SOUTH EAST LONDON COMMUNITY ENERGY (SELCE)

COMMUNITY SHARE OFFER 7

2026 - a community-owned heat pump for a special needs school in Greenwich - Charlton Park Academy - 60 kW Air Source Heat Pump.

Target raise: £70,000 | Forecast return: 4% per year | Term: up to 10 years | From £250

CAPITAL AT RISK

The value of your investment may go down as well as up. You may lose some or all of the money you invest. These shares are not protected by the Financial Services Compensation Scheme.

SOUTH EAST LONDON COMMUNITY ENERGY

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IMPORTANT NOTICE

South East London Community Energy (Selce) is a co-operative registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 (Society number 32417). By law, we are permitted to issue withdrawable shares to our membership. However, we are not directly regulated by a statutory body.

As with all risk investments, withdrawable shares could lose some or all of their value, and they are not protected by the Government's Financial Services Compensation Scheme or the Financial Ombudsman Service. All investments and commercial activities carry risk. By buying shares, members should weigh up the financial risks and rewards as they would with any other investment opportunity. The board of directors has included the risks it considers most material in this prospectus.

You should not invest money you cannot afford to lose or may need access to at short notice. If you are unsure whether this investment is suitable for you, please seek advice from an independent financial adviser.

Members and prospective investors wishing to review key Selce documents — including our rules, share offer documents, business plans, AGM minutes and annual accounts — can view these online at www.selce.org.uk/members-documents.

SUMMARY OF SHARE OFFER TERMS

Term	Detail
Issuer	South East London Community Energy Limited (Selce) — registered community benefit society (No. 32417)
Project	60 kW air source heat pump at Charlton Park Academy, Royal Borough of Greenwich
Target raise	£70,000 (covering the full installed cost of the heat pump)
Share type	Withdrawable community shares (not transferable; value cannot increase)
Minimum investment	£250
Maximum investment	£35,000
Forecast interest rate	4% per annum (set annually by members at the AGM on the Board's recommendation; not guaranteed)
Interest payment	Paid annually following the AGM
Investment term	Up to 10 years
Withdrawals	Applications accepted from the end of Year 1; staggered and reviewed annually by the Board (circa one-tenth of total share capital available per year)
Offer period	Opening and closing dates to be confirmed before launch; closes early if the target is reached
Eligibility	Individuals aged 16+ and organisations
Voting rights	One member, one vote (regardless of shareholding)
Tax	Potential exemption from inheritance tax (Business Property Relief, subject to qualifying conditions)
Asset lock	Yes — Selce's assets are protected and may only be used in pursuit of its aims
Regulatory status	Registered with, but not regulated by, the Financial Conduct Authority. Capital is at risk; not covered by the FSCS or the Financial Ombudsman Service

FOREWORD FROM OUR CO-CHAIRS

Kate Parker and Nadia Smith — Co-Chairs

This share offer invites the community to fund the installation of a 60 kW air source heat pump at Charlton Park Academy, a special educational needs school in the Royal Borough of Greenwich. The project has been developed with capital support from Centrica's Energy for Tomorrow programme, the Mayor of London's office (through the London Community Energy Fund) and the Royal Borough of Greenwich.

Two years in the making. Centrica's Energy for Tomorrow grant was awarded to Selce in 2024 and seeded the capital case for this heat pump. Through 2025 we worked with the school's leadership and our engineering advisors to take the project through full technical and financial feasibility. In 2026, the community gets to fund the keystone. This will be Selce's first community energy heat pump, one of the first community-financed heat pumps at a special-educational needs school anywhere in the UK and — by capacity — likely the largest community-owned heat pump installed in London to date.

It is eleven years since a small group of volunteers, who had never met before, came together to create Selce. Since then, with the immense commitment of staff, volunteers and members, we have achieved so much. Today we have more than 263 member-investors, whose combined investment has enabled us to provide solar panels for 12 community sites and energy-efficient LED lighting for 11 more. The income generated has been invested in our Energy Advice service, which over 2024–25 gave one-to-one advice to 2,392 households at risk of fuel poverty, saving them on average £442 each. These interventions contributed to approximately 1,096 tonnes of carbon emissions saved this year alone.

In 2025 we were recognised nationally with two awards, including one for fuel-poverty action. This seventh community share offer will cement our position as one of the most active community energy co-ops in the country.

Our last share offer reached its target within three weeks, and previous offers have also been heavily oversubscribed. Demand has been strong. You can invest from £250.

Thank you to all Selce team members, staff, volunteers and members, past and present, for making this possible and for setting out to build a just energy transition locally.

Thank you — Kate and Nadia

THE PROJECT

Make Your Savings Work for the Planet, the Community and for You

Climate change is already affecting our community, while many of us are finding it harder to afford energy bills. As individuals, it is hard to know what we can do. That is where Selce comes in: when we work together, we can cut carbon emissions and help our community reduce energy bills too.

The Project in 200 Words

With this community share offer, Selce will install a 60kW Air Source Heat Pump at Charlton Park Academy in Greenwich to power its 24-hour hydrotherapy pool — a vital therapy facility for pupils with profound physical and learning disabilities.

The heat pump will be largely powered by the school's existing on-site solar PV (around 150 kWp in total — 50 kWp installed by Selce in 2016 and a further 100 kWp installed by the school in 2020).

It is one of the first community energy-financed heat pumps in the UK, and the first community-owned heat pump project in the Royal Borough of Greenwich. This heat pump is a deliberate phase one in the school's 10-year roadmap to fully electrify its 1.5 MW gas heating system.

Based on our financial model, the heat pump is forecast to save the school around £154,299 in gas bills over its operating life and to avoid approximately 313.4 tonnes of CO_2e over 20 years (equivalent to the annual electricity use of 33 average UK households). The share offer is forecast to return 4% per year to investors.

Why This School & Why Now

Charlton Park Academy sits inside one of England's most stretched neighbourhoods.

The Royal Borough of Greenwich is ranked in the bottom quartile of all English local authorities for deprivation (Indices of Multiple Deprivation, MHCLG, 2019), with over a fifth of its residents living in areas among the most deprived 20% in England, and only 1.6% in the least deprived 20%.

Even before the recent energy crisis, 17% of Greenwich households were in fuel poverty, against an England average of 13% (Centre for London, 2022).

The Greater London Authority's London Climate Risk Map places Charlton and the Greenwich riverside in its highest combined risk band, where extreme heat, surface-water flooding and social vulnerability stack up on the same streets.

Pupils with profound and complex disabilities are among those least able to regulate their body temperature. This is a targeted intervention in one of London's most climate-vulnerable boroughs, at one of its most vulnerable buildings.

Charlton Park Academy is a charity-status special educational needs academy serving pupils with a wide range of complex needs, including profound and multiple learning disabilities (PMLD), severe and moderate learning difficulties (SLD/MLD), autism (ASD), speech, language and communication needs (SLCN), and physical and sensory impairments (PD/MSI).

54.2% of pupils are eligible for free school meals — more than three times the England average.

THE PROJECT

Why This Pool Is so Expensive to Heat — and Why a Heat Pump Is the Right Answer

Most school swimming pools sit at around 28°C. Charlton Park's hydrotherapy pool runs at 33–35°C, close to body temperature, because pupils with profound physical and learning disabilities cannot regulate their own body heat in cooler water. That 5–7°C gap is small in degrees but enormous in energy: heating the pool to hydrotherapy temperature uses roughly twice as much gas as a normal school pool.

The pool also runs 24 hours a day, every day of the year. Gas was the only realistic answer when the pool was built; a heat pump powered by the school's own solar is the right answer now. Any excess capacity will feed the school's domestic hot water needs, maximising the carbon and bill savings.

Why This Matters for the Whole Community Energy Sector

Over the last decade, UK community-energy groups have collectively financed more than 266 MW of community-owned solar — and almost no community-owned heat. That gap is not an accident: heat is harder to decarbonise than power, harder to monitor, harder to finance, and harder to explain to an investor. Around 37% of UK greenhouse gas emissions come from heating buildings, and over 85% of UK heat is still delivered by gas boilers. In Greenwich, gas boilers alone account for about 25% of the borough's CO_2 emissions, and there are currently fewer than five community-energy projects tackling low-carbon heat anywhere in London — and none in this borough.

Share Offer 7 is one of the first projects designed to close that gap. With the school's consent, we will publish anonymised consumption meter and performance data from this heat pump as a working case study for other community-energy groups, councils and SEN schools that want to follow. First done well, then done at scale — that is the sector contribution your £250 share helps unlock.

"THIS SINGLE INTERVENTION TAKES A SPECIAL NEEDS SCHOOL FROM DOING ITS BIT ON SOLAR TO A CREDIBLE FIRST STEP ON THE HARDEST, MOST UNDERSERVED PART OF THE UK'S DECARBONISATION CHALLENGE: HEAT."

- SELCE CEO & FOUNDER GIOVANNA SPECIALE

THE PROJECT

Project Context and Work Completed to Date

The project has been substantially de-risked through completed engineering design, a competitive tender process, planning consent, grid connection approval, and £130,000 of grant funding secured from Centrica, the Lord Mayor's Office and the Royal Borough of Greenwich:

- RIBA Stage 2 Concept Design (appointed engineering firm).
- Competitive tender — four contractor proposals assessed; preferred supplier selected.
- Financial and system modelling (independent renewables investment analyst).
- Planning application complete.
- UK Power Networks grid connection approved.
- Legal drafting of the Energy Services Agreement and community share offer documentation.
- Grant funding secured from Centrica, Lord Mayor's Office and Royal Borough of Greenwich = £130,000.

Our installer was selected by competitive tender, with criteria including MCS accreditation for heat pump installation, technical experience with pool and hydrotherapy heating systems, product quality, manufacturer warranties and organisational values.

Sector Context

Gas boilers account for around 25% of Greenwich's CO_2 emissions, and heat is the hardest and most-underserved sector for the UK to decarbonise. There are currently fewer than five community energy projects tackling low carbon heat in London, and none in the Royal Borough of Greenwich.

While the UK has more than 266 MW of community-owned solar, there are almost no community energy heat-pump projects of comparable scale. This project is intended as a working example to change that.

What the Project Does, in Practical Terms

The school still uses gas to heat its 24-hour hydrotherapy pool as well as all domestic hot water and underfloor and radiator heating.

This share offer funds a 60 kW air source heat pump that replaces that gas demand, creating a circular system: solar PV → battery → heat pump → warm pool.

Much of the heat pump's electricity will be supplied directly from the school's own roof. Every penny the school saves on energy bills goes back into educating some of the most vulnerable young people in our community — increasing the resources available for therapies, enrichment activities and learning support, and making the project a leading test case for decarbonising special educational needs sites across London.

Research and Case Study Commitment

With the school's consent, we will use the project's consumption meter and performance data as a research and case-study resource for the community energy and renewable-heat sector — to help others build similar projects, and to feed into the school's wider 10 year decarbonisation roadmap.

11 YEARS. THREE MILESTONES. ONE SCHOOL

The school is working on a 10-year roadmap to deep decarbonisation, including fully electrifying its large 1.5 MW gas-fired heating system. This project is a vital next step on that path, reducing the school's gas bills by around 12.5% and its overall emissions by around 10%. Here is a snippet of its journey to net zero.

2016 — The roof goes solar. Selce's first community-funded install at the site delivers a 50 kWp rooftop solar PV array with battery storage. Charlton Park quietly becomes one of South East London's first solar schools.

2020 — The school adds its own solar. Charlton Park Academy independently funds and installs a further 100 kWp of rooftop PV, taking the site's total clean-power capacity to around 150 kWp — well beyond its own daytime needs. Surplus solar begins flowing back to the grid.

2026 — The keystone goes in. This share offer funds a 60 kW air source heat pump. Instead of exporting that solar surplus, the school will capture it on-site and turn it directly into reliable, low carbon warmth for its 24-hour hydrotherapy pool. The loop closes.

The Circle This Share Offer Closes

Most school energy systems are linear: gas comes in from a pipe, electricity from a wire, heat and CO_2 go out of a flue, and the money to pay for it all leaves the school, the borough and the community for good.

This share offer is built on a different shape: a circle of investment, benefit and reinvestment, anchored at one school. Local people invest in Selce. Selce funds and installs the heat pump. The school pays a fixed annual fee forecast to be lower than its current gas bills, so it saves money from day one — and every penny saved stays inside the school, paying for therapies, enrichment and learning support for some of the most vulnerable pupils in the borough.

A share of the project's income flows into Selce's Fuel Poverty Fund, which sends energy advisors into the homes of families already struggling with bills — often the same families whose children swim in that pool.

Investors receive their forecast annual return, with the option to donate it back each year. After the project lifetime, ownership of the asset transfers to the school for free, and the cycle starts again with the next share offer and the next school.

The Next Decade

The school is working on a 10-year roadmap to deep decarbonisation and energy independence, including fully electrifying its large 1.5 MW gas-fired heating system. This heat pump can be seen as a vital next step on this path, reducing their gas bills by 12.5% and their overall emissions by 10%. Here is a snippet of its journey to going net zero.

2026–2027 - an additional 100 kWp of solar PV.

2027–2028 - move the domestic hot water circuit off gas and onto air source heat pumps (a further ~12.5% reduction).

2036 - 100% electrification of the campus.

IMPACT & COMMUNITY BENEFITS

Impact is at the heart of everything Selce does. This share offer will generate measurable environmental, social and economic outcomes:

Impact Metric	Projected Outcome
Heat pump capacity installed	60 kW air source heat pump
Powered by	The school's existing ~150 kWp rooftop solar PV and battery
Annual CO_2 reduction	Approximately 15.7 tonnes (equivalent to planting around 257 trees each year)
20-year CO_2 reduction	Approximately 313.4 tonnes (equivalent to 33 households' annual electricity use, every year)
Whole-school gas-use reduction	Approximately 12.5%
Overall emissions reduction	Approximately 10%
20 year energy bill savings (school)	Approximately £154,299 over the life of the heat pump
Fuel Poverty Fund contribution	Up to £2,000 over the 10-year share period
Forecast investor return	4% per annum (not guaranteed)

The project additionally supports local fuel poverty work. A share of its income flows into Selce's Fuel Poverty Fund, which funds the energy advisors who visit homes across Greenwich, Lewisham, Bexley and Bromley. In 2024–25 we supported 2,392 households and saved each on average £442. Subject to a signed Memorandum of Understanding, the school will refer pupils' families and alumni directly into this free, multilingual service (available in English, Bengali, Portuguese, Nepali and Spanish).

Investment and education in the same project

Every install at Charlton Park comes with a learning programme attached. Supported by our partnership with Centrica's Energy for Tomorrow programme, Selce will run an on-site workshop/assembly for students:

Accessible, hands-on sessions on where energy comes from, how solar panels and heat pumps work in their own building, and what jobs the green economy is opening up — using a real installation they walk past every day.

AN AT-A-GLANCE LOOK AT THE PROJECT

A 24/7 hydrotherapy pool kept warm by an ageing gas boiler — high carbon, high bills, fully exposed to volatile gas prices.

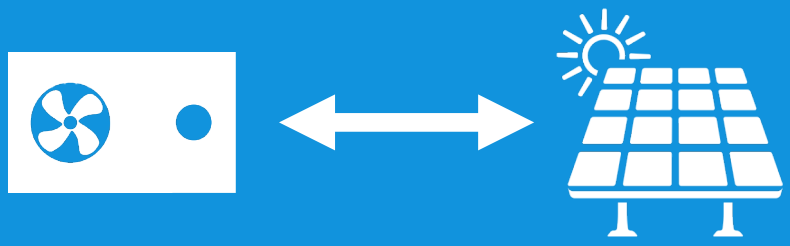
The school can't afford the £70,000 upgrade alone — but it can afford the savings.

Heat is the hardest sector in the UK to decarbonise, and special-needs sites are usually last in the queue.

The Smart Bit

Heat pumps deliver around 3 units of heat for every 1 unit of electricity.

Most of that electricity is generated on the school's own roof — making this some of the cleanest heat available anywhere in Britain.



The Solution

Selce designs and project-manages the install end-to-end with an MCS-accredited heat pump installer.

A 60 kW air source heat pump replaces the gas boiler heating the pool.

It plugs into the school's existing 150 kWp solar PV array and battery — a circular system: sun → battery → heat pump → warm pool.

The 10 Year Cycle

Investors buy shares → Selce installs the heat pump.

The school pays Selce a fixed annual fee (pay-as-you-go, not per kWh).

Savings are greater than fee → the school saves from day one.

Selce owns, insures and maintains the system for 10 years.

After 10 years, ownership transfers to the school — a 20+ year asset they didn't have to find £70k for.

WHY HEAT PUMPS?

Why Heat Pumps

Heat pumps are not a fringe technology. The International Energy Agency calls them “the proven technology of choice to decarbonise space and water heating” and projects that global capacity will rise from around 1,000 GW in 2021 to nearly 2,600 GW by 2030 under governments’ announced climate pledges (IEA, The Future of Heat Pumps, 2022).

Project Drawdown rates “Use Heat Pumps” as Highly Recommended, one of a small number of solutions that meets all of its criteria for a major global climate solution, with an achievable global adoption of 600 to 960 million units by 2050.

In the UK, the Climate Change Committee is unambiguous. Heat in buildings, industry and commerce accounts for over a third of national greenhouse gas emissions, and reaching net zero by 2050 requires around 19 million heat pumps to be installed across the country (CCC, Sixth Carbon Budget). The same analysis concludes that average household heating emissions must fall from roughly 2,745 $kgCO_2e$ to just 138 $kgCO_2e$, with natural gas heating effectively eliminated.

How an Air Source Heat Pump Actually Works

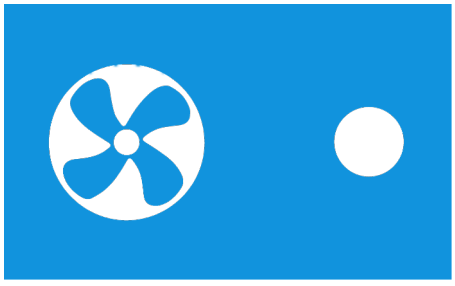
A heat pump is not a boiler. A boiler makes heat by burning gas; a heat pump simply moves heat that is already in the outside air — even on a cold January morning. The trick is a refrigerant that boils at a very low temperature.

Outside the school, refrigerant flows through a coil exposed to the air; even cold air contains enough heat to make it boil and turn from liquid to gas (a “phase change”, which carries a lot of energy for very little electricity). The gas is then squeezed through a compressor, which makes it hot — the same physics as a bicycle pump warming up. Inside the plant room, that hot gas passes through a second coil next to the pool’s water loop, transferring its heat into the water and condensing back to a liquid. The liquid flows back outside and the cycle begins again.

The result: for every 1 unit of electricity used to drive the compressor, the heat pump delivers around 3 to 4 units of heat — which is why heat pumps are described as “300–400% efficient”.

They are not breaking the laws of physics; they are harvesting heat from the air and concentrating it where it is needed. The Energy Saving Trust reports typical efficiencies of 300–400%, and the US Department of Energy reports coefficients of performance of 3.0–7.0 for pool heat pumps specifically — pools are one of the applications where heat pumps shine brightest.

Because most of that electricity comes from the school’s own solar PV, the warmth in the hydrotherapy pool will be some of the cleanest, lowest-carbon heat available anywhere in the country.



ABOUT SOUTH EAST LONDON COMMUNITY ENERGY

Our vision is a sustainable future where energy is generated from local renewable sources and used efficiently; a future where everyone has an energy efficient home, the affordable energy they need, and a voice in the energy system.

We are a community benefit society — a not-for-profit social enterprise, and part of the community energy movement, where local people come together to generate, own and use renewable or low carbon energy technology. Over eleven years, with the support of more than 263 member-investors, we have raised more than half a million pounds and invested it in half a megawatt of solar capacity and LED lighting at 23 locations in Greenwich and Lewisham. This share offer will fund our 24th community-financed installation, and our first heat pump.

We use the surplus income from our projects to offer advice and practical support to people in Greenwich, Lewisham, Bexley and Bromley who are struggling with their energy bills. In 2024–25, our energy advice service saved on average £442 per household supported. In 2025, Selce was nationally recognised with two awards, including one for fuel poverty action.

What Makes Selce Different

Most community energy organisations in the UK do one thing well, usually rooftop solar. Selce does six, under one roof, and is one of very few community energy organisations in the country that combine them all:

- Community-owned solar PV on schools and community buildings (this heat pump will be our 24th community-financed install).
- LEDing the Way — our schools-and-community-buildings LED lighting programme, one of only a few programmes of its kind delivered at scale by a community energy organisation in the UK.
- A Heat Doctor service: trained advisors visit cold, damp homes the way a GP visits a patient — triage the problem and prescribe a fix.
- A Sustainable Futures retrofit team delivering home retrofit assessments, draught-proofing and insulation referrals.
- A multilingual fuel-poverty advice service in English, Bengali, Portuguese, Nepali and Spanish, supporting 2,392 households in 2024–25.
- Community campaigns and volunteer programmes, from our Solar Squad volunteers to Energy Cafés in trusted community venues.

ABOUT SOUTH EAST LONDON COMMUNITY ENERGY

What is a Co-operative / Community Benefit Society?

Selce is a community benefit society (CBS), a type of co-operative, which means it is owned and run by its members rather than by private shareholders or a parent company.

Every member has an equal say, regardless of how much they invest. We raise funds through community shares — a well-established form of ethical investment used by hundreds of community organisations across the UK.

When you buy community shares you become a member of the co-operative and receive an annual interest payment on your investment. Unlike stock market shares, community shares cannot rise in value and cannot be traded or speculated on.

A CBS trades to generate income to support its community purpose, and operates under governing rules that set out its community purpose, the rights of members, how it is governed, and an asset lock that ensures surplus profits are used towards that purpose.

CBSes are registered with the Financial Conduct Authority (FCA). Community shares carry risk: they are not protected by the Financial Services Compensation Scheme or the Financial Ombudsman Service, and you could lose some or all of your investment.

WHY INVEST?

Forecast 4% Return

Based on our financial model, we plan to recommend a 4% annual interest payment to members investing in this share offer. The actual rate is decided annually by members at the AGM on the Board's recommendation, and depends on the project's actual performance — in any given year it may be lower than 4%, or zero. If you wish, you may donate all or some of your interest to support our work with families facing fuel poverty; we will contact you annually to ask.

Exemption from Inheritance Tax

Our shares are currently eligible for Business Property Relief, meaning they are exempt from inheritance tax provided the shares have been held for at least two years at the time of, and immediately before, death. Tax treatment depends on individual circumstances and may change. See www.gov.uk/business-relief-inheritance-tax — we recommend independent tax advice if this is material to your decision.

Help Local Families with Energy Bills

This project is forecast to contribute up to £2,000 over the 10-year share period to the Selce Fuel Poverty Fund.

Avoid Embedded Fossil Fuel Exposure

When you save with a bank or building society, your money could be lent to oil and gas, mining or other sectors you might not choose. This is an ethical investment forecast to avoid around 313.4 tonnes of CO_2e over 20 years.

Schools and Communities Save on Bills

With a low-carbon air source heat pump, Charlton Park Academy is forecast to save around £154,299 on gas bills over the life of the heat pump — money reinvested directly into therapies, enrichment and learning support.

Beyond the School Gates: the Fuel Poverty Referral Loop

A share of this project's surplus flows directly into Selce's Fuel Poverty Fund.

This fund pays for the energy advisors who visit homes across Greenwich, Lewisham, Bexley and Bromley.

Subject to a signed Memorandum of Understanding, the school will refer pupils' families and alumni directly into this service.

- One-to-one home visits and phone advice in English, Bengali, Portuguese, Nepali and Spanish.
- Help with bills, tariffs, debt, benefits, draught-proofing, damp and warm packs.
- In 2024–25 we supported 2,392 households and saved each on average £442 on their bills.
- The same families whose children swim in the pool are often the same families who knock on the door of the advice service. This share offer closes that loop deliberately.

OUR TEAM

Selce's team is led by Founder & CEO Dr Giovanna Speciale, with a senior team including Renewable Energy Project Co-Managers Daniel Beaton and Debbie Owen, Energy Advice Operations Manager Katherin Garcia Rincon, Social Media & Marketing Officer Ron Nussey, Fundraising & Project Development Officer Sanju Soman and Finance Coordinator Sannah Khan.

Our Sustainable Futures team comprises Lawrence Chude (LEDing the Way Projects Officer), Alex Woodcraft (Retrofit Projects Manager) and Hanna Tweg (Engagement Officer, Retrofit & Climate).

We are also supported by a 13-person energy advice team providing multilingual advice in English, Bengali, Portuguese, Nepali and Spanish.

Our Directors

Nadia Smith, Co-Chair. Nadia has a wealth of experience in community energy, from both a policy, and delivery perspective – she is an advisory board member of the Energy Learning Network and a director at Community Energy London.

Kate Parker, Co-Chair. Kate is an independent consultant in the energy sector, focused on the energy transition, with 25 years in engineering, project management and consulting roles.

Alex Hartley. Alex is one of the founding directors of Selce and one of the architects of our energy advice and energy efficiency initiatives.

Anna Fairtlough. Anna worked locally as a social worker, manager and educator for twenty years before joining Goldsmiths University in 2001 as a social work lecturer.

Camilla Berens. Camilla is a co-founder of Selce and comes from a background in financial journalism. She was Chair of Selce for eight years.

Dermot McKibben. Dermot was one of Selce's first members and has twenty years' experience working with Greenwich Council on housing issues in the private sector.

Jason Blanchard. Jason has a background in company and asset management of solar farms, having been responsible for technical operations of over 45 MWp of community-owned assets.

Stefano Casalotti (PhD). Stefano has experience setting up a Community Interest Company and, as an academic, has coordinated teaching programmes and led research in neuroscience.

Tauseef Anwar. Tauseef is an elected Lewisham councillor, where he acts as Speaker of the Council and sits on several committees including Sustainable Development.

Ying Man. Ying leads sustainability initiatives within Birmingham's school community, helping educational institutions on the journey towards decarbonisation and energy efficiency.

Hari Faulkner. Hari joins us as a sustainability passionate ACA-qualified finance manager with multiple years' experience in M&A advisory and financial analysis.

Lawrence Gould. Lawrence has held various roles in strategy, fund-raising, accounting and financial reporting over the past 30 years within both third sector and commercial organisations.

OUR PARTNERS

Baystar — Installation Contractor

Our installer, Baystar (baystar.co.uk), was selected through a rigorous competitive tender process in which four installer contractors were scored against weighted criteria of cost, quality of equipment, accreditations and contribution to the local economy.

Baystar are award winning renewable-energy specialists in heat pumps, solar PV, MVHR, EV chargers and battery storage, and one of the UK's leading heat pump installers. Established in 2011 and covering Sussex, London, Surrey, Kent, East Hampshire, Essex, Hertfordshire and Berkshire, Baystar is one of the most trusted names in renewable energy installation.

Under the guidance of founders Jonny Starmer (MCIOB) and Jason Bayliss, Sussex-based Baystar enables homeowners, commercial businesses, large organisations and property developers across the South and South-East to benefit from tried-and-tested renewable technologies — installations that are commercially attractive, low-carbon and award winning by design.

BUSINESS AND FINANCIAL MODEL

About Selce

South East London Community Energy (Selce) prepares its accounts on a going-concern basis and has a track record of operating while delivering community benefit.

For the financial year ended 31 March 2026, as of now accounts have not been filed, these figures are provisional: Selce reported turnover of £981,493.44, compared with £1,840,737.71 in the previous year. This decrease reflects reduced grant funding and therefore reduced delivery across energy advice, domestic retrofit, solar PV and LED lighting services. After administrative expenses, Selce generated an operating loss of £32,117.85.

For the financial year ended 31 March 2025, Selce reported turnover of £1,822,406, compared with £1,111,213 in the previous year. This increase reflects expanded delivery across energy advice, domestic retrofit, solar PV and LED lighting services. After administrative expenses, Selce generated an operating surplus of £113,116 and a net surplus after tax of £94,319.

At 31 March 2025, Selce held net assets of £691,257. These assets comprise £556,491 of withdrawable community share capital and £134,766 of accumulated revenue reserves. Revenue reserves are held to support cash flow, manage financial risk and contribute to the long-term financial resilience of the society.

At 31 March 2026, Selce held net assets of £705,239.95. These comprise £602,594.00 of withdrawable community share capital and £102,645.95 of accumulated revenue reserves. Revenue reserves are held to support cash flow, manage financial risk and contribute to the long-term financial resilience of the society.

Selce held £287,279.49 in cash at bank at the year end, providing short-term liquidity to meet operational commitments and maintain existing community-energy assets. Tangible fixed assets totalled £531,257.10, primarily community-owned solar PV and LED lighting installations, which are depreciated over their useful economic lives.

Selce's income is derived from a mix of grant funding, service delivery, energy generation and community energy services.

The board keeps the society's financial position under regular review and considers Selce to be adequately capitalised to continue operations and to undertake new projects consistent with its community benefit objectives.

Prospective investors can read Selce's annual financial statements at www.selce.org.uk/about-us/shares#key-documents.

BUSINESS AND FINANCIAL MODEL

Our Legal Structure

South East London Community Energy is the trading name of South East London Community Energy Ltd, registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 (Society number 32417). Our rules are based on Co-operatives UK's model rules and are available from our website. The FCA is the registering authority that ensures our society complies with the Act. Although Selce complies with all parts of the Act, community benefit societies are exempt from section 21 of the Financial Services and Markets Act 2000 in respect of withdrawable share offers, and consequently this share offer is not regulated.

How Schools and Communities Benefit

The total cost of installing the heat pump is approximately £70,000. It would be challenging for the school to pay for, plan and manage the upgrade itself, so we operate a pay-as-you-save model. Our partner sites benefit from:

- Selce operating the heat pump under licence over 10 years.
- Reliable low-carbon heating, with forecast savings of around £154,299 on gas bills over the life of the heat pump (20-year asset life).
- No hassle — project management and maintenance all handled by Selce.
- Lower energy bills, freeing money for the school to spend where it is most needed.
- A reliably warm hydrotherapy pool environment for pupils with physical and learning disabilities.
- A 20+ year asset that integrates with the school's existing solar PV and battery to form a circular energy system.

Project Finances

The project generates income through the License of the heat pump to the site under an Energy Services Agreement, paid as a fixed quarterly fee over ten years. The share-offer target is £70,000, covering the full installed cost of the 60 kW air source heat pump (exc. VAT) and associated works (buffer tanks, pipes electricals).

Final ten-year income figures will be confirmed in the launch financial model. Based on demand for previous Selce share offers (the last fully subscribed in three weeks), we believe this target is reasonably achievable, but it is not guaranteed.

BUSINESS AND FINANCIAL MODEL

1	2	3	4	5	6	7	8	9	10	Total
School (host) Gross Savings										
£4,756	£4,991	£5,237	£5,494	£5,762	£6,042	£6,334	£6,640	£6,959	£7,292	**£59,506**
Years 11-20 94,793.27					20 year Total 154,298.85					
SELCE Profit & Loss										
£9,521	£12,933	£13,256	£13,588	£13,928	£14,276	£14,633	£14,998	£15,373	£15,758	**£138,264**
(£3,834)	(£4,290)	(£4,381)	(£4,474)	(£4,553)	(£4,650)	(£4,750)	(£4,835)	(£4,939)	(£5,045)	**(£45,751)**
£6,500	£6,500	£6,500	£6,500	£6,500	£6,500	£6,500	£6,500	£6,500	£6,500	**£65,000**
(£9,550)	(£9,550)	(£9,550)	(£9,550)	(£9,550)	(£9,550)	(£9,550)	(£9,550)	(£9,550)	(£9,550)	**(£95,500)**
(£2,617)	(£2,345)	(£2,073)	(£1,801)	(£1,530)	(£1,258)	(£986)	(£714)	(£442)	(£170)	**(£13,936)**
SELCE Cash Flows										
£5,773	**£8,995**	**£9,499**	**£9,828**	**£10,088**	**£10,339**	**£10,596**	**£10,877**	**£11,148**	**£11,426**	**£98,569**
(£960)	(£1,280)	(£1,296)	(£1,312)	(£1,312)	(£1,328)	(£1,345)	(£1,345)	(£1,362)	(£1,378)	**(£12,918)**
(£2,430)	(£2,491)	(£2,553)	(£2,617)	(£2,682)	(£2,749)	(£2,818)	(£2,888)	(£2,961)	(£3,035)	**(£27,224)**
(£191)	(£259)	(£266)	(£273)	(£279)	(£286)	(£294)	(£301)	(£308)	(£316)	**(£2,773)**
(£253)	(£259)	(£266)	(£273)	(£279)	(£286)	(£294)	(£301)	(£308)	(£316)	**(£2,836)**
£85	£351	£623	£714	£714	£714	£714	£714	£714	£714	**£6,056**
(£680)	(£2,719)	(£2,719)	(£2,719)	(£2,447)	(£2,175)	(£1,903)	(£1,632)	(£1,360)	(£1,088)	**(£19,442)**
-	-	-	(£6,798)	(£6,798)	(£6,798)	(£6,798)	(£6,798)	(£6,798)	(£6,798)	**(£47,586)**

Further details on the financial summary table available upon request

Income

The project generates income through the provision of licensing of renewable heating of to the site; they pay us a quarterly fee over ten years through an Energy Services Agreement. As shown in the table above, the income generated from the site is £138,264 over the ten-year project period.

Assumptions

- **Equipment life:** we assume a 10 year life of the license and share offer period. Our model accounts for performance over a 20-year operating life of the heat pump itself.
- In line with industry expectations of a well-maintained ASHP. Selce will maintain an annual maintenance contract for the Heat Pump over the 10 year life of the agreement,
- **Administration costs:** based on the cost of administering our existing LED and solar sites, adjusted for heat-pump-specific O&M needs.
- **Cost savings:** based on the school's current gas boilers and bills, the projected seasonal coefficient of performance of the heat pump, and integration with the existing 150 kWp solar PV array and battery storage.

BUSINESS AND FINANCIAL MODEL

- **Cost Savings Forecast:** not factored into these cost savings to the school are future supplementary improvement. The additional solar, storage and efficiency upgrades at the school are predicted to more than double the savings enjoyed from the Heat Pump. These have not been factored into the conservative modelling here.
- **Inflation:** we assume RPI averages 2.5% over 10 years, with gas and electricity prices both rising faster than RPI and gas rising more steeply — improving the economics of switching from gas to a heat pump.
- **Member interest:** the project sets aside income in line with our commitment to provide 4% interest to members.

Expenditure

Planned expenditure over the project includes operations and maintenance — heat pumps are reliable, well established technology requiring an annual service plus periodic refrigerant/filter checks. We have budgeted for an annual service contract over ten years (final O&M figures confirmed in the launch financial model), covering administrative costs including staffing and insurance: preparing accounts, managing contracts and administering payments to suppliers and shareholders. We hold comprehensive insurance policies, and equipment is covered by manufacturers' warranties.

KEY RISKS

All investments and commercial activities carry risk. By buying shares, members should weigh up the financial risks and rewards as they would with any other investment opportunity. The board considers the following risks to be the most material.

Delayed installation. This does not affect overall project finances: our Energy Service Agreement is keyed to a "commissioning date" — the date the heat pump has been installed and commissioned at the site. The site's billing period commences on the 20th day following the commissioning date, so income is unaffected by when the agreement is signed.

Faults with the installation. Modern air source heat pumps are reliable, well-established technology backed by manufacturer warranties. We will hold a maintenance contract with our installer and replacement-parts insurance for the ten-year project lifespan. Selce owns the heat pump and associated equipment across that period and holds insurance against this risk; in the event of a failure, we arrange for our contractor to put it right in line with warranties. Our chosen installer was selected by competitive tender against weighted criteria of cost, quality, accreditations, warranties and organisational values, and has extensive experience of heat pump installation, including pool / hydrotherapy heating.

Theft and damage. The installation may be damaged through vandalism or theft. Our insurance will cover replacement for ten years. After ten years, ownership of and responsibility for the installation transfers to the site.

Site-counterparty risk. Income depends on Charlton Park Academy continuing to operate as a school over the 10-year term and honouring the Energy Service Agreement. The school is a state-funded academy with strong financial governance, but academy-trust finances are not risk-free. We mitigate this by selecting partners with stable governance and by holding revenue reserves.

Energy price risk. The financial case rests on gas prices remaining at or above current levels relative to electricity. If gas prices fall significantly and persistently below electricity prices, the school's net saving would shrink and the case for renewal/extension would weaken. Our model has been stressed against historical gas–electricity price ratios. The school has plans in motion for installing additional solar generation and storage as well as other efficiency measures which will increase the savings and efficacy of the heat pump, ameliorating this risk

Economic conditions. Changes to inflation, insurance, maintenance or other costs could affect the rate of return to the fuel poverty fund and to investors. Selce has analysed stressed financial scenarios and considers the project viable even in the least optimistic of them.

Grant-income dependency. A significant portion of Selce's wider income is derived from grant funding, which is not guaranteed year on year. A material reduction in grant income could affect Selce's ability to deliver its fuel poverty programmes.

Subscription risk. If we fail to raise the full £70,000 through this share offer, the project will proceed only once any shortfall is covered from other sources (grants, reserves or bridging finance) and the Energy Service Agreement is signed. If neither happens within the offer period, we will return all subscriptions to investors within 28 days.

If you are uncertain about investing, you should consult an independent financial adviser.

HOW TO INVEST

How to Invest

Ready to join Selce?

1. Read this share offer document in full, including the risk warnings.
2. Complete our online application form linked to from www.selce.org.uk/shares.
3. Pay by bank transfer. We will email you the account details once we receive your application.
4. Confirmation. Your application will be considered at the next Selce board meeting after the offer closes; you will receive written confirmation of membership once approved.

Neither Selce nor any of its directors can provide investment advice, tax advice or recommendations to investors.

TERMS & CONDITIONS

Membership

Membership is open to individuals aged sixteen and over and to organisations.

Shareholdings

The minimum shareholding is £250 and the maximum is £35,000.

Offer Timetable

The offer period runs between the opening and closing dates to be confirmed before launch. The share offer will close as soon as the target level of investment has been reached. The offer period may be extended at the discretion of the directors.

Share Withdrawal

Shares in a community benefit society are not transferable: they cannot be bought or sold except through the society, and the value of the shares cannot increase. Investment may be withdrawn. This investment is for a maximum of 10 years. We anticipate you will be able to apply to withdraw your shares from the end of Year 2 (all withdrawals are staggered for business continuity). Each year, before the anniversary of the offer's closure, shareholders will be asked whether they wish to withdraw some or all of their shares.

Share withdrawal is reviewed annually by the Board, with recommendations presented at the relevant AGM. We anticipate the total withdrawal amount available year on year will be circa one-tenth of total share capital. If requests exceed available capital, returned investment is allocated pro rata, subject to allowing full withdrawal of de-minimis amounts.

Payment of Interest

As a member you may receive interest on your investment. The rate is decided annually by members at the AGM and paid annually after that meeting. We expect the rate to be 4%.

Repayment of Share Capital

As a member you will receive the full amount of your initial investment back over the 10 year period, although this will be spread between years 4-10; with 1/10th being paid each year from year 4, and the remaining lump sump paid at the end of 10 year period.

Nomination Option

In the event of the death of a member, the value of the shares will normally be added to the estate for probate. On application you may nominate a beneficiary in the event of your death.

Your Application

You cannot withdraw your application after we receive your application form. Any amount to be invested is payable in full on application. The directors do not have to accept your application; they may issue fewer shares than applied for, or none, and need not give reasons. Applications are considered at the first board meeting after the closing date.

Contingency Arrangements

If we raise more than we require, or if any partner withdraws, we will return capital to investors on a "last in, first out" basis, retaining only what we need to install the project. If we do not raise sufficient share capital, the project will be installed once the Energy Service Agreement is signed and the remaining funds are secured. Selce will acknowledge receipt of your transfer and hold investors' funds in trust until the directors consider applications when the offer closes. If shares cannot be made available to you, Selce will return your funds within 28 days.

TERMS & CONDITIONS

Asset Lock

The assets of Selce are protected by an asset lock: they may only be used in pursuit of our aims and values and may not be used for private gain.

Membership Rules and Rights

- Anyone over 16 may become a member, provided they meet the membership criteria and are accepted by the board.
- All members are invited to attend Selce's AGM.
- Members participate on the basis of one member, one vote, regardless of the level of investment.
- Members must act in accordance with the rules of Selce, available (with accounts and past AGM minutes) at selce.org.uk/shares.

Voting and Board Eligibility

All members are invited to an AGM at which the annual report and accounts are considered, auditors appointed, directors elected (along with Treasurer and Chair), and decisions taken on the use of any surplus. Each year, one-third of the board (generally the longest-standing) steps down to enable new members to stand; existing directors may stand for re-election.

Legal Arrangements

Selce retains ownership of the heat pump and associated equipment and signs a Energy Service Agreement with the organisation responsible for the site. Selce retains ownership and responsibility for maintenance of the heat pump and associated equipment for the project term.

OUR FUTURE

While opportunities to generate renewable energy remain and people continue to experience fuel poverty, there is much for Selce to do. With significant achievements behind us, we plan to build on our success, achieve more for our community and reach our long-term potential.

We believe an end to cold, damp, draughty housing and 1,000 community-owned solar roofs in our region of London is possible. In a strategic review carried out with the support of Co-operatives UK's Hive project, and in consultation with members, we identified five priorities:

1. Fuel poverty alleviation.
2. Increasing local renewable generation.
3. Reducing energy demand.
4. Supporting the community energy sector.
5. Developing Selce as an efficient, financially secure co-operative.

We are actively seeking further sites for solar PV, heat and LED retrofit, financed by raising community share capital and building the sustainable assets under our management. There will be future opportunities to invest in Selce through further community share offers. We encourage anyone who supports this work to get involved — as an investor member, director, advisor or volunteer.

Join the community energy revolution!

Contact

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Email: invest@selce.org.uk

Web: www.selce.org.uk

Address: The Forum at Greenwich, Trafalgar Road, London SE10 9EQ

Registered Community Benefit Society number: 32417

SOUTH EAST LONDON COMMUNITY ENERGY

South East London Community Energy
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Registered Community Benefit Society number: 32417
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