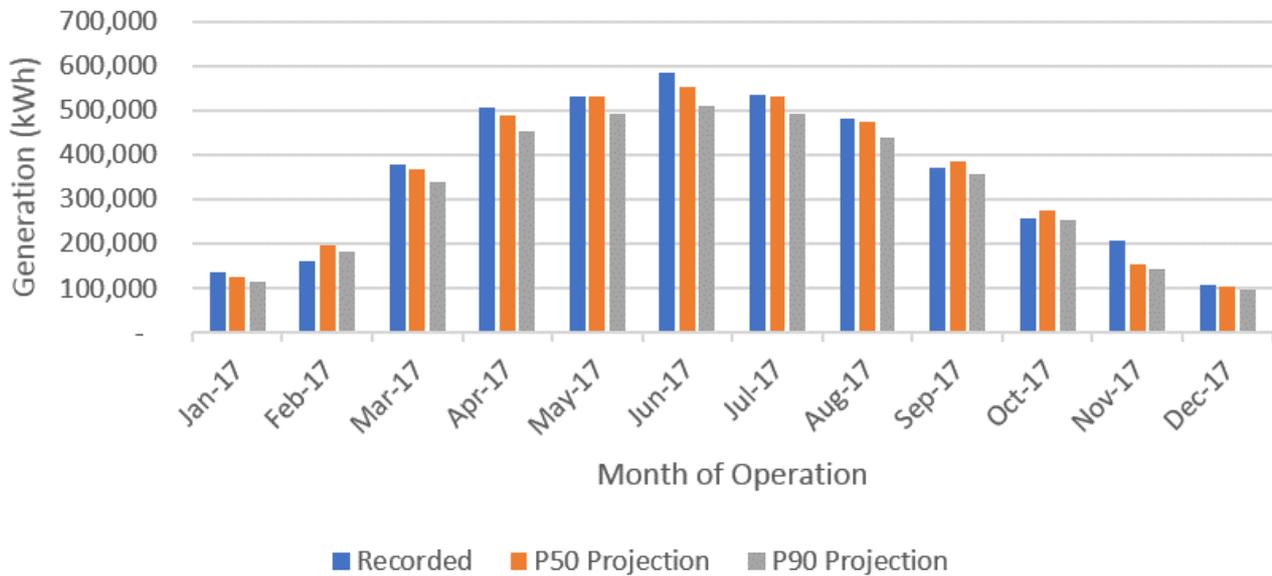
As part of the loan arrangements with SASC, Power to Change, an independent charitable trust set up to support community businesses across England, provided a £75,000 grant to support the community purpose of Gawcott Solar CIC in the early years. Power to Change also invested £75,000 in the bond offer.

A further bond offer will be launched in 2018/19 to refinance the SASC loan. First priority will go to existing bondholders, and local people and organisations.

SOLAR FARM PERFORMANCE

In the past year (January – December 2017) the solar farm generated 4,260 MWh of electricity. This was just over 1.8% higher than the P50 generation forecast of 4,184 MWh for this period and 10% above the P90 forecast. The P50 (50% probability) forecast is the long-term average on which the projections for the bond offer and community surplus income are based. The P90 (90% probability) is a conservative scenario on which the financial projections for the bank finance are based. As the graph below illustrates, seasonal fluctuation in generation was broadly as projected with the monthly projection exceeded in 9 months and missed in 3 months.

Gawcott Generation Summary



Electricity generation between commissioning in June 2016 and end December 2016 was in line with projections.

FINANCIAL PERFORMANCE

Overall, the revenue generated by the solar farm from commissioning in June 2016 to date has slightly exceeded projections. Operating and loan finance costs are in line with those anticipated in the bond offer.

The table below summarises Gawcott Solar CIC's financials to date, based on management accounts. Annual accounts to 30th June 2017 will be provided to bondholders in January.

	1st July 2016 to 30th June 2017
Accrued Revenue	£458,000
Operating costs ¹	£85,000 ²
Loan interest	£242,000 ³
Bond interest	£8,000

1 Operating costs shown here exclude one-off costs associated with the finance raising and depreciation. These are shown in addition to annual operating costs as administrative expenses in the Company's Annual Accounts.

2 Year 1 operating costs are lower than a normal year as a number of contracts did not commence from commissioning but started part way through the year.

3 Includes construction loan interest to end May '17 which is shown as a capitalised asset in the Company's Annual Accounts.

COMMUNITY IMPACT

Energy and Fuel Poverty Program

A key part of Gawcott Solar CIC's community purpose is to help people in the local community who are struggling with energy debt and fuel poverty. Gawcott Solar CIC funds an energy and fuel poverty advice service which is provided by the Milton Keynes-based charity National Energy Foundation (NEF) working with Buckingham and Winslow Citizens Advice.

The aims of the service are:

1. Tackle fuel poverty: To help individuals and families living in fuel poverty reduce their energy spend, maintain a healthy living environment in their homes, deal with energy debts and access energy-related benefit payments;
2. Modern energy homes: To increase the uptake of home energy efficiency, smart and renewable energy technologies, with a focus on deployment of subsidised and low-cost measures for households in need;
3. Engagement and action: To increase public awareness of and engagement in energy and climate change related issues.



Stand at the Buckingham Children's Centre on 24/10/2017

The advice service launched in Autumn 2017. Work to date has included:

- Raising awareness of the service through local community networks and direct contact with households on the Affordable Warmth Register and homes with low energy performance ratings;
- Providing training for community services staff working with vulnerable people;
- Stalls at local events and community buildings;
- Home visits by trained energy advisors;
- A telephone advice service.

From launch in September 2017 to November 2017, the service had supported over 40 households, including 14 home visits. Support provided has included:

- Support switching to a cheaper energy tariff;
- Support dealing with energy supplier disputes and clearing debts;
- Installation of small energy efficiency measures such as LED lighting, draft proofing and radiator reflectors;
- Support obtaining grant funding for loft and cavity wall insulation and new boilers;
- Helping people to obtain energy related benefit payments they are eligible for, and to get on the priority services register;
- Helping people to understand how to heat and ventilate their homes efficiently to maintain a healthy living environment, and manage energy costs.

Community Fund

A community grant fund will be launched in early 2018 to support community projects in the parishes within a 5km radius of the Gawcott Fields solar farm. The fund will have a theme each year with the theme in the first year being local sports. The grant fund will be administered by Heart of Bucks, a community foundation which manages charitable funds for a range of donors in Buckinghamshire. Heart of Bucks will seek to secure match funding for the £10,000 to be contributed by Gawcott Solar.

GOVERNANCE

The board of Gawcott Solar remains as described in the bond offer:

Jake Burnyeat (Chair)

Gabby Mallet

Ian Payne

Tom Cosgrove

We would welcome interest from local people with appropriate experience who would like to get involved in the governance of Gawcott Solar CIC.



We look forward to reporting further on the impact of the energy and fuel poverty advice service and community grant fund next year, and to another successful year of operation.

A handwritten signature in black ink, which appears to read 'Jake Burnyeat'. The signature is fluid and cursive.

Jake Burnyeat, on behalf of the board of Gawcott Community Solar Project CIC

CONTACT US

For updates please keep an eye on Gawcott Solar's website.

www.gawcottsolar.co.uk

If your bank or contact details have changed please contact the Registry Trust:

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