



Turn energy into opportunity and receive up to 5.5% return

An opportunity to join a community of investors funding schools to go solar, cut carbon emissions and educate the next generation of sustainability leaders.



The Solar for Schools Community Benefit Society puts money to work directly to provide a complete service for schools to reap the benefits of solar power generation, now and for the future.

The Solar for School CBS Ltd is a society registered with the Financial Conduct Authority. Its members are the schools that receive CBS-funded solar panels.

Minimum investment: £50
Annual Interest rate: 5.5%, paid gross every year.
Length of investment: 5 years

In association with Solar Options for Schools Ltd which provides management services to the CBS

We support the UN Sustainable Development Goals



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Year 3 with our **Green Skills Job Cards** during a **workshop** at Churchfields Junior School, London

Important notice

This offer has been prepared by Solar Options for Schools Ltd (SOFS) and Solar for Schools CBS Limited (CBS) and its Directors, who are responsible for its content. The distribution of this document in other jurisdictions other than the United Kingdom may be restricted by law and therefore anyone residing outside the UK reading this should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions. This Offer Document is not a prospectus for the purposes of Part VI of FSMA. The Financial Conduct Authority (FCA) or any other regulator has not approved it. The Bonds have not been admitted to listing on any regulated market and will not be dealt on any stock exchange or other such market.

Solar for schools CBS and Ethex, a not-for-profit organisation operating an online platform for positive investments, have successfully worked together for the past 7 years raising over £8m to invest in clean green energy for Schools across the UK. Ethex is not required to be authorised by the FCA in so far as it provides information on, or arranges deals, in investments. This is because it is an Enterprise Scheme, which is exempt from regulation in arranging financial deals when not for pecuniary gain.

If you have a query about how to apply for this Offer or any general query, please visit <http://www.ethex.org.uk/Solar-for-Schools> or contact Ethex on 01865403304 or by email at help@ethex.org.uk.

For general queries about this Offer, please contact Solar Options for Schools by email at bonds@solarforschools.co.uk or call 01284 636 377. Alternatively, head to the Solar for Schools CBS website at: <https://www.solarforschoolscbs.org.uk>.

Before applying, you are advised to read the whole of this Offer Document, including the risks listed in the Appendix, and all the information regarding this Offer at either <http://www.ethex.org.uk/Solar-for-Schools> or the Solar for Schools CBS website.

You should consider taking appropriate financial and other independent advice from an FCA-authorised person who has experience in advising on investments such as these before making any investment decisions. Nothing in this Offer Document should be read or understood to be financial, investment, tax or accounting advice.



Students and Business Manager, Bridgitte Causer, at Hollybush Primary in Leeds

Introduction

Why invest in an installation of solar PV on schools?

Schools are ideal locations to install solar panels. They can make significant savings on their energy bills because they use electricity mainly during daylight hours and have lots of roof space. They are located near other electricity users, so any spare electricity can be easily redeployed without the need to upgrade the grid. Most importantly though, solar panels provide a tangible tool with which to inspire and educate students about the potential of sustainable technologies and so helping future citizens take steps to live more sustainably. This in turn helps to decarbonise faster to protect our planet for our children, and future generations.

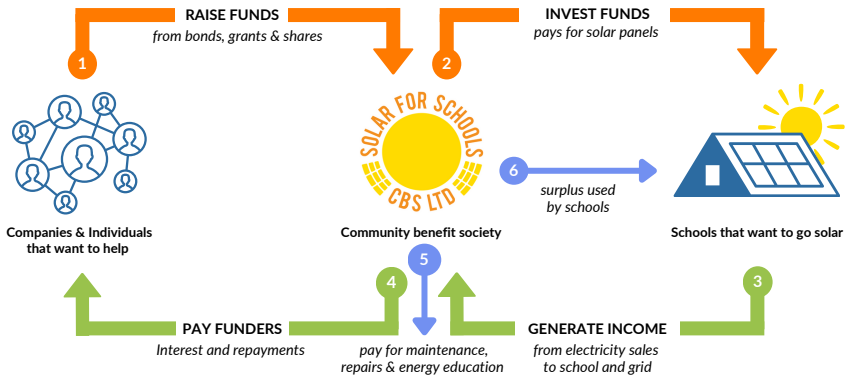
Why is funding needed?

According to Solar Options for Schools' calculations, installing solar on every UK school will require about £1.5bn of investment. The government can only afford to fund a small fraction of this, so the Solar for Schools Community Benefit Society (CBS) was set up in 2016 to raise the funds from the public to help more schools go solar; saving carbon and reducing their electricity bills. In addition, the unique structure of the CBS allows any surplus generated, beyond fair return for our investors, to be reinvested in schools and education of children.

Why invest via the Solar for Schools CBS?

The CBS is a society whose beneficiaries and members are the schools. It is a profit-for-purpose organisation which reinvests any of the surplus in schools and education for children. Each school that receives solar becomes a member of the society and gets a say in how it's governed. The CBS then contracts out the day-to-day management of the solar panels to Solar Options for Schools Ltd (SOFs).

How does it work?



- 1 The Solar for Schools Community Benefit Society (CBS) raises money from individuals, companies and charities that want to make a difference by funding solar on schools in the UK.
- 2 Solar Options for Schools (SOFS) works with the school to develop and install the most suitable sized system to meet the schools' ambitions. The CBS pays for equipment and installers directly and only pays SOFS once the installation is complete.
- 3 The school pays the CBS only for the solar electricity it uses, at a previously agreed rate that is usually lower than current retail electricity prices and that is indexed to inflation; saving the school money on its electricity bills. The CBS sells the remaining solar electricity back to the grid so it can be used by others locally.
- 4 The income to the CBS from the sale of electricity to the school and the grid is used to cover interest payments and re-pay funders over time.
- 5 The income to the CBS is also used to pay SOFS for monitoring, maintenance, repairs of the systems to ensure it all works as planned as well as the energy education to students and teachers.
- 6 Any surpluses or profits after all costs and funders have been paid back is used by the CBS to help schools further.



The operating costs include all spares and repairs as well as SOFS management and education delivery costs, so there are no on-going risks or costs for the school.



154kWp system installed at Churchfields Junior School will generate more than the schools annual electricity needs

Sustainability in action with Churchfields Junior School

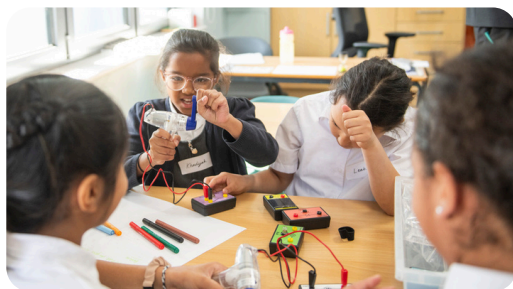
Churchfields Junior School in London has **350 solar panels generating 154kWp of clean electricity**. Over the next 25 years, their system is set to deliver up to **£1.15 million in savings**—money that can be redirected into education. Even more remarkable is that the school will **prevent 595 tonnes of carbon emissions**, an impact equivalent to planting approximately 7,000 tree seedlings and nurturing them for a decade. To learn how we arrived at that estimate, see [this source here](#). To learn more about how we calculate the school's forecasted savings, visit our Live Schools data feature [here](#).

More importantly, Churchfields has embraced solar energy as a learning opportunity. Their dedication to sustainability earned them a place among seven finalists at our [Parliamentary showcase event](#), hosted at the House of Commons by Feryal Clark, MP for Enfield North, and Under-Secretary of State at the Department of Science, Innovation and Technology. The students themselves created a [powerful video](#) showcasing how solar energy is woven into their curriculum and eco-conscious initiatives.

Churchfields is just one of many schools in Redbridge making a difference. By joining this movement, you can help bring clean energy and climate education to more schools—empowering the next generation to take action today.

"With solar panels hidden on the roof, pupils could easily come to school without noticing them. The education work helps to deliver a lasting legacy in the school and community. These pupils will go on to be ambassadors for sustainability, educating their friends and families and leading to further improvements in the school."

James Easter, deputy head at Churchfields Junior School





Students at Churchfields Junior School pointing out their solar inverters during an education workshop

Impact of your investment

Investing in solar panels can replace 20-50% of a school's yearly electricity consumption with energy from the sun whilst providing additional benefits.

Meeting our target of £800,000 in this raise will help decarbonise between 8-11 schools by installing about 1MW of solar panels.



Cost savings

Our model aims to provide electricity generated by the solar panels at a cost below that paid for electricity from the grid. Savings vary based on the location and size of the school and the cost of funding them. The more donations and grants we can attract and the lower the interest rates the CBS has to pay, the more the schools save. The price of the solar electricity is indexed to inflation, which historically has been lower than mains electricity price inflation so the savings can increase further over time.



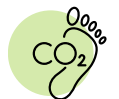
Reduce carbon emissions

Solar panels produce clean electricity that produces no carbon emissions, helping the UK meet its decarbonisation targets and mitigate the risk of catastrophic climate change.



Energy education

The long-term impact on CO₂ reduction, through learning about energy, carbon and renewable energy technologies, is far greater than the direct CO₂ savings from the solar panels alone. See next section.



The race to Net Zero

Schools are ideal buildings to lead by example, to encourage their wider community to consider solar or other decarbonisation technologies. Additionally, if your money is currently invested in a UK bank, then depending on which bank that is, moving your money means you'll stop funding a business responsible for nearly 2 tonnes of CO₂ emissions annually. Find out more at www.mymothertree.com/bank-league-table.



For every £1000 you invest for 5 years you will:

- Save a school £2,000-£3,000 over the panel's lifetime
- Stop about 1 tonne of CO₂ emissions
- Educate 20-25 students on energy and decarbonisation
- Receive £55 of interest each year until you are re-paid



Wendy Litherland, teacher and CBS Director also runs the North West Eco-Schools Conference

Why energy education is key

Energy and carbon education is key for tackling climate change:



Improve educational outcomes: Young people care about climate change, so linking the solar panels on the roof with the curriculum in the classroom makes learning STEM subjects more relevant and can improve academic results.



Build capacity: Providing hands-on learning opportunities linked to tackling climate change can encourage more students to take up science and engineering and work in the environmental sector; all essential if we are to rapidly decarbonise as a society.



Drive adoption: When students are inspired, they're more likely to share their learnings with family, friends and the wider community, empowering more individuals to make positive changes or live more sustainably.



Improve policy: Informed students, and those they influence around them, can then vote for, or even design the right policies needed to decarbonise our society.



Sian, school team and students with a large donation for the solar panels

"The Solar for Schools model allowed my children's small primary school an affordable and low-hassle route to generating its own solar electricity. Since our panels were installed in July 2022 the school has already significantly reduced its electricity costs and, most importantly, inspired the children about the difference they can make to the planet."

Sian Herschel, who became a CBS director in 2022 after her children's school went solar.

"Our hands-on, student-centred sustainability education is not just about teaching but about cultivating a mindset. We want to foster the skills and knowledge needed for our young people to be the sustainability leaders of tomorrow."

Wendy Litherland, Head of Education,
Solar Options for Schools





Danielle Parker, our Community Development Manager at Ark Kings Academy during British Science Week

Our education delivery

Energy is essential to modern society. According to a [study by Statista](#), in 2022 the net electricity consumption worldwide was 25,530,000,000,000 kWh a year, yet most of us have very little idea what a kWh actually means. Our education starts by making a kWh tangible, through to understanding the challenges of generating and supplying enough clean electricity to decarbonise society completely. This newly launched [Education Impact Report](#) covers how our programme is designed to deliver behavioural change across schools.

Ranging from workshops and assemblies to playing with our 'paneliser'; a tool that students can use to design a solar panel system for their school whilst learning about the balance between investment, savings and carbon reduction. We also have an app, a live schools data feature (pictured below) as well as a teacher platform.

The Solar Options for Schools (SOFs) [mobile and web-based app](#), developed with Innovate UK funding, includes 4 gamified 'learning journeys' in efficiency, energy, electricity and environment. It also has the Paneliser which helps pupils design a system for their school rooftop and see potential savings.

Additionally, our [live schools data feature](#) helps schools track daily electricity use and solar generation, compare seasonal trends, and explore the challenges of solar reliance. Students can also download data for maths and physics lessons.





"You really brought alive the impact we have as a school on the environment. The whole Solar for Schools package has been so professional and today took it to another level - I do hope that more schools take up this amazing offer."

Graham Andre,
Former Assistant Head, Lanesend Primary School

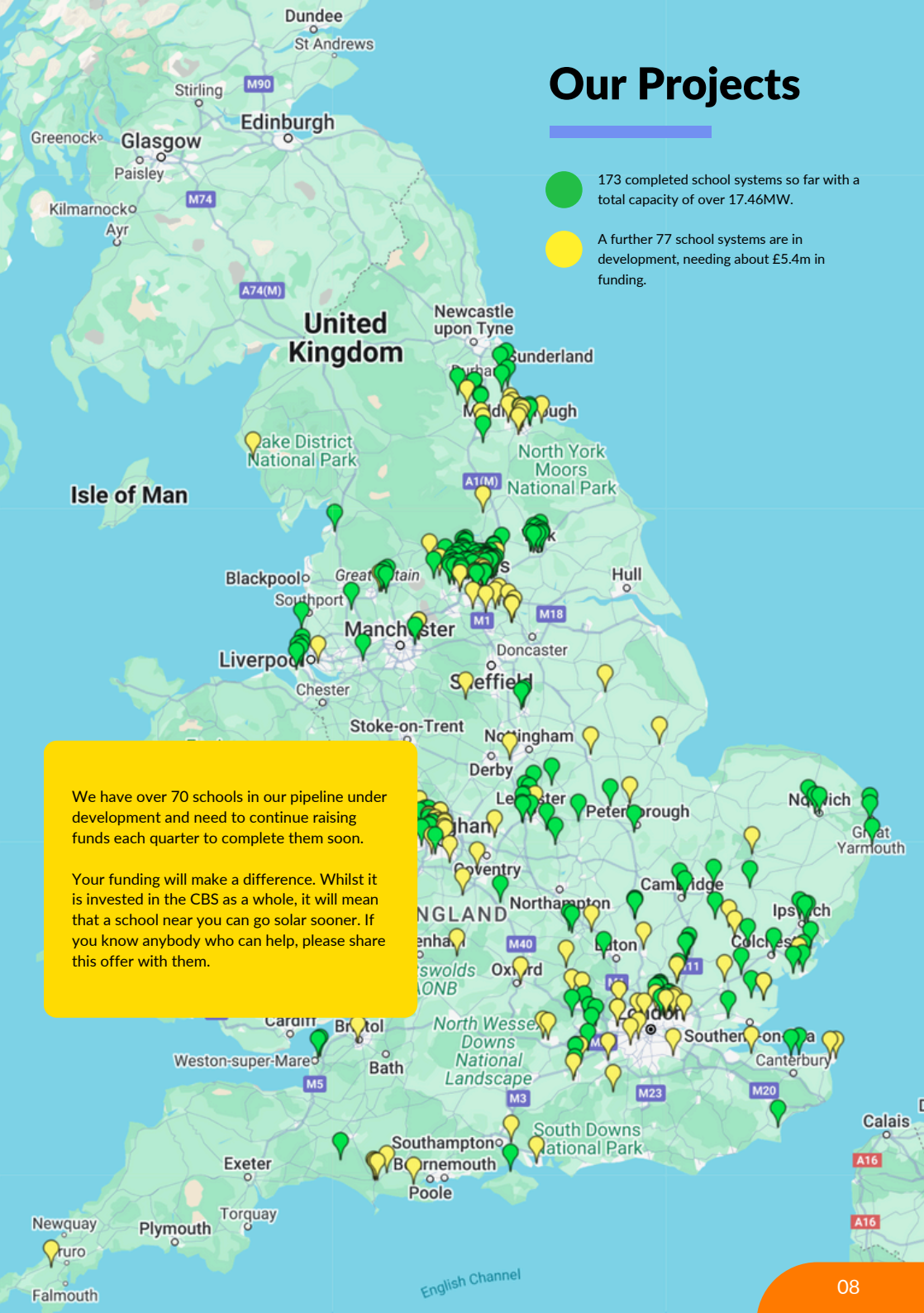


Our Projects

-  173 completed school systems so far with a total capacity of over 17.46MW.
-  A further 77 school systems are in development, needing about £5.4m in funding.

We have over 70 schools in our pipeline under development and need to continue raising funds each quarter to complete them soon.

Your funding will make a difference. Whilst it is invested in the CBS as a whole, it will mean that a school near you can go solar sooner. If you know anybody who can help, please share this offer with them.



Is investing safe?

Investing in bonds to finance the installation of solar panels on a school near you with the Solar for Schools CBS is not the same as putting your money into a regulated bank account. The money you invest is “at risk” which means that you could get back less than your original investment if things don't go to plan. If you are unsure about whether you should invest, you should seek financial advice. Of course, if you decide to leave your money in a bank account, it is not being used to help solve climate change or enable your local school to 'go solar'. We therefore work hard to mitigate the risk to your investment by doing the following:

- 1. Diversification:** The CBS already owns over 17MW of solar projects across over 170 schools and is adding more every month. So although your investment may support your local school, if that school closes or that project under-performs, your investment is in the CBS as a whole. This spreads your risk and provides protection against a single project, or even various projects from failing. The more schools we have, the lower the risk that any failure of performance by an individual school system would affect the ability of the CBS to meet its financial obligations.
- 2. System monitoring and track record:** Each solar system is fitted with remote data monitoring equipment, that sends live generation data back to the SOFS servers. The SOFS team review the data regularly so that under-performance and faults can be spotted and dealt with quickly.
- 3. Regulatory oversight:** All Community Benefit Societies are required to be registered with the Financial Conduct Authority (FCA), and although the FCA does not act as a supervisory regulator of the CBS's activities, we must submit an Annual Return (AR30) to them including independently audited accounts. These are reviewed by the independent directors, shared at the AGM each year and are available to download on the CBS website.
- 4. Professional management:** Each system is developed and then monitored daily by Solar Options for Schools (SOFS). SOFS manages over 250 solar PV systems - carrying out inspections, education visits and repairs, as well as sorting insurance and electricity export contracts for the CBS and other schools it provides asset management services to. SOFS receives a fee for these services that is linked to its performance.

See pages 33-35 for main risks in more detail.

WARNING: There is no guarantee that an investor will receive either the interest or even their initial investment back. The bond is an unsecured investment in the Solar for Schools CBS and there is no guarantee or financial recourse to any ombudsman or the school in the event of default. Do not invest more than you can afford to lose.

Monitoring Financial Performance

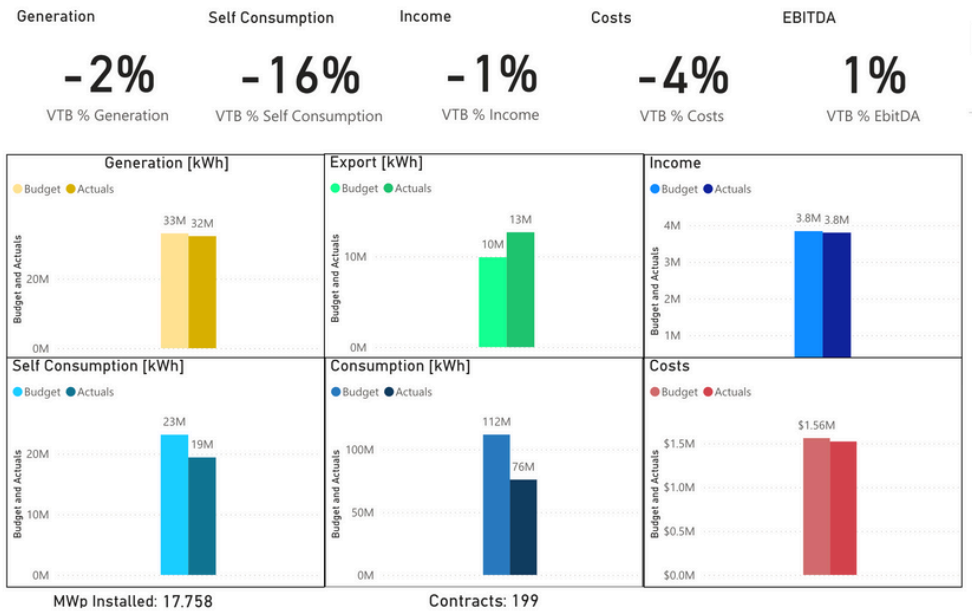
To ensure that each system is working to its full potential, we install remote monitoring equipment which feeds data back to the Solar Options for Schools (SOFs) servers for monitoring and analysis. SOFS checks each system each day to identify failures and under-performance and fixes them quickly.

Although systems are working properly, last year we added a lot of new projects and the weather in the last 3 months of 2024 was worse than usual so the **portfolio is 2% behind on electricity generation**. We expect to catch up as we head into spring and summer.

Revenues depend on how much of the solar electricity generated is actually used by the school rather than exported to the grid. So we also monitor each school's total electricity consumption against their pre-solar figures. **Schools that are part of the CBS have actually consumed about a third less electricity**, due to a combination of increased energy awareness, COVID closures and recent very high mains electricity prices.

This means the **schools have purchased about 16% less solar electricity** (self consumption) than planned. To offset this projected income shortfall, the CBS and SOFS focused on securing better prices for the higher amounts of electricity exported to the grid and have achieved prices 2-3 times higher than assumed in the model. This has meant that the **total electricity income is only 1% behind target** compared to the original financial forecasts. Based on the Department of Education's (DfE) target to reduce school-related emissions by 75% by 2037, schools will need to replace oil and gas heating systems with heat pumps and switch cooking and water heating from gas to electric. As schools implement these changes, they will use more of their solar electricity in future, eventually making up for the expected fall in the value of exported electricity to the grid. We are also experimenting with batteries and EV charging points to increase self consumption rates of solar electricity further.

Operating costs are 4% lower than planned. So overall cash flow (EBITDA) is actually 1% ahead of budget, despite the very significant reduction of electricity consumption by schools over the last few years. Careful management of operational and financial performance are key.



Lifetime cumulative performance up to 31st December 2024.

Governance and directors

Each school that receives solar panels from the CBS, becomes a voting member of the CBS and can propose and elect directors at the AGM. The CBS Directors are volunteers, and oversee the governance of the CBS. They combine long-term experience in managing school assets, renewable energy funding, solar development, electricity supply and managing schools' sustainable development programmes.

Wendy Litherland



**Head of Education, SOFS;
Associate Assistant Headteacher and
Director of Sustainability at St Christopher's**

Local Eco Cluster Group coordinator and an employee of Solar Options for Schools since January 2024 to develop and deliver education in schools. Co-facilitates the UK's largest children's environmental conference: NW Eco Schools. Winner of multiple sustainability education awards including the Climate Week Awards, the SSAT National Sustainable Schools award and the 2021 DoE Sustainability Award.

[READ MORE](#)

Marino Charalambous



**CEO of North Star Community Trust,
CBS Chair of Directors**

Oversees five schools in North London at the North Star Community Trust, all of which have solar panels funded by the CBS. Introduced sustainability as part of the Trust curriculum in 2016 and has developed a Trust-wide learning culture with the future in mind.

[READ MORE](#)

Siân Herschel



**Parent and fundraising lead
at a Solar for Schools CBS member school**

15 years' experience in grant-making and investing for organisations such as Fairtrade, Comic Relief, Power to Change and the Churchill Fellowship. MBA from the University of Cambridge and executive coaching accreditation from Henley Business School.

[READ MORE](#)

Craig Ellin



**Senior Asset Manager at LocatED,
part of the Department for Education**

Craig has over 20 years experience in central government property, including eight with the DfE as Operational Sustainability Manager and then Finance Manager covering project management, benefits realisation, sustainability, finance business partner (property) FM & Energy contracts management.

[READ MORE](#)

For full profiles see: www.solarforschoolscbs.org.uk/governance

Governance and directors



Nathan Odom

**Director of Estates & Place Planning,
Discovery Schools**

Strategic lead for Discovery Schools Academy Trust's capital strategy for school site improvements with a focus on improving the physical learning environment. Focused on delivering of high-quality education, while ensuring school sites are safe and compliant.

[READ MORE](#)



Peter Roberts

**Company Director of Project
Management Consultancy**

25 years' experience in the education sector overseeing the design and contract management of new schools and capital programmes, and ensuring project delivery to specifications and budget for the DfE.

[READ MORE](#)



Robert Schrimppff

**Founder & CEO of Solar Options
for Schools**

10 years' experience in founding and building online businesses such as netXtra and hotels.com followed by nine years' experience investing in renewable energy technology companies at TVM Capital and Greencoat Capital.

[READ MORE](#)



Ann Flaherty

**UK Director for Solar Options for
Schools**

Over 10 years of solar on schools experience, bringing really unique expertise and knowledge of the school market and wider UK solar industry. Responsible for the development of solar on nearly 250 schools and is a founding director of Solar for Schools CBS Ltd.

[READ MORE](#)

[For full profiles see: www.solarforschoolscbs.org.uk/governance](http://www.solarforschoolscbs.org.uk/governance)

Professional management

The CBS has partnered with Solar Options for Schools Ltd (SOFS) to provide it with monitoring systems, education, software and day-to-day management of operations.



SOFS is an award-winning social impact company with nine years experience of working with schools. SOFS works with a growing number of funders, trusts, councils and community energy groups providing them with project development and solar management services. The SOFS vision is to provide innovative software and education solutions that will enable partners around the world to eventually help thousands of schools go solar every month, helping millions of young people to play their part in accelerating the pace towards a more sustainable and carbon neutral future.

SOFS manages over 250 school solar installations and nearly 25MW of solar projects across the UK, Germany and India. With partners in other countries, SOFS is also working on pilot projects at schools in Colombia, Ireland, Spain and South Africa.

"Organisations such as Solar Options for Schools are key in helping the UK achieve its carbon emission targets. They are an enormous help to schools wishing to reduce their carbon footprint, energy bill and to help the next generation to learn about sustainable energy."

James Griffiths
Programme & Fund Manager,
Low Carbon Innovation Fund

Awards and grants received



2016 Rushlight Sustainability Initiative Award Winner



2016 Guardian Sustainability Awards finalist



2021 UK Innovate £150k grant for mobile education app for students to learn about energy and develop a solar project on their school.



2023 UK Innovate £50k inclusive design grant to add a teacher portal to the education app and make it available on computers.

Solar Options for Schools Ltd is supported by:



www.solarforschools.co.uk

Key terms and next steps

Whilst you will be investing to support local schools, your investment will be part of the whole portfolio of UK schools funded via the CBS. Your investment is not guaranteed by either the schools or the government, so do not invest more than you can afford to lose.

Minimum raise

The minimum raise is £250,000. The target raise is £800,000.

Interest payments

Interest will accrue one month from the receipt of funds by the CBS unless otherwise specified. The interest rate paid will be 5.5% fixed for 5 years, calculated pro-rata to the 31st October each year and paid in early November. Interest for IF ISA bonds will be paid to your Ethex IF ISA wallet. Interest for normal, non ISA bonds will be paid to the bank account you provide to the CBS via the bond administration portal on the www.solarforschools.co.uk website. Details on how to do this will be sent by email to you along with your Bond certificate.

Tax

Interest will be paid gross with no tax withheld. You are responsible for paying any tax on the interest you receive. In the UK basic rate tax payers can receive up to £1,000 of interest per year tax free. Please seek your own tax advice as neither the Schools, CBS, SOFS or Ethex are qualified to provide any tax advice.

Investment repayment

Although the bonds have a 5-year initial term ending 31st October 2030, and the intention is to repay bondholders after that initial period by refinancing the portfolio, there is a risk that you will not be re-paid on time. The CBS directors may also request to re-pay you early (which you don't have to accept). You may request early repayment which, subject to available funds, will be considered by the directors. The bonds are transferable, but there is no open market for them.

Further reading:

- **The Appendix**
- **The full Bond Instrument**
- **The main risks document**
- **Financials on a project and portfolio level**
- **FAQs** (most common) for more frequently asked questions, [visit website here](#).
- **All documents above including previous accounts, minutes and AGM presentations** can be downloaded from the CBS website: www.solarforschoolscbs.org.uk/documentation.

Further information:

Please contact us with any question either by email bonds@solarforschools.co.uk or phone at [01284 636377](tel:01284636377).

To invest:

Apply online at Ethex: <https://www.ethex.org.uk/invest/solar-for-schools-xiii>

You may also use your ISA allowance to invest.

Existing Solar for Schools CBS bondholders may also invest at <https://www.solarforschoolscbs.org.uk>.

Appendix

Summary of terms

Key Terms	
Issuer	Solar for Schools CBS Ltd
Description of Bond:	
Bond Name	Bond Offer XIIb
Type of Bond	Unsecured
Term of the Bond	5 years
Interest Rate	5.5% per year
Use of funds	Fund the installation of solar panels on schools in the UK
Offer detail:	
Minimum raise	£250,000
Target	£800,000
Minimum investment	£50
Maximum investment	£100,000
Interest and Repayment:	
Interest payment frequency	Annually
Interest accrual date	Interest starts to accrue one month from receipt of funds unless otherwise specified.
Interest payment date	November each year
Capital repayment	November, 2030
Maturity Date	31st October, 2030
Expectations at end of the bond term	Bondholder will have the option to re-invest in new bonds offered at the time or be re-paid.
Timeline:	
Open Date	10th March 2025
Close Date	30th April 2025
Miscellaneous:	
Tax Relief (if any)	Interest paid gross.
IF ISA eligibility	Yes
Nominations upon death	Yes

Ethex IFISA disclaimer

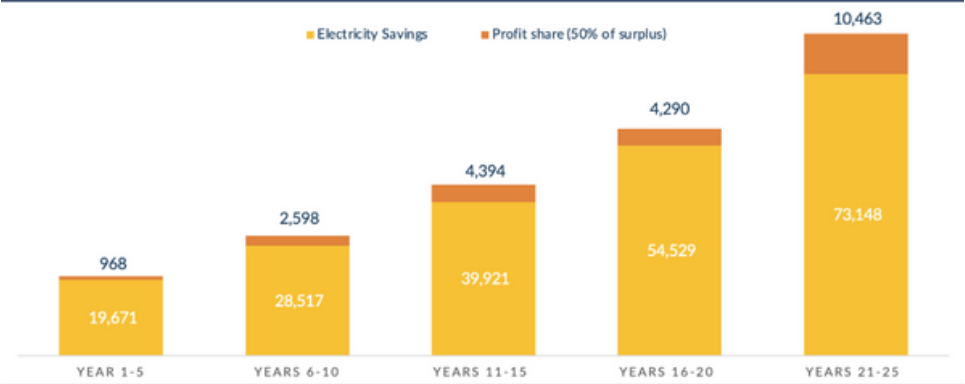
This bond offer is Innovative Finance ISA (IFISA) eligible. Eligible investors can use their £20,000 a year ISA allowance to invest using an IFISA wrapper provided by ShareIn, the IFISA manager for Ethex, and receive their interest payments free of tax. Investing via an IFISA does not offer additional protection nor does it constitute endorsement by HMRC of the bond.

Before opting to invest in the Bond via the Ethex IFISA, investors should be aware that:

1. ISA eligibility does not guarantee returns or protect investors from losses.
2. The ISA wrapper may be lost if Ethex or ShareIn enter into a wind down process to cease operating their IFISA funds.
3. There is no guarantee that an investor will be able to transfer their ISA holdings to another ISA provider in such circumstances. Where it is possible, such transfers may involve costs to the investor (for which neither Ethex nor ShareIn bear responsibility).
4. If either of the parties involved in the investment winds down, returns (both capital and any interest or profit) to investors may be adversely impacted.

Financials: Project level

Example of forecast savings and profit in each of the five-year periods for an 80 kWp system (200 panels) costing about £69,000 on a secondary school in North London



The savings from solar electricity and the forecasted potential profit share from the CBS combined mean that for every £1,000 invested in Bonds, larger schools will save and receive a total of between £2,000 and £3,000 over the first 25 years and possibly as much again in electricity savings alone in the following 10 years, once the system has repaid bond holders completely.

The financial impact to most schools takes into account mains electricity prices at 25p/kWh. Currently, schools are paying up to 23p/kWh.

EXAMPLE SUMMARY TABLE OF A SINGLE NEW PROJECT, EXCLUDING SHARE OF OVERALL CBS COSTS							
Period	Year 1	Years 2-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Totals
Generation (kWh)							
80 kWp system	68,000	268,617	328,285	320,160	312,235	304,507	1,938,422
Income (indexed to RPI)							
Exported electricity sales (NOT Guaranteed!)	766	3,251	4,520	5,085	5,721	6,437	25,781
Electricity Sales to School	8,198	34,794	48,371	54,422	61,230	68,890	318,897
Total income	8,964	38,045	52,890	59,507	66,952	75,327	344,678
Costs (indexed to RPI)							
Admin costs inc. monitoring, insurance, rates, inspections	2,183	9,382	13,342	15,392	17,757	20,486	90,108
Fund management costs	689	2,963	4,213	4,861	5,607	6,469	28,455
Total costs	2,872	12,345	17,555	20,253	23,365	26,955	118,562
Net revenue before repayments	6,092	25,700	35,335	39,254	43,587	48,372	226,115
Loan							
Loan (Bond) repayments	1,467	6,801	11,064	14,806	19,814	14,975	77,194
Interest payments	4,136	15,608	16,947	13,205	8,197	1,832	79,668
Total payments to investors	5,602	22,409	28,011	28,011	28,011	16,807	156,861
Surplus set aside for repairs, spare parts & dismantling	348	1,496	2,128	2,455	2,832	3,267	14,370
Remaining surplus available for distribution	142	1,795	5,196	8,788	8,580	20,927	47,365
Total profit/surplus including reserves	490	3,291	7,324	11,243	11,412	24,194	61,735
Benefit to School							
Electricity Savings	3,331	16,340	28,517	39,921	54,529	73,148	235,457
Profit share (50% of surplus)	71	898	2,598	4,394	4,290	10,463	23,682
Total financial benefit for the school	3,401	17,238	31,116	44,315	58,819	83,611	238,500

The above table shows an 80kWp system now costing about £70,000 in a reasonably sunny location. The savings for a school will depend on where it is located and thus how much electricity the system will generate. The financial model then sets the price the school must pay for electricity to repay funders capital an interest after all operating costs for the asset and a share of overall insurance, fund raising and fund management costs. The surplus cash generated by the systems will initially be held back as additional reserves, but as these grow and it becomes clear that system is performing as planned or better they will eventually be invested in the schools or returned to the schools as agreed by the CBS directors at that time.

Financials: Portfolio level

Profit and Loss

Solar for Schools CBS Ltd (Consolidated)
Actuals and forecast

Inflation	5.20%	2.1%	2.0%
Export prices	5.85	5.70	5.00
Assumed Degradation	0.50%	0.50%	0.50%

Account	2022	2023	2024	2025	2026	2027
	audited	audited	audited	forecast	forecast	forecast
Operating MW (weighted average for the year)	5.78	6.17	9.37	16.16	17.32	17.32
Turnover						
Sales-FIT Generation & Export Income (1)	146,985	206,814	293,414	465,882	500,489	461,012
Sales-PPA Income (2)	322,125	378,583	645,016	1,331,789	1,352,924	1,373,048
Operations & Maintenance Contribution (3)	9,357	68,793	48,412	119,477	119,477	119,477
Total Turnover	478,467	654,189	986,842	1,917,147	1,972,889	1,953,536
Cost of Sales						
Asset Management Costs (4)	91,210	115,374	199,078	306,981	313,427	319,696
Fund Management Costs	33,592	38,239	73,793	125,370	125,370	127,877
Interest Costs on Bonds & Loans	139,087	161,153	272,559	450,574	483,484	443,332
Rates on PV systems (4)	3,240	397	487	1,031	1,053	1,074
Total Cost of Sales	267,130	315,163	545,917	883,956	923,334	891,979
Gross Profit	211,337	339,027	440,925	1,033,191	1,049,556	1,061,557
Administrative Costs						
Asset Depreciation	138,426	172,782	236,136	402,869	402,869	402,869
Audit & Accountancy fees	3,330	2,970	3,430	6,000	6,126	6,249
Bank Fees	172	176	4,888	9,776	9,981	10,181
Deferred Tax Expense. / (Excess)	60,624	6,361	25,100	0	0	0
General Expenses	(3)	1	3,278	6,000	6,126	6,249
Insurance Cost (5)	10,395	15,763	17,410	32,169	32,844	33,501
Provision for inverter reserves less actual repairs below (6)	0	81,116	52,776	36,580	36,166	36,890
Repairs & Maintenance (PV Repairs) (7)	15,163	39,097	14,287	19,712	20,126	20,528
Total Administrative Costs	228,107	318,265	357,305	513,106	514,239	516,466
Operating Profit (8)	(16,770)	20,762	83,620	520,085	535,317	545,091
(-) Tax on Profit				130,021	133,829	136,273
(+) Depreciation and reserves	138,426	253,898	314,012	319,973	319,559	439,759
Available cash (9)	121,657	274,659	397,632	710,037	721,047	848,577
Triodos repayments				(87,344)	(182,552)	(193,563)
Available to repay bondholders early				622,693	538,495	655,014

To illustrate the financial model on an aggregate basis, including overhead costs, we have assumed no additional projects added after September 30, 2024. Note that 4.8 MW was added in the first 6 months from April 1, 2024, to September 30, 2024, nearly as much as was added in the previous 12 months (5.2MW).

1. In year to end March 2025, we will not have claimed all export for the full year as up to nine months delay between installation and export income. While FIT income increases with inflation each year, two-thirds of the 2025 export income will come from exported electricity at market rates, which are currently about double our model assumptions but expected to decline over time. For most sites in FY2024/2025, the CBS secured three-year agreements. The financial model used to calculate the PPAs actually assumes just 3.5p plus inflation, the above forecast uses the average contracted rates for the period.
2. For Year ending March 2024, most projects were completed in the latter half of the year, generating income for only part of the year, leading to a significant increase in expected revenues for 2025. In 2026, income is expected to increase due to assumed inflation, less a system degradation factor of 0.5% per year.
3. In the past, some re-roofing projects were funded by grants, going forward most of the forecast income results from gradually allocating grant contributions to projects applied to P&L over 25 years. See note 7.
4. Asset Management costs and Rates on PV systems will increase with assumed inflation each year.
5. Insurance covers liability and equipment replacement in the event of accidental damage and loss of earnings.
6. Provisions are made for repairs and replacement of inverters, less any actual costs incurred in the year.
7. Re-roofing, typically covered by grants, as well as repairs and inverter swaps, are budgeted for 2025-2027.
8. The financial model for each school targets cash flow positivity from year one, but due to capital allowances on new projects, the CBS will not pay tax in the forecast period.
9. In practice, not all spare cash will be used to repay bonds, as some may be needed for inverter replacements and daily cash flow needs. Loan repayments are based on available cash minus accumulated inverter reserves.

Financials: Portfolio level continued

Balance Sheet

Solar for Schools CBS Limited (Consolidated)

Account	31 Mar 2022	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31-Mar-27
	audited	audited	audited	forecast	forecast	forecast
Fixed Assets						
New Solar Assets (1)	813,343	1,793,479	4,137,412	3,821,510	0	0
Existing Solar Assets	3,399,641	4,212,984	5,934,325	10,071,737	13,893,247	13,893,247
Accumulated Depreciation on Existing Solar Assets (2)	(345,650)	(518,432)	(754,568)	(1,157,438)	(1,560,307)	(1,963,176)
Deferred Tax Asset	8,271	1,910	(23,190)	(23,190)	(23,190)	(23,190)
Total Fixed Assets	3,875,605	5,489,941	9,293,979	12,712,619	12,309,750	11,906,880
Current Assets						
Cash at bank and in hand (3)	82,476	56,312	284,574	47,363	122,347	140,771
Accounts Receivable/Accrued Income	277,292	478,831	1,370,639	52,833	77,442	96,338
Total Current Assets	359,768	535,143	1,655,213	100,196	199,789	237,109
Creditors: amounts falling due within one year						
Accounts Payable (4)	27,796	496,424	1,177,787	0	0	0
Accruals	3,150	3,300	82,473	6,000	6,126	6,249
Interest Payable on Bonds and Loans (5)	46,187	70,255	116,376	183,388	173,301	157,961
VAT	3,454	(113,788)	(186,963)	0	0	0
Unclaimed interest	249	1,558	2,584	2,584	2,584	2,584
Triodos Overdraft Facility and Short Term Loans (6)	0	0	1,055,000	0	0	0
Total Creditors: amounts falling due within one year	80,836	457,749	2,247,257	191,972	182,011	166,794
Net Current Assets (Liabilities)	278,932	77,394	(592,043)	(91,776)	17,777	70,315
Total Assets less Current Liabilities	4,154,537	5,567,335	8,701,936	12,620,843	12,327,527	11,977,195
Creditors: amounts falling due after more than one year						
Deferred Income (Contributions, Grants and Donations) (7)	682,415	1,144,609	2,030,327	2,986,913	2,986,913	2,986,913
Accumulated Contribution reduction (7)				(119,477)	(238,953)	(358,430)
Loan- Bonds issued and other bank loans (8)	3,505,065	4,355,660	6,468,146	7,610,644	7,181,703	6,698,703
Loan- Bonds issued and other bank loans	3,505,065	4,355,660	6,468,146	8,310,644	7,610,644	7,181,703
Loan- Bonds issued and other bank loans reduction (repayment)				(700,000)	(428,941)	(483,000)
Triodos senior debt (9)				1,512,656	1,330,104	1,136,540
Triodos senior debt				1,600,000	1,512,656	1,330,104
Triodos senior debt reduction (repayment)				(87,344)	(182,552)	(193,563)
Inverter reserve	0	81,116	133,892	170,472	206,639	243,529
Total Creditors: amounts falling due after more than one year	4,187,480	5,581,385	8,632,365	12,161,208	11,466,405	10,707,255
Net Assets	(32,943)	(14,050)	69,570	459,634	861,122	1,269,940
Capital and Reserves						
Current Year Earnings	(16,770)	18,894	83,620	390,064	401,487	408,818
Retained Earnings	(16,174)	(32,943)	(14,050)	69,571	459,635	861,122
Total Capital and Reserves	(32,943)	(14,050)	69,571	459,635	861,122	1,269,940

Notes on the Balance Sheet above:

- Although we expect to add more assets paid for and built by March 2025, we have not included additional projects set to be installed in Q4 2024 and Q1 2025, as this complicates the assessment of the current portfolio's performance over the next two years.
- All solar assets are depreciated at 4% per year after the year in which they are built.
- The Triodos overdraft was converted into long-term project finance. (Triodos Senior Debt).
- If no new assets are built, the CBS will not wait to pay invoices until projects are completed.
- Interest costs are accrued from November 1 of the previous year to March 31 for the month, and Triodos senior debt is accrued from February 28 to March 31. Triodos senior debt has been effective since August 31, 2024, and will be paid quarterly.
- In March 2024, while waiting to finalize long-term funding with Triodos, a short-term overdraft was provided to enable project construction pending long-term financing, which was completed in August.
- Grants are usually given to schools, which then pass them on to the CBS; where they are accounted for as a pre-payment of electricity costs. Four percent of these grants is allocated to revenues each year over the 25-year lifetime of the projects.
- About £700,000 of bondholder debt is scheduled to be repaid in November 2025, with an additional £556,000 to be repaid in 2026.
- £87,344 of Triodos senior debt will be repaid in 2025, and £182,552 will be repaid in 2026, according to their repayment schedule.

Bond instrument used in Bond offer XII

THIS INSTRUMENT is made by way of Deed Poll on Friday 15th October 2024 BY SOLAR FOR SCHOOLS CBS LIMITED a community benefit society registered with the Financial Conduct Authority with registration number 7364 and whose registered office is at Falcon House, 3 King Street, Castle Hedingham, Halstead, Essex, CO9 3ER (CBS).

Recital

CBS has, by resolution of its board of directors passed on Friday 15th October 2024, resolved to create a further £4,000,000 of unsecured bonds to be constituted in the manner set out below.

Agreed terms

1. Definitions and interpretation

1.1 The definitions and rules of interpretation in this clause apply in this instrument.

"Annual or Year" means 365 days in any given year, including any leap year.

"Bondholder" means each person for the time being entered in the Register as a holder of any Bonds.

"Bonds" means up to £4,000,000 unsecured bonds constituted by this instrument or, as the case may be, the amount of such bonds for the time being issued and outstanding.

"Business Day" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

"Certificate" means a Certificate issued by CBS under clause 4.

"Conditions" means the conditions set out in Schedule 1: as from time to time amended and Condition shall be construed accordingly.

"Directors" means the board of directors of CBS for the time being.

"Ethex" means Ethex Investment Club Ltd, a company registered in England and Wales with number 07432030 and registered office at The Old Music Hall, 106-108 Cowley Road, Oxford, Oxfordshire, OX4 1JE, which operates the website ethex.org.uk on which the Offer will be available to view and invest in. **"Event of Default"** means any of those events specified in clause 6.

"Group" means CBS and any subsidiary or holding company from time to time of CBS (and the expression member of the Group shall be construed accordingly).

"Interest Rate" The Interest Rate will be 5.5% fixed for the duration of the bond.

"Offer" means the offer of Bonds issued by CBS contained in the Offer Document and made subject to the terms and conditions below.

"Offer Document" means the financial promotion describing CBS's offer of Bonds.

"Register" means the register of Bondholders kept and maintained by CBS in accordance with clause 5.

"Repayment Notice" means the notice of repayment found on the reverse of each Certificate.

"Repayment Date" means (i) the 5th Anniversary of the date of Issue of the bonds (ii) any previous anniversary of that date if requested by the Bondholder with 3 months' notice and accepted by the CBS or (iii) a date proposed by the CBS and agreed to by the Bondholder in writing or (iv) any such other date as stipulated in each Offer and Bond Certificate.

"RPI" means Retail Price Index (calculated by reference to the RPI of the previous December) as published by the UK's Office for National Statistics.

"Special Resolution" means a resolution passed at a meeting of the Bondholders duly convened and held in accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting on a show of hands or, if a poll is demanded by a majority consisting of not less than 75% of the votes given on such poll.

"Interest Start Date" means the date from which interest will start to accrue. If no date is specified for the Interest Start Date on the Offer or Bond Certificate, then the Interest Start Date shall be the same as the Issue Date.

"Total Bonds" means up to £12,000,000 unsecured bonds constituted by this and previous instruments or, as the case may be, the amount of such bonds for the time being issued and outstanding.

1.2 Any reference in this instrument to:

1.2.1 an encumbrance shall be construed as a reference to a mortgage, charge, assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, right of set-off (save as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind;

1.2.2 a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);

1.2.3 repayment includes redemption and vice versa and the words repay, redeem, repayable, redeemed and repaid shall be construed accordingly.

1.3 References to any statute or statutory provision shall be construed as a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.4 In construing this instrument general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word "including" shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.5 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

1.6 The Schedules (including, for avoidance of doubt, the Conditions) form part of this instrument and shall have effect and shall be binding on the Bondholders as if set out in full in the body of this instrument. Any reference to this instrument includes the Schedules.

2. Amount, Description and Status of Bonds

2.1 The total principal amount of the Bonds in this Bond Instrument is currently limited to £4,000,000 and the Bonds shall be issued in integral multiples of £1 by CBS.

2.2 The minimum investment shall be £50 per person or organisation or as otherwise stipulated in the Offer.

2.3 The Bonds when issued shall rank *pari passu* equally and rateably without discrimination or preference among all Bonds issued by the CBS and as an unsecured obligation of CBS.

3. Repayment and Interest

When the Bonds become payable in accordance with the provisions of this instrument, CBS shall pay to the Bondholders the full principal amount owing to each Bondholder together with any accrued interest on such Bonds then outstanding (less any tax which CBS is required by law to deduct or withhold from such payment).

4. Certificates

4.1 Each Certificate shall be issued to a Bondholder substantially in the form set out in Schedule 4 and shall be executed by CBS and have the Conditions endorsed on or attached to it. Each Bondholder shall be entitled to receive without charge one Certificate registered in his name.

4.2 When a Bondholder transfers or redeems part only of his Bonds, the old Certificate shall be cancelled and a new Certificate for the balance of such Bonds shall be issued without charge.

5. Register

5.1 CBS shall, at all times, keep a Register at its registered office (or at such other place as CBS may from time to time have appointed for the purpose and have notified to the Bondholders).

5.2 The Register shall contain the following details:

5.2.1 the names, date of birth, phone number, email and addresses of the Bondholders and the date on which the name of the Bondholder is entered on the register;

5.2.2 the principal amount of the Bonds held by each Bondholder; and

5.2.3 the date of issue, Interest Start Date if different and type of each Bond, together with all subsequent transfers and changes of ownership of each Bond.

5.3 Any change of name, email or address by any Bondholder that is notified to CBS at its registered office address above shall be entered in the Register.

5.4 Any Bondholder may, by written notice to CBS, request to be informed of the information regarding that Bondholder held in the Register and require CBS promptly to rectify an error in the Register in relation to that Bondholder.

6. Default

6.1 The following are Events of Default:

6.1.1 Non-payment: except in the event of technical irregularities or in circumstances where CBS remedies any such default within a reasonable period of being notified, CBS fails to pay any principal or interest on any of the Bonds within 10 Business Days after the due date for payment and CBS being notified thereof;

6.1.2 Breach of undertaking: CBS materially fails duly to perform or comply with any obligation (other than an obligation to pay principal or interest in respect of the Bonds) expressed to be assumed by it in this instrument and such failure continues for 10 days after written notice has been given by any Bondholder requiring remedy thereof;

6.1.3 Insolvency: CBS or any member of the Group is insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of all or any material part of its indebtedness or commences negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit of, or composition with, any of its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;

6.1.4 Enforcement proceedings: A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of CBS or any member of the Group and is not discharged or stayed within 10 days;

6.1.5 Winding-up: CBS or any member of the Group takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation previously approved by Special Resolution) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets;

6.1.6 Analogous proceedings: Anything analogous to or having a substantially similar effect to any of the events specified in clause 6.1.3 to clause 6.1.5 inclusive shall occur under the laws of any applicable jurisdiction;

6.1.7 Encumbrance enforceable: Any encumbrance on or over the assets of CBS or any member of the Group becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;

6.1.8 Cessation of business: CBS or any member of the Group ceases to carry on the business it carries on at the date of this instrument or a substantial part thereof; and

6.1.9 Illegality: It is or becomes or will become unlawful for CBS to perform or comply with any of its obligations under this instrument, or any such obligation is not or ceases to be legal, valid and binding.

7. Acceleration

If, at any time and for any reason, any Event of Default has occurred, the Bondholders may by Special Resolution or by written notice to CBS from Bondholders holding more than 50% in nominal value of the Bonds then issued and outstanding, at any time while such Event of Default remains un-remedied and has not been waived by a Special Resolution, direct that the principal amount of all Bonds, all unpaid accrued interest and any other sum then payable on such Bonds shall become due and payable immediately and such amounts shall be immediately payable by CBS to the Bondholders (in each case less any applicable taxes).

8. No set-off

Payments of principal and interest under this instrument shall be paid by CBS to the Bondholders, and the Bonds shall be transferable in accordance with the provisions of Schedule 2, without any deduction or withholding (whether in respect of any set-off, counterclaim or otherwise whatsoever) unless the deduction or withholding is required by law.

9. Meetings of Bondholders

The provisions for meetings of the Bondholders are set out in Schedule 3.

10. Enforcement

10.1 From and after the date of this instrument and so long as any amount is payable by CBS in respect of the Bonds, CBS undertakes that it shall duly perform and observe the obligations on its part contained in this instrument.

10.2 The Bonds shall be held subject to and with the benefit of the provisions of this instrument, the Conditions and the schedules. All such provisions shall be binding on CBS and the Bondholders and all persons claiming through or under them respectively, and shall ensure for the benefit of all Bondholders, their personal representatives, successors and permitted assigns.

10.3 Except as expressly provided in this clause 10.3, a person who is not a party to this instrument shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument. This instrument and the Bonds are enforceable under the Contracts (Rights of Third Parties) Act 1999 by each Bondholder.

11. Modification

The provisions of this instrument and the Conditions and the rights of the Bondholders may from time to time be modified, abrogated or compromised in any respect by Special Resolution and with the consent of SFS-CBS.

12. Governing law and jurisdiction

12.1 This instrument and the Bonds and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

12.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this instrument or any Bond or their subject matter or formation (including non-contractual disputes or claims).

Executed by SOLAR FOR SCHOOLS CBS LTD, acting by two directors:



Robert Schrimpf, Director



Ann Flaherty, Director

Dated: 15th October, 2024

Schedule 1:

Conditions

1. Priority

Any payments due to Bondholders under the terms of this instrument shall be satisfied in priority to any payments to members (Schools) of CBS as interest payments on members' share capital, but after any secured lenders or creditors have been re-paid.

2. Early repayment request by bondholder

2.1 Subject to Condition 3, all Bonds not previously redeemed (in whole or in part) before the Repayment Date may be repaid early by bondholder request, subject to available funds and Directors' discretion by CBS within 30 days of the Repayment Date, at par, together with interest accrued up to and including the date of redemption.

2.2 A Bondholder wishing to redeem their Bonds early, must notify the CBS by email to bonds@solarforschools.co.uk at least 3 months prior to the desired Repayment Date including details of reason for the early re-payment request.

3. Voluntary early repayment by CBS

3.1 CBS may, by giving Bondholders the same period of notice as Bondholders are required to give under Condition 2, offer to repay the principal amount of all or a portion of the Bonds on the date specified in such notice. CBS shall pay to the Bondholders all outstanding interest accrued on the Bonds to be redeemed up to and including the date of such redemption (in each case less any taxes required by law to be deducted or withheld from such payments).

3.2 The Bondholder must decline the offer to have the Bonds redeemed and re-paid early within 28 days of receiving such notice. If the CBS has not received a notice to decline early repayment within the notice period, the CBS may deem the Bondholder to have accepted the offer and repay the Bondholder in part or in full on the proposed Repayment Date.

3.3 In either scenario under Condition 3.1 and Condition 3.2 CBS shall also pay to the Bondholders all outstanding interest accrued on the Bonds to be redeemed up to and including the date of such redemption (in each case less any taxes required by law to be deducted or withheld from such payments).

3.4 Any payment made under this Condition 3 shall be treated as reducing the amount of the repayments under Condition 2 proportionately and shall be made pro rata to the holdings of all Bondholders who have not declined the offer to be re-paid early.

4. Payment of interest

4.1 Until the Bonds are repaid in accordance with these Conditions, interest on the principal amount of the Bonds outstanding from time to time shall accrue at the Interest Rate, calculated annually on 31 October in each year.

4.2 Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365 day year. Interest shall accrue from the date of issue of their Bond(s) or the Interest Start Date if otherwise specified in the Offer.

4.3 All outstanding Bonds shall, within 30 days of the 31 October, be paid the interest accrued on their Bonds up to and including that date and interest shall continue to accrue on the principal amount of their Bonds at the Interest Rate, calculated annually on 31 October in each year. This Condition 4.3 shall apply to each subsequent anniversary of 31 October until fully repaid.

4.4 If CBS fails to pay any amount of interest or principal on any Bond when such amount is due, interest at the rate applicable under these Conditions shall accrue on the unpaid amount from the due date until the date of payment.

4.5 Interest on any Bonds repaid by CBS in accordance with these Conditions shall cease to accrue as from the date of such repayment.

4.6 The payments of principal, interest or other sums payable by CBS in respect of the Bonds may be paid by:

- (a) electronic transfer in immediately available cleared funds on the due date for payment, for normal bonds, to the account specified for the purpose by the Bondholder or:
- (c) transferred to the Bondholders Ethex account for IF ISA Bonds or alternatively:
- (d) donated to the CBS so that it can be used to help a school go solar where additional donations or grants are needed or:
- (e) re-invested in new bonds in the current bond offer when and if open at the time.

4.7 It is the Bondholders responsibility to keep their interest and re-payment preferences up to date either via the Solar for Schools website or in writing to the CBS or its agent or sending the details by email to bonds@solarforschools.co.uk If sending bank account details by email you will need to also provide a phone number we can use to double check them.

4.8 Where no bank details are provided for normal, non ISA bonds, the interest will roll over until a payment method is provided by the Bondholder. Any such rolled over amount will be added to the following year's due interest payment. No interest shall accrue on such amount.

4.9 Although Interest is currently paid gross, with no taxes deducted. Should future legislation require it, payments of principal, interest or other moneys to be made by CBS shall be made after any deductions or withholdings for or on account of future taxes required to be deducted or withheld from such payments.

4.10 It is agreed that different terms and interest arrangements may apply to each of the Total Bonds.

4.11 In the event that the Bondholder's email account is hacked, resulting in the CBS paying either interest or repayment of capital to an incorrect bank account, the CBS can not be held responsible for the lost interest or capital.

4.12 If a Bondholder cannot be contacted via email or telephone and the CBS has nowhere to pay interest or capital to, the accumulated interest and original capital will be donated to the school fund 3 years from the date of the first unsuccessful payment attempt.

5. Cancellation

All Bonds repaid, prepaid or purchased by CBS shall be cancelled and CBS shall not reissue the same.

6. Dealings

The Bonds shall not be capable of being dealt in or on any listed stock exchange in the United Kingdom or elsewhere and no application has been or shall be made to any listed stock exchange for permission to deal in or for an official or other quotation for the Bonds.

7. Notices

7.1 Any notice or other document (including Certificates) may be given or sent to any Bondholder by sending the same by email or post in a prepaid, first-class letter addressed to such Bondholder at his registered address in the United Kingdom or (if he has no registered address within the United Kingdom) to the address (if any) within the United Kingdom supplied by him to CBS for the giving of notice to him or to an electronic address notified by the Bondholder to CBS for the purpose of receiving notices or other documents (including Certificates). Notice may be given to the persons entitled to any Bonds as a result of the death or bankruptcy of any Bondholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Bondholder at the address (if any) in the United Kingdom supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

7.2 Any notice or other document (including Repayment Notices, Certificates and transfers of Bonds) may be given or sent to CBS by sending the same by email to bonds@solarforschools.co.uk or post in a prepaid, first-class letter addressed to CBS at its registered office for the time being.

7.3 Any notice, communication or document sent by post shall be deemed to have been delivered or received on the second Business Day following the day on which it was posted. In proving such delivery or receipt it shall be sufficient to prove that the relevant notice, communication or document was properly addressed, stamped and posted (by airmail, if to another country) in the United Kingdom. Any notice, communication or document sent to an electronic address shall be deemed to have been delivered on the day on which it was sent.

Schedule 2:

Provisions as to registration, transfer and other matters

1. Recognition of Bondholder as absolute owner

CBS shall recognise as absolute owner the registered holder of any Bonds. CBS shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Bond may be subject. The receipt of the registered holder for the time being of any Bonds or, for the principal payable in respect of such Bonds and for the interest from time to time accruing due in respect of such Bonds or for any other moneys payable in respect of such Bonds shall be a good discharge to CBS notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Bonds, interest or moneys. CBS shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Bonds.

2. Transferability of Bonds

2.1 The Bonds are transferable, but won't be listed on any exchange because a request can be made for early re-payment. Bondholders may request early re-payment by notifying the CBS with at least 3 months' notice to the 31 October of a given year. The CBS will deal with all requests in order of receipt and pay as many as it can subject to available funds and Directors' discretion. The CBS is under no obligation to re-pay early.

3. Recognition of personal representatives

3.1 The executors or administrators of a deceased Bondholder shall be the only person(s) recognised by CBS as having any title to such Bonds. 3.2 Any person who becomes entitled to any of the Bonds as a result of the death or bankruptcy of any Bondholder, or of any other event giving rise to the transmission of such Bonds by operation of law may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Condition or of his title as the Directors shall think sufficient, be registered himself as the holder of such Bonds. CBS may retain any payments paid upon any such Bonds, which any person under this provision is entitled to, until such person is registered as the holder of such Bonds or has duly transferred the Bonds.

4. Replacement of Certificates

If the Certificate for any Bonds is lost, defaced or destroyed it may be renewed on such terms (if any) as to evidence and indemnity as the Directors may require. In the case of defacement, the defaced Certificate shall be surrendered before the new Certificate is issued.

Schedule 3:

Provisions for meetings of Bondholders

1. Calling of meetings

CBS may at any time and shall on the request in writing signed by Bondholders representing 5% or more of the Bonds in nominal value then in issue convene a meeting of the Bondholders to be held at such place as CBS shall determine.

2. Notice of meetings

At least 14 clear days' notice specifying the place, day and hour of the meeting shall be given to the Bondholders of any meeting of Bondholders. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolutions to be proposed. The omission to give notice to any Bondholder shall invalidate any resolution passed at any such meeting.

3. Chairman of meetings

A person nominated by CBS shall be entitled to take the chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Bondholders present shall choose one of their number to be Chairman. The Directors and the Secretary and legal advisers of CBS and any other person authorised in that behalf by the Directors may attend at any such meeting.

4. Quorum

4.1 At any such meeting convened for any purpose, other than the passing of a Special Resolution, a person or persons holding or representing by proxy 10% in nominal value of the Bonds for the time being outstanding shall form a quorum for the transaction of business. At any meeting convened for the purpose of passing a Special Resolution persons (at least two in number) holding or representing by proxy at least 50% in nominal value of the Bonds for the time being outstanding shall form a quorum. No business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.

4.2 If within 30 minutes from the time appointed for any meeting of the Bondholders a quorum is not present the meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 days and not more than 42 days thereafter) and to such place as may be appointed by the Chairman and at such adjourned meeting two Bondholders present in person or by proxy and entitled to vote, whatever the principal amount of the Bonds held by them, shall form a quorum.

5. Adjournment of meetings

5.1 The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business that might lawfully have been transacted at the meeting from which the adjournment took place.

5.2 Notice of any adjourned meeting at which a Special Resolution is to be submitted shall be given in the manner provided for in this instrument. Such notice shall state that two Bondholders present in person or by proxy and entitled to vote at the adjourned meeting whatever the principal amount of the Bonds held by them shall form a quorum.

6. Voting

6.1 Every question submitted to a meeting of Bondholders shall be decided in the first instance by a show of hands. In case of an equality of votes the Chairman shall have a casting vote.

6.2 At any meeting of Bondholders, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or by one or more Bondholders present in person or by proxy, a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact.

6.3 If at any such meeting a poll is so demanded it shall be taken in such manner as the Chairman may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

6.4 Any poll demanded at any such meeting shall be taken at the meeting without adjournment. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

6.5 On a show of hands every Bondholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative (not being himself a Bondholder) or by proxy shall have one vote (provided that a proxy appointed by more than one member should only have one vote or, where the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it, such proxy shall have one vote for and one vote against the resolution). On a poll every Bondholder shall have one vote for every £1 in nominal amount of the Bonds of which he/she is the holder. A Bondholder (or a proxy or representative of a Bondholder) entitled to more than one vote on a poll need not use all his/her votes or cast all the votes he/she uses in the same way.

7. Proxies

7.1 Every instrument appointing a proxy shall be in writing, signed by the appointor or his attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Bondholder.

8. Power of meetings of Bondholders

In addition to the powers to pass the Special Resolutions referred to at Clause 6 (Events of Default), Clause 7 (Acceleration) and Clause 11 (Modification) of this instrument, a meeting of the Bondholders may, by Special Resolution, consent to any proposal put to Bondholders by CBS where such proposal may affect Bondholders' rights to repayment of principal, payment of interest or to demand accelerated repayment under Clause 7.

9. Resolutions

9.1 A Special Resolution, passed at a meeting of Bondholders duly convened and held in accordance with the provisions of this schedule, shall be binding on all the Bondholders whether or not present at such meeting and each of the Bondholders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution.

9.2 Subject to Clause 7 of this instrument, a resolution in writing signed by the holders of at least 75% in nominal value of the Bonds for the time being outstanding who are for the time being entitled to receive notice of meetings in accordance with the provisions contained in this instrument shall for all purposes be as valid and effectual as a Special Resolution. Such resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Bondholders.

10. Minutes of meetings

Minutes of all resolutions and proceedings at every such meeting of the Bondholders shall be made and duly entered in books to be from time to time provided for that purpose by CBS and shall be available for inspection by Bondholders during normal business hours on reasonable notice to CBS.

Schedule 4:

Example Bond Certificate

SOLAR FOR SCHOOLS CBS LTD (CBS) BOND OFFER XII Certificate No: [NUMBER]

Date of Issue: [DATE]

Interest Start Date: [DATE]

Amount: £[AMOUNT]

Annual Interest: [AMOUNT]%

Repayment Date: [DATE]

Bonds created and issued pursuant to a resolution of the board of directors of CBS passed on 15th October 2024.

THIS IS TO CERTIFY THAT [INSERT NAME OF BONDHOLDER] is the registered holder of £[AMOUNT] of the £4,000,000 unsecured bonds constituted by an instrument entered into by CBS on [DATE] (Instrument). Such bonds are issued with the benefit of and subject to the provisions contained in the Instrument and the Conditions endorsed hereon.

1. The Bonds are governed by the term of the Bond Instrument dated 15th October 2024, a copy of the Instrument is available for inspection at <http://www.solarforschoolscbs.org.uk> or by requesting a copy by email to bonds@solarforschool.co.uk
2. This Certificate must be surrendered before any transfer, whether of the whole or any part of the Bond comprised in it, can be registered or any new Certificate issued in exchange.
3. Any change of address, email or repayment preferences of the Bondholder(s) must be notified by the Bondholder(s) to CBS either by email at bonds@solarforschools.co.uk or via the www.solarforschools.co.uk website.
4. The Bonds are transferable in amounts and in integral multiples of £1 in accordance with the terms of the Conditions and the Instrument.
5. Words and expressions defined in the Instrument shall bear the same meaning in this Certificate and in the Conditions endorsed hereon.
6. The Bonds and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.
7. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Bonds or their subject matter or formation (including non-contractual disputes or claims).
8. Executed by SOLAR FOR SCHOOLS CBS LTD, acting by two directors:

[Director Name], Director

[Director Name], Director

Dated: [DATE]

Main risks

The Directors believe the following risks to be the most significant for potential Bondholders. However, they do not necessarily comprise all those associated with an investment in the Bond and are not intended to be presented in any order of priority. They have been grouped into three categories.

1. Industry risks

a. Government legislation. The government is currently pro solar, but this could change as the number of installations increases over the next 25 years, so it is possible that they may try and tax solar projects in the future. A backlash on renewable energy could make it harder for the CBS to pay interest and re-pay investors.

b. Mains Electricity prices to schools. If mains electricity prices fell rather than rose over time as expected, schools might default on their contract with the CBS and refuse to pay the contracted price for solar electricity if higher than mains electricity. This risk is partly reduced by the schools' entitlement to a profit share that should counteract the higher contracted solar electricity price vs. lower mains prices.

c. Price paid for electricity sold to the grid. The model assumes that we will continue to sell any spare electricity back to the grid at 3.5p a unit adjusted to inflation for the 25 years of each contract. We are currently being paid 7-10p a unit, so more than we are using in our model and this is creating some additional buffer, but these relatively high prices will probably come down over the next 5 years. Although expected income from export is generally less than 20% of the total income for new projects, if the price of electricity sold back to the grid dropped below 3.5p within 10 years, the CBS could struggle to pay back interest and even capital.

d. Interest rates. Interest rates are currently high although expected to fall over the next few years, although 5.5% is above what investors can currently receive from similar duration bank deposits, there is a risk that interest rates could increase further, i.e. you would continue to receive 5.5% interest until the bond matures, but could have received higher interest if you had left the funds in a bank. Conversely if as expected, interest rates fall, you will benefit.

2. Project-specific risks

a. Mechanical failure. Installations will be insured for damage, breakdown and loss of income in line with standard industry practice. However, there will be interruptions to the generation of electricity from the installations once built, caused by damage to or mechanic/electrical failure of equipment or roof maintenance work at the school. All roofs are surveyed by professional structural engineers, and systems are only installed on suitable roofs. None are installed on roofs using RAAC.

b. Solar PV performance. The assumptions around energy generation levels each year are based on project capacity and yield calculations based on methodologies commonly used by the industry. However, long-term changes to weather patterns and/or equipment under performance may result in lower levels of electricity generation and therefore income. Generation so far for the portfolio of schools with at least one full year of data has been within 1% of target.

c. Schools default. Over 80% of income to the CBS is from the sale of electricity to each school. Therefore, should a school default on the agreement or shut down, revenues for those schools could be up to 60 per cent lower as the electricity would be exported at about 5p instead. The impact of such a reduction on the entire portfolio of a single project failing in this way in the later years is very small, but if multiple schools defaulted in the early years, the CBS may not be able to meet its repayment schedules.

d. Schools consume less solar electricity than forecast. Solar electricity “self- consumption” rates are calculated based on comparing new schools to historic data of more than 80 systems with over a year of data. The systems are then under sized to ensure sufficiently high self-consumption rates across the portfolio of schools and the forecasts are therefore expected to be within about 5 per cent of actuals. If many schools actually consume significantly less than forecast, the reduction in income to the CBS could result in the CBS not being able to meet its forecast repayment schedules if the shortfall is greater than the profit share. School closures as a result of COVID measures have resulted in schools consuming less solar electricity than forecast. That trend has continued, driven by high electricity prices, so we have adjusted the self-consumption calculations to be more conservative for new projects going forward and are looking at means to increase the price the CBS receives for exported electricity.

3. General investment risks

a. Capital Risk. Investment in smaller, new and unquoted businesses is likely to involve a higher degree of risk than investment in larger, established companies and those traded on a stock exchange. Investing in Bonds is not the same as investing money in a bank account as your capital is at risk and you could lose up to, but no more than, your entire investment.

b. Repayment. An investment in a Bond of this type is speculative and involves a degree of risk. The Solar for Schools Community Benefit Society's ability to repay the Bond on the repayment date, or at all, is dependent on the continued success of its business.

c. Security. The Bonds are an unsecured investment and will rank behind secured or preferential creditors. In the event of the Solar for Schools Community Benefit Society's financial failure, the Bonds would have the status of an unsecured creditor and may not be capable of being repaid in full or at all should the proceeds from a sale of the Solar for Schools Community Benefit Society's assets fail to cover all unsecured liabilities.

d. Liquidity. Although Bonds are transferable, they will not be traded on a recognised exchange and are therefore non-readily realisable.

e. Long-term commitment. Applicants should consider investment in the Bonds as a long-term commitment until the repayment date as the original amount invested may not be available to them before the repayment date as there is no guarantee of repayment if a request is made to do so by the Bondholder.

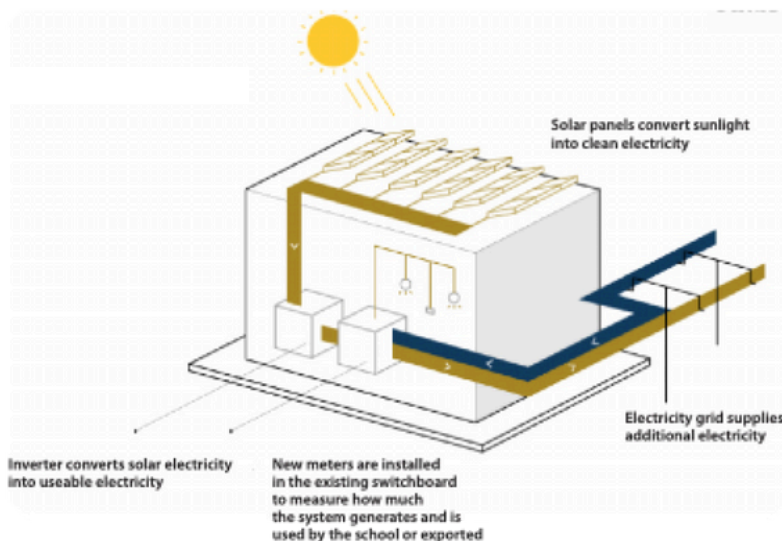
f. Bond redemption. Bondholders will have the contractual right to full redemption of their Bonds at the end of the initial term. The Solar for Schools Community Benefit Society's ability to repay the Bonds at this point is dependent on it being able to secure finance from third parties and/or future bond investors. The Directors are committed to managing Solar for Schools Community Benefit Society's business with a view to ensuring a range of options are available to enable it to repay the Bonds and the interest due on them. However, there is no guarantee that there will be sufficient finance available to repay all the bonds at this point. If the CBS can't raise more bonds or re-finance, then the CBS will re-pay bondholders gradually over theremaining lifetime of the projects. The directors will prioritise bond repayment by need and availability of funds.

g. The Bonds are not covered by the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS). This means if the Solar for Schools Community Benefit Society Ltd does not fulfil the terms of the Bond Instrument there is no right to complain to FOS or to get compensation from FSCS.

h. Past performance is not necessarily a guide to future performance. Events in the past, or experience derived from these, or indeed present facts, beliefs or circumstances, or assumptions derived from any of these, do not predetermine the future.

i. Financial projections. Hopes, aims, targets, projections (including the financial projections in this Offer), plans or intentions contained in this document are no more than that and should not be construed as forecasts.

FAQ



How does Solar PV technology work?

As there are no moving parts, solar panels are very reliable, are under warranty for 20 years and are expected to last 30 years or more. Inverters typically have a 10-20 year lifetime and five year warranty and hence reserves are built into the financial model to replace them during the 25-year contract period.

Solar photovoltaic (PV) systems capture the sun's energy using photovoltaic cells. Solar PV cells are made from layers of semi-conducting material, usually silicon. When light shines on the cell it creates an electric field across the layers. The stronger the sunshine, the more electricity is produced, but the PV cells do not need direct sunlight to work – they can still generate some electricity on a cloudy day. Cells are grouped together in panels or modules that can either be mounted on a roof or on the ground. In the case of the solar panels on UK schools, the panels have been mounted to the roof using either roof hooks and struts for pitched roofs or ballasted aluminium frames on flat roofs. Since solar PV cells convert sunlight into DC electricity, inverters are used to convert this into mains voltage AC electricity. The inverters are connected to the school's electricity metering point via meters. The meters are connected to communications equipment that provides for remote data collection, billing and system monitoring.

FAQ continued

What equipment is used?

The solar panels, mounting equipment and inverters are supplied by a small number of carefully selected tier one manufacturers to avoid being over reliant on any one supplier. They are installed by screened MCS-accredited installation companies that have previous experience installing rooftop-mounted systems on schools. The solar panels and inverters from different manufacturers are interchangeable if required, in the event that equipment should fail and that a particular manufacturer is no longer in business.

Although the panels and inverters are under manufacturers' warranties, an inverter and equipment reserve is built up within the CBS over time to cover possible equipment failures outside of the warranty. Additionally, the CBS takes out insurance on each system to cover situations where a manufacturer is no longer able to honour the warranties. All installations include a one-year installer's warranty to cover any installation issues. Thereafter, Solar Options for Schools Ltd provides administration, monitoring and maintenance services, in some cases using the same installation companies as subcontractors, as required, to ensure the systems work at maximum efficiency.

How will I receive my interest payments and repayment?

If you invest via the Ethex IFISA, we will pay interest each year for the 12 month period ending 31st October to your Ethex IFISA account in November. If you invest via a normal, non-ISA bond, we will pay you by bank transfer. You must provide your bank account details for payment by contacting bonds@solarforschools.co.uk or updating your records via the www.solarforschools.co.uk website and logging in. You will need to register the first time using the email address you provided when you applied for bonds.

How will the Bonds be repaid?

The price each school pays for the solar power is set so as to cover all operating costs and repay funders all capital an interest well within the lifetime of the solar project i.e. 21-23 years for new projects depending on actual inflation. This would mean that all bond holders would be repaid gradually over 21-23 years or a portion of them would be repaid fully each year starting after the first year. As neither option is very appealing to most funders, rather than repay gradually, during the first 5 years we re-invest the funds due for repayment in more projects where possible.

We then refinance them by issuing new bonds every 5 year so that Bondholders can be re-paid in full or invest for a further 5 years until all funding has been re-paid. The Solar for Schools CBS may also repay the bonds early if either it cannot invest surplus funds in further projects or can re-finance earlier at a lower cost and thus enable more schools to go solar. Although we have successfully raised funds 10 times so far there is a risk that we can't raise new funds after 5 years, in which case we would stop investing in new projects and gradually repay all bondholders over the lifetime of the existing projects in the order of Bondholder preference and need as determined by the Directors of the CBS.

For a full list of our FAQs head to [our website here](#).