

Kent Community Energy

Our Business Plan 2025 to 2027

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1. Executive Summary

KCE was founded as a Community Energy Society to help bring about carbon reduction and positive support for nature, promote energy efficiency and equitable access to energy within Kent. In 2023 we took our first steps on that route by acquiring the 5MW Orchard 2 asset. We welcomed our first community investors. We established a new volunteer board which has dedicated its time to instituting governance improvements, actively overseeing the asset and starting a programme of biodiversity improvements on the land where we are stewards. We re-started our grant programme with a series of grants in 2025 that have benefited a wide range of community organisations throughout Kent.

KCE's challenges entering 2025 can be summarised as follows:

- Low cashflow from the existing asset as funds are tied up in the security package established on the acquisition. Minimal flows are available to cover overheads and provide more than de-minimis benefit grants;
- Inadequate flows from the existing asset to repay the Junior Loan within its term. Refinancing with an amortising loan will take up most of the funds available within the Feed-in-Tariff Period;
- Insufficient operating funds at the KCE level to fund the development of permanent staff needed to drive new development at pace;
- The existing asset was received in a condition that did not support the long-term cashflows projected on acquisition – work is needed on spare parts, preventive and restorative maintenance and the professional operators;
- The existing site was barely meeting its Land Management Plan obligations, let alone a more ambitious nature-forward proposition.

The current Business Plan sets out the route to establish the society on a sustainable and profitable footing. The steps may be summarised as follows:

- KCE has found the funds to establish its first permanent staff and provides in the plan for the development of a management team. This includes a Managing Director, staff for business development and community outreach in 2026 and further staff in 2027 for fundraising and project development. If third party funding can be sourced we will expand staffing in energy advisory work;
- We have started a rooftop solar campaign looking to add 490kW in 2025, 1MW in 2026 and 1.5MW in 2027. The 2025 targets are substantially diligence done and negotiated. Projects will be targeted across Kent. The initial targets are social organisations, later projects will include educational establishments and private businesses;
- We are starting to capitalise the business on a more prudent basis, seeking to replace amortising loans with community sourced equity, materially extending the average life of funds used and improving the debt to equity structure of the balance sheet. This will require an annual fundraising campaign;

- We are seeking to improve return on equity in all projects – through lowering operating costs on the existing asset, improving yield and availability, and improving PPA pricing;
- We are building our Board to add to our skills, ensuring that we are representative of our community and focussed on improving Kent's environment and the wellbeing of Kent's residents. This year we say farewell to John Partington, our Chair and founder member who has dedicated many hours to building a community energy community in our county. He will be missed and we will work hard to replace his contribution.

The Plan will be a challenge to deliver. The key targets include:

- Raising £4.9m in equity funds over the next three years for new projects and refinancing.
- Increasing membership to 1,700 (at current average contributions).
- Mobilising funds raised on 2.9MW of new projects to deliver incremental net cashflow before debt service of £410,000 by the end of 2027.
- Building a permanent staff of four Full Time Equivalent staff in the period.
- Improving biodiversity at our main site and ensuring we have a model facility that works in harmony with the natural environment and draws in volunteers.
- Delivering incremental CO₂e savings at 2024 average grid carbon emissions of 1,340 MT CO₂e.
- Increasing annual benefits payments to £60,000 per annum by the end of 2027 to widen our ability to impact our community.

As the Plan states, while we have a large area to cover, the Board sees this as an advantage offering abundant opportunities to lower client's carbon emissions, lower their energy consumption and save them money at the same time. We also see many areas of energy poverty in our area and want to build capacity to play our role in helping Kent to a more equitable and sustainable future.

Michael Bax
Managing Director

John Partington
Chairman of the KCE Board

2. Where we work

2.1. Our area of activity

Kent Community Energy ('KCE') was established in its earliest governance documents “to acquire, own and operate a 5MW solar power plant in Kent and to develop further Community energy initiatives within the area covered by Kent County Council”. This remains its core objective and area of activity, excluding the area of the Medway Unitary Authority. We share a site with Orchard Community Energy which has adopted the area covered by Medway and Swale Borough Council as its area of activity. Accordingly, Swale is not an area where we look to develop projects. As a matter of principal, we look to work in cooperation with Orchard Community Energy in site management and business development. The two societies are the only community energy organisations investing and providing benefits within the county.

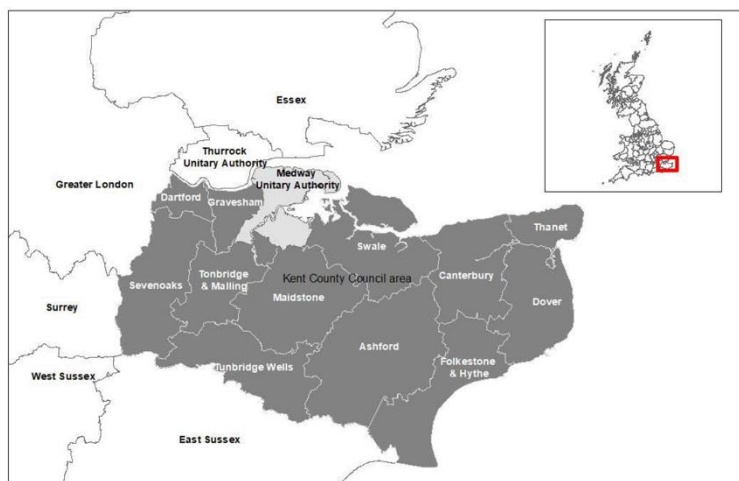


Figure 1 - Map of Kent County Council area

2.2. Summary of Business review

The first part of this document will review KCE in its context as a Community energy company. It will review its structure, values, achievements to date and outline its growth plans between 2025 and 2027. It establishes Key Performance Indicators and business targets that KCE as a company will work towards in the next five years.

The second section reviews the political and administrative structure in the KCE area. This covers the human side of Kent including where people live and some key socio-economic data points. It then examines the energy market and environment including the capacity to deliver new projects. It reviews the progress towards reducing greenhouse gas emissions in the county, the impact of climate change and the state of Kent nature and biodiversity. Finally, it reviews energy poverty and energy efficiency in Kent.

In each case the report addresses how each of these issues impacts the work of KCE Community Energy Vision.

2.3. Community Energy England – the effect (2023 data)

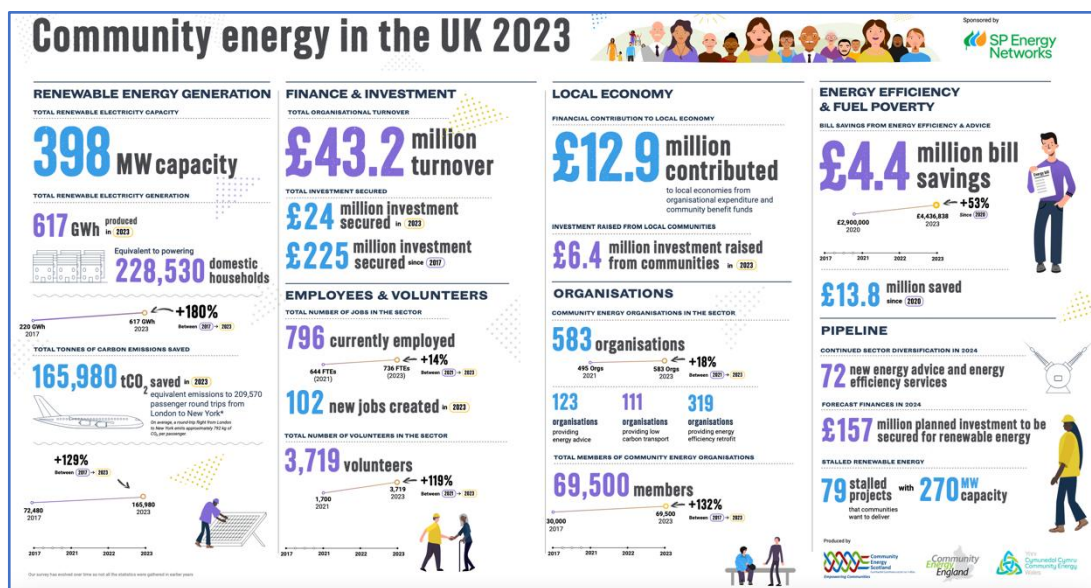


Figure 2 - Community Energy England summary of benefits of Community energy

2.4. Role of community energy in UK

2.4.1. 2030 vision CE England

Community Energy England (“CEE”) identified a series of core characteristics of Community energy companies. KCE, as a member of CEE shares the vision. Quotes below are from the CEE State of the Sector Review 2024.

2.4.2. Energy independence

“Community energy promotes local energy independence, reducing reliance on imports from outside the UK by producing and managing energy within local communities”.

KCE supports all initiatives to permit Community energy companies to sell energy directly to local users, whether through Energy Local or any other form allowed through tariff reform. In the event of the introduction of nodal pricing locally produced energy will promote national energy efficiency by lowering the cost of energy and the need to transmit energy over large distances and also avoid large and unsightly new transmission line.

2.4.3. Democratic decision making

“Community energy organisations take concrete action to transform the energy system based on democratic decisions, participatory governance and co-operative principles”.

As a Community Benefit Society, KCE has democratic governance where all investors have an equal vote, regardless of the size of investment. We welcome participation of members as volunteers and also on the board.

2.4.4. *Prioritising community benefit over profit*

“Community energy organisations are motivated by more than profit; they are social enterprises that return profits to communities and ensure local people benefit from the energy transformation.”

KCE’s profits are dedicated to new projects or given as grants to projects fighting climate change, promoting energy efficiency, alleviating energy poverty, protecting biodiversity and promoting active travel and healthy lifestyles. We pay a reasonable return for our equity and debt. We have a commitment to advancing the interests of the people of our area in the core areas that we have defined.

2.4.5. *Community origin*

“Community energy organisations use asset locks and democratic or cooperative governance structures to empower people to deliver, own and benefit from energy infrastructure and services in their local areas”.

KCE’s assets are dedicated to providing benefit flows. We seek to have as many local people as can be found to invest in our funding and participate in our activities.

2.4.6. *Community resilience*

“Increasing community asset ownership, offering local control over new services and engaging whole communities in the energy system increases community resilience and supports preservation of cultural identity and heritage”.

2.4.7. *For ordinary people*

“Local people working on locally driven and decentralised solutions, building hubs of expertise and creating a people-centred energy system”.

2.5. *Activities of community energy in UK*

2.5.1. *Renewable energy generation*

Community energy companies are involved in *“installing, owning and operating ground-mounted and rooftop solar PV, wind, hydro and anaerobic digestion generation across the UK”.*

KCE owns one 5MW ground-mounted solar project and is engaged in looking at more during this business plan period. We have an active programme sourcing and installing rooftop projects on community buildings, schools, council buildings and private businesses throughout Kent. We are open to opportunities in the development of wind projects in our area. We are not looking to develop anaerobic digestors for the moment.

2.5.2. *Energy advisory services*

Community energy companies are involved in *“providing education, advice and guidance about the energy system and reducing energy use, engaging people and supporting communities through the cost-of-living crisis and directly combatting energy poverty”.*

KCE is committed in this business plan period to source funding for the delivery of energy advisory services throughout Kent, through hiring its own staff and in partnership with councils and other community-based organisations.

2.5.3. *Low carbon heat*

Community energy organisations are involved in *“implementing community-scale heat networks and stand-alone renewable heat systems such as air-source and ground-source heat pumps and developing heat-as-a-service models”*.

This area will be a lower priority for KCE during this business plan period, primarily due to the need to establish a sustainable electrical energy delivery portfolio, but also mindful of the different capital and resourcing structures required to deliver district energy and other heating projects.

2.5.4. *Community led energy efficiency and retrofit services*

Community energy companies are often involved in *“delivering a range of services such as building assessments, installing energy efficiency measures, education and providing direct funding for energy efficiency actions”*.

KCE is committed in this business plan period to source funding for the delivery of energy efficiency advisory services throughout Kent, through hiring its own staff and in partnership with councils and other community-based organisations.

2.5.5. *Smart local energy services*

Community energy companies have been involved in *“providing “flexibility” services to the electricity grid...and working on innovative means to use technology and engagement to improve the efficiency of the electrical system”*.

KCE in the period of this business plan will seek to implement projects including battery systems, whether as part of rooftop or as stand-alone projects as well as microgrids within communities and groups of buildings to collectively reduce dependence on the interconnected system. It will also review possibilities to establish generation under the schemes developed by Energy Local to permit the sale of locally produced energy directly to communities.

2.5.6. *Low carbon transport and active travel*

Community Energy companies have been involved in *“responding to local needs by installing electric vehicle (EV) charge points, facilitating e-bikes and other forms of active travel, education and infrastructure development”*.

KCE will in the period of this business plan seek to invest in and install chargers throughout Kent and promote active travel through its grant programme.

2.6. *Role of Community energy in Kent – founding vision*

KCE was established in its current form in 2023 to manage a clean energy project acquired from the Community Owned Renewable Energy (“CORE”) portfolio. CORE was owned by Big Society Capital and Power to Change and managed by Finance Earth as a £50m social and environmental investment project. Prior to the 2023 acquisition KCE recruited a new volunteer board to manage the transition and close the deal. The acquisition was funded by withdrawable shares and vendor finance. KCE is a Community Benefit Society (“CBS”), a form of mutual, registered with the Financial Conduct Authority (“FCA”) with registration number

7233. Details of the filing history of the company, its financial statements and officers can be found on the [FCA Mutuals Public Register](#).

As a CBS we are established for the benefit of the community we serve rather than the interests of our members. We pay interest on members' invested funds up to a maximum target rate. We do not distribute profits as dividends rather we use them for two purposes: for the development of new clean energy projects and for distribution as grants to advance the causes adopted by the society. We have an asset lock that prevents the assets of the business being sold for commercial purposes which ensures that the company will continue to serve its purpose over time.

The core activities of the company are:

2.6.1. Clean energy generation

KCE owns a 5MW solar project located at Iwade, near Sittingbourne in Kent. The profits of the business, after providing for operating costs and taxes, debt service on senior and junior debt and members interest are dedicated to growing the generation portfolio and funding the grant programme.

The company is developing a pipeline of rooftop solar PV projects on schools, colleges, community and council buildings and businesses throughout our area of concern in Kent. We are also open to acquisition of other renewable energy assets and the development of utility-scale wind and ground-mounted solar projects. We are also ready to consider battery storage, EV charger and microgrid projects. As legislation permits, we can consider Energy Local type projects selling energy direct to local communities.

2.6.2. Alleviation of fuel poverty

Fuel poverty relates to households that spend a high and unsustainable portion of their income on energy, whether gas or electricity. The rise in energy prices since 2020 has seen more people forced to use prepayment meters, "self-disconnecting" and having to cut their energy usage. Limits to fuel subsidies have also caused some people to limit expenditure on heating during winter. KCE's area of operation includes many areas with levels of fuel poverty in excess of the national average level of 13% of residents. As a company aiming to benefit our local community, alleviation of the adverse effects of high energy prices and inequitable tariff structures is part of our mission and is addressed through the grant programme. If we are able to source adequate funding to support dedicated staff, KCE plans to introduce energy advisory services as part of its service offering during the period of the Business Plan.

2.6.3. Promotion of energy efficiency

The cheapest energy is that which is not used. Kent, in common with much of the UK, has a poor record in insulating its homes and properties and in reducing the use of power through investment in innovation and eliminating waste. KCE supports the move from fossil fuels to electric heating sources, the introduction of district heating and reduction of energy usage through technology and insulation. This aim is to be met through our grant programme to organisations dedicated to the promotion of energy efficiency. If we are able to source

adequate funding to support dedicated staff, KCE plans to introduce its own energy advisory services during the period of the Business Plan.

2.6.4. Protection of biodiversity

Kent is an area with 22 designated areas of special scientific interest and two Areas of Outstanding Natural Beauty. It has large rural areas, a long coastline and is blessed with areas of old-growth woodlands. The flora and fauna of Kent is under pressure from human activity, whether caused by development or climate change. KCE is committed to dedicating part of its grant programme to organisations dedicated to the protection of the natural environment. It is also committed to managing its generating sites to promote biodiversity of flora and fauna in management of the grasslands, hedges and tree areas to deliver results in excess of its Land Management Plan obligations.

2.6.5. Countering effects of climate change

Kent is impacted, as everywhere else, by man-made climate changes that have affected temperature, rainfall and severe weather events. This has had adverse effects on both human activity and the natural environment. KCE's core renewable energy commitment is a response to the issue. All of our activities are focussed on mitigating the effects of climate change, including organisations dedicated to the same activity through our grant programme.

2.6.6. Sustainable transport and healthy living

Transport emissions remain one of the UK's largest challenges on the route to Net Zero. KCE will act to support adoption of electric vehicles through identifying and investing in EV charging projects. We also support sustainable transport solutions through our grant programme.

2.7. Building a shareholder community

KCE seeks to promote active shareholder membership. Our projects are funded through community fundraising. Shares issued are withdrawable and can be withdrawn (or redeemed) from the company subject to the company's rules. We will maintain a low entry cost for shareholding at £100. All shareholders have an equal vote, regardless of the size of their shareholding. We encourage membership participation in our governance and activities and on our grant committee to ensure we are working to support causes that are grounded in the communities we serve.

3. Achievements to date

3.1. Founding

KCE was acquired by CORE in 2018 to purchase a 5MW generating asset owned by CORE and held in a company called Orchard Farm Community Energy Solar 2 CIC ("ORC2"). KCE operated before the acquisition as a grant making body, first with several volunteer board members, then with a new board ahead of the fundraising exercise. The 5MW asset was commissioned in 2016 and was sold with senior debt contracted from aberdeen. That debt is secured by a pledge on the assets of ORC2 and is subject to a common security sharing agreement where the assets of all the operating companies sold by CORE are commonly pledged in the same agreement.

On 12 December 2023 ORC2, together with an intermediate holding company CORE Aquarius Ltd ("Aquarius"), was acquired by KCE from CORE through a mixture of withdrawable shares raised on the Ethex platform and vendor finance in the form of junior debt. The junior debt is unsecured but has a preferential right to cashflows in a payment waterfall after the senior debt. There is a similar security sharing agreement where ORC2's cashflows are pledged to junior debt service of all of the ex-CORE assets in the event of a payment default by any of the other companies.

3.2. Acquisition

3.2.1. Funding

The company raised £176,600 in the Summer 2023 fundraise. It also owes a portion of the £11,723,372 Junior Loan granted by the vendors to the ex-CORE assets. The portion owed by the KCE group is £1,743,873. The junior debt has a cost of 7% as a base rate plus 1.5% for the first three years and then 2.5% through Final Maturity on 31 March 2029. Senior debt owed at 31/12/24 was £3,678,112. Senior debt has a cost of 8% through maturity including uplifts for inflation on principal. Total consolidated assets at that date were £6,379,792. Total consolidated equity at that date was £147,679.

3.2.2. Issues and limitation

The company on a consolidated basis has low equity. This is largely the result of prior owners operating the company at high leverage levels. KCE confronts clear challenges:

- The need to reduce leverage as leverage levels are too high. Adding materially to the long-term equity base of the company and extending the due date of average borrowings is the principal area to be addressed through community share offerings;
- The need to refinance the junior debt, reduce the overall blended cost of finance of the company and group, reduce the cost of funds and simplify the security structure.

3.3. Establishment of board and committees

The board has evolved. We have added a Finance Director role plus marketing and branding expertise in the power sector with a new director appointment that has also improved the Board's balance and diversity. Further appointments are anticipated in 2025 to deepen specific experience including legal and community relations. The current board is as follows:

Camilla Barlocco has 15 years experience driving brand evolution and stakeholder engagement. An expert in scaling she works across businesses including software as a service, clean tech, renewables and sustainability. She also has expertise in ESG integration, cultural transformation, community engagement and AI-driven digitalisation.



Michael Bax, who has senior executive experience working across four continents in development, operations, and mergers and acquisitions across the sustainable energy industry. He is also experienced in ethical impact investing and is a Chartered Accountant



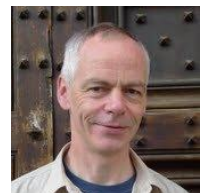
Daniel Keeling, who is a member of the Institute of Civil Engineers and has held senior positions on Crossrail, High Speed One and Channel Tunnel projects. He is also an active member of Folkestone Rotary Club and is keen to promote environmental projects.



Alberto Martellini, who brings a background in customer focus, product management and data analytics. He is also a board member of the Kent Savers Credit Union.



John Partington, who moved from a background in public service broadcasting, to working to provide heat loss and energy assessments. He also works as an executive coach and mediator and volunteers at Tonbridge Canoe Club.



John Stokes is a qualified accountant who has worked in manufacturing industries culminating as Finance Director and part owner of an international engineering business. Since retiring in 2011 he has done voluntary work in Tanzania and Bangladesh. He now volunteers with various UK charities. He moved to Kent from Shropshire in 2018.



Dan Watkins has worked in business development and strategy and is a founding director of a digital conveyancing firm. He is a councillor and was Chair of the KCC working group on Local Transport Strategy. He has also been active as a school governor and in various environmental groups.



3.3.1. Governance and Shareholder relations

The Board has established a calendar of formal in person and remote meetings. It has been through an entire reporting and audit cycle and is compliant with all required statutory

filings. It has created and implemented all relevant policies including Data Protection, Health and Safety, Safeguarding, Anti-Bribery, Conflict of Interest and Equal Opportunities. It has established a risk register. It has assigned directors to the two subsidiaries, Aquarius and ORC 2 to fill all required roles and registered them at Companies House and with the FCA. It has assigned directors to represent the company on the boards of Community Energy Together (“CET”) which represents the interests of all the companies sold by CORE, also on the board of Bright Renewables/COAM which is the community owned asset management company that KCE contracts to manage its assets. We are represented on a liaison committee with Orchard Community Energy, with whom we share the Iwade site. KCE has also entered into Officers and Directors Insurance policies.

KCE has invested in its branding and design standards. The web-site has been overhauled and updated to include all relevant communications with shareholders. It maintains regular communications with the shareholders and held its AGM in June 2025 as well as having paid shareholder interest payments for the first time in May 2025. KCE appointed a new Chair, Dan Keeling, in July 2025.

3.4. Functional oversight of main assets

3.4.1. Asset

The board and staff have maintained close attention to the state of the asset, performance and compliance with Land Management Plan obligations including development of a new biodiversity plan— see below.

3.4.2. Financial flows, equity raise and CET refinancing

The board has supervised financial performance since the acquisition. The company is compliant with its debt service obligations. KCE directors are participating in the process to renegotiate or refinance the CET debt. This has involved sourcing a new financial model to replace the Finance Earth model bequeathed to us on acquisition.

KCE is delivering a second equity fundraise, again on Ethex starting in Summer 2025 with a target fund raise of £400,000 to support its new rooftop programme. To ensure it has funds to commence construction on new projects it has also closed a bridge-loan of £180,000 for disbursement during 2025.

3.5. Move to permanent staff

The board took the decision to start the process of building its own team, moving from the initial volunteer stage in order to be able to drive through the plans contained in this document. Michael Bax (see above) has commenced work as Managing Director.

3.6. Building a rooftop programme

KCE has commenced developing a pipeline of rooftop PV sites on community and educational buildings across Kent. It has an alliance for these developments with a third-party solar developer until it builds in-house capacity. The first group of projects are anticipated to be evaluated, designed and commissioned by September 2025. Work is being performed to deliver an ongoing process of pipeline development of similar projects.

3.7. Building a grant programme

3.7.1. Record of delivery

To date KCE has issued grants in the amount of £40,000 to organisations including:

- Abbey Physic Community Garden in Faversham received over £3,000 towards laptops so the team could keep connected and also run virtual sessions.
- Emmaus Dover received £5,000 to bring a community support worker off furlough for six months
- Sheerness based Children and Families received £5,000 to take on staff to deliver food boxes to families in need.
- Dandelion Time received £5,000 towards maintaining one-to-one support sessions for vulnerable families through lockdown.
- Hythe Civic Society received £2,000 towards planting and interpretation boards for the Community Orchard at Eaton Lands.
- Samphire, Dover, received £3,000 to set up remote working for office staff.
- Sittingbourne based domestic abuse charity SATEDA received £5,000 which enabled remote delivery of their support services.
- The Canterbury Umbrella community café received a grant for the purchase of an energy efficient commercial freezer to replace an aging ice cream chest freezer, greatly enhancing their ability to keep food for longer and cutting their energy consumption.
- Folkestone Youth Project received £6,000 towards The Shed urban wilderness in Folkestone so they could keep on working with at-risk young people through the pandemic.

A grant committee has been created using Director and external members to create a new grant round for up to £15,000 to be given in 2025. The process of awarding grants has commenced.

3.8. Partnerships

Links have been made with various organisations to promote and extend our capacity as follows:

- Bright Renewables – Bright is the trading name of Community Owned Asset Management ('COAM') Community energy owned asset management company. KCE has appointed a director to the board and participates actively in its activities.
- CET – as mentioned above KCE maintains a board position on this entity which coordinates debt service and debt renegotiation for the borrowers of the senior and junior loans described above.
- KCE is a member of Community Energy England.
- Work has been performed to present KCE's activities to Kent County Council in various departments, three eastern Kent District Councils, Maidstone District Council and participates in the Greener Kent/KCC Climate Sustainable Communities initiative which coordinates a network of climate and environmental groups across the county.

3.9. State of business and asset 2025

Current asset and business performance at the start of this business plan is as follows.

3.10. Consolidated KCE Group Balance Sheet at 31/12/2024

3.10.1. Senior debt

As at 31/12/2024 amounts owing on the senior debt were £3,678,112. Payments of £317,641 and £77,565 were made for principal and interest during the year. Repayment profile is as follows:

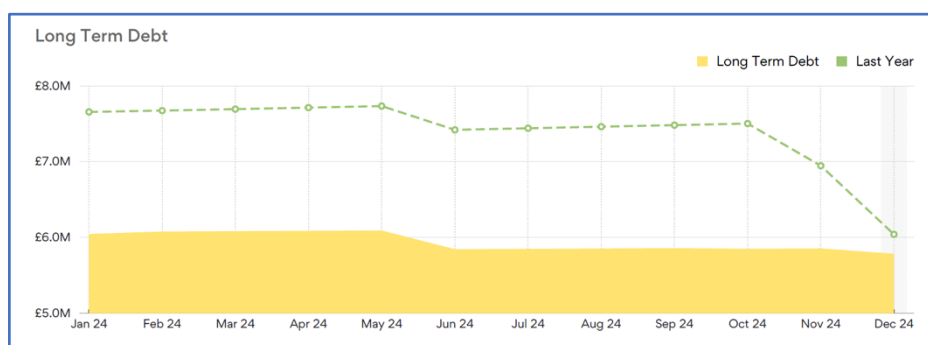


Figure 3 - KCE senior debt repayment 2024 and 2023

3.10.2. Junior debt at 31/12/2024

Junior debt stood at £1,743,873 and £88,936 accumulated interest was due. No payments of principal and payments of £60,109 were made for interest during the year.

3.10.3. Equity at 31/12/2024

- Consolidated net fixed assets were £3,367,682.
- Goodwill and intangibles £1,687,516.
- Current assets stood at £1,324,593.
- Total Assets were £6,379,791.
- Total liabilities were £6,232,113.
- Equity and retained net earnings were £147,679.

3.11. Income Statement

- Consolidated revenue was £628,282.
- Gross profit was £388,361.
- Operating profit/EBIT was £211,108.
- Net Income was a loss of £15,486.
- No tax is due because of the significant tax shield that is the product of fixed asset capital allowances.
- Performance was £205,020 under budget, primarily due to a plant outage caused by the failure of the transformer roof that was only partially offset from insurance proceeds.

- No dividends or distributions were made in the year – opening cash was £399,393 and closing was £848,207 including £418,369 in Debt Service Reserve and Maintenance Reserve Funds and £349,842 in other Senior Debt Trust Funds.

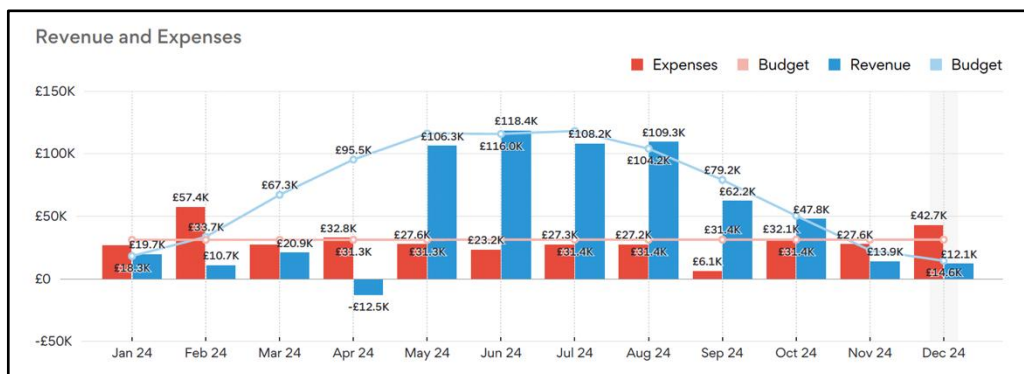


Figure 4- KCE Consolidated Revenue and Expenses 2024

Performance was affected by two outages – of the transformer roof in February through April and an inverter failure in November 2024. Both were insurable events. Funds have been received for the former and the latter is still being negotiated at the date of this document. In addition costs were incurred for CET operations at £51,638 that were unbudgeted and not previously operational costs.

3.12. Asset

3.12.1. Prior neglect of operational performance

KCE acquired an asset that was not in optimal condition. Considerable resource has been dedicated to improving availability and identifying and repairing issues that have caused low performance.

3.12.2. Absence of spares

We acquired an asset with no spare panels in stock and few other parts. The manufacturer no longer makes the required panels and we coordinated the fabrication of 72 replacement panels from GB Sol for £17,500. These arrived in February 2025 and 30 panels were installed in March 2025 leaving a reserve for further installations in the future.

We have also invested in the year in over 4,000m of string cable purchases, pyranometer service and repair and communication cabling for security.

3.12.3. Low availability – maintenance issues

The plant suffered two outages which should trigger the availability penalty for the year from the O&M operator. The first was a failure of the roof of the main transformer which caused water penetration to the equipment inside. This has been repaired. The second was a failure of the gate driver boards of Inverter 1.1 which required the replacement of the Auxiliary Inverter Charger. Both were accepted as insurable events.

3.12.4. Low yield and performance

Since the commencement of operations the plant has received irradiation 6% higher than the developer's resource studies and 3% higher than the lender's engineer's predictions. Actual production has been 4% lower than projected by the initial studies. So the plant has not been able to take advantage of unforeseen solar energy. KCE has been working closely with Bright and the O&M operator to identify through string analysis and review of thermographic studies the cause of underperformance. Historic performance variances are shown below:

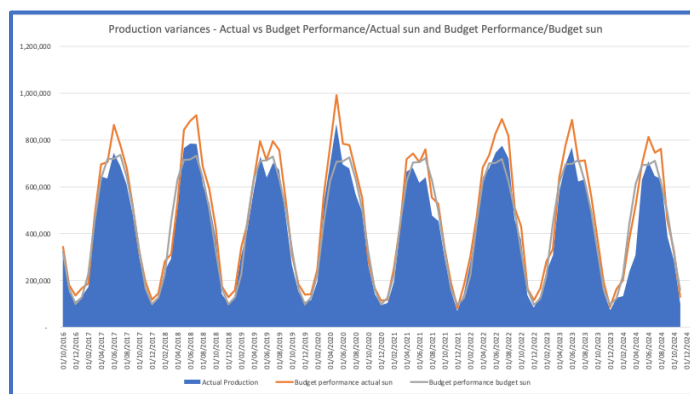


Figure 5 - Plant actual/budget variances 2016 to 2024

3.12.5. Historic Performance Indicators

Historic performance data is shown on Appendix III. Performance against plan life to date is shown below.

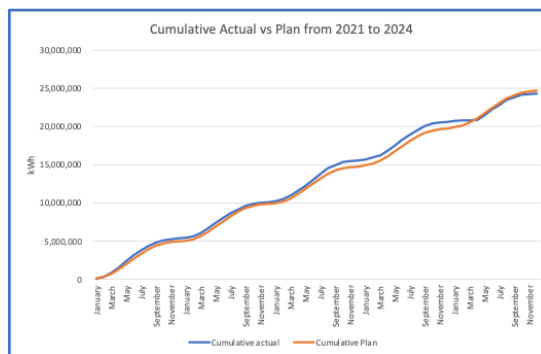


Figure 6 - Actual against budget life to date

3.13. Biodiversity and site management

3.13.1. Site condition

The site, when acquired, was not being managed to the requirements of the Land Management Plan. A study has been made in partnership with Orchard Community Energy to re-establish a programme that complies with planning commitments, re-plants trees where required and establishes a process, supported by data, to build an environment that is protective of nature and promotes an increase in biodiversity on a measurable basis.

4. Challenges to delivery of KCE's plans

4.1. Access to finance

The investment plans will require an annual flow of investments between £0.5m and £1.5m in equity and debt instruments before refinancing. The pool of social investors available is limited as is the number of fundraising sites available. Sources of grant funds to support new business development are also limited. Competition for debt, equity and grant funds is high. If for any reason funds available are lower than investment plans require the growth of the company will be inhibited.

4.2. Markets and reference costs for funding

Community energy companies are primarily funded by individuals who are investing for social rather than commercial purposes. However, the cost of funds is influenced by external capital costs and governmental costs of borrowing. Funds were available before COVID at levels of around 3%. They are currently around 6% for shares and 5-5.5% for bonds. The ability of Community energy to offer competitive rates on new client projects is materially influenced by the cost of funds. The ability to develop large-scale renewable projects is also similarly affected. If UK interest rates do not decline in the short and medium-term this may affect the ability of the company to deliver new projects.

4.3. Existing financial structure

The company has a need to expand its equity base, reduce the cost of its borrowing (particularly the Junior Loan) and expand the repayment profile of its debt. While the interest structure of the senior debt is not ideal (as it is index linked and inflation affects the cost of borrowing), refinancing the junior debt is key to unlocking cashflow to permit hiring staff, expanding development and increasing what can be paid in benefits.

4.4. Large and diverse area

KCE confronts a complicated political environment. Good relations with councils can assist in delivery of deal flow, partnership on energy efficiency and action against energy poverty and awareness of our offering and in the case of the county, access to schools as clients. Work has commenced to build ties to all local councils. Restructuring to unitary councils may inhibit the process as council employees will clearly be distracted.

Kent is a large area for a single Community energy company with limited staff to address. It brings challenges in promotion to investors, publicity of our activities and for grant making and access to deals. It also challenges the company to deliver an equitable offering of services by region.

4.5. Capacity to meet opportunities

Delivery of KCE's Business Plan is going to require the development of an expanded management team to manage existing business, develop and supervise new rooftop and ground mounted projects and build new business offerings including efficiency advisory. It will require considerable and stable cashflow as well as decisions whether to establish a

physical presence in Kent. The ability to fund and staff the plan is likely to be a key to delivery of the Business Plan.

4.6. Cost of energy

The cost of electricity in the UK is high compared to many other countries. This makes the offer of rooftop energy more attractive, especially to social and education clients that do not have access to capital to instal it themselves. Regulators and government have decided to charge environmental and climate change costs onto the electrical tariff rather than on gas. This can represent as much as a third of an electricity bill for a commercial customer. If for any reason this cost were transferred to gas this might conversely cause a threat to rooftop projects on a PPA basis as it would remove most of the ability to offer the client a benefit over their initial cost.

4.7. Target rich environment

There is only one Community energy company with a generating asset and the capacity to invest in new projects in the county. Orchard has developed one commercial rooftop project but currently has limited plans to do more. Solar for Schools is also active in the county. There are more than 500 schools, 11 district councils and multiple social and community assets that do not have solar or other forms of energy provision. Finding potential projects is not seen by KCE as a material constraint.

The area is poorly served by energy efficiency advisors and advisors on alleviating energy poverty. It has pockets of severe energy deprivation and a large stock of poorly insulated and energy-inefficient houses and commercial buildings. There is ample scope for delivery of such services if KCE can source the funding and staff to meet the opportunity.

4.8. Competitiveness of renewable energy

Land-based utility-scale solar and wind are the two lowest cost sources of electrical energy. Kent has good irradiation and adequate wind. While it is as constrained as other locations by limits to grid-access there should be opportunities to deliver large-scale projects that are competitive, should the company find the resource to staff the opportunity. There are also multiple projects in development that might be willing to sell a portion to a Community energy company.

4.9. High demand for grants

Kent has many charitable and community groups working in the areas KCE wishes to support. Finding them and building relationships is a challenge but the demand for funds is clearly there.

5. Key principles

5.1. Principle based

5.1.1. Ethical

We seek to be ethical, sustainable and fair in our business activities. Where we acquire physical assets and equipment we will be careful to try and ensure that the all parts and services are ethically sourced to the extent that this is possible. We seek to create an employment environment that is safe, creative and respectful.

5.1.2. Democratic

We seek to sustain the organisation as one where members have a voice regardless of the size of their financial contribution. The board will seek the opinions of members on issues that are critical to the society. We will commit to keeping clear channels of communication with members and ensure all key decisions and issues of record are freely available on our web site.

5.1.3. Participatory

We seek involvement from our members, in general meeting, in our fundraising activities, in seeking new business and in activities such as recording and managing biodiversity on our sites.

5.2. Data based

5.2.1. Energy

Energy is a technical business and we will keep focus on the performance of our assets. We are not just a grant making business but a component of the national energy system and we will manage our assets with a view to ensuring safe operations, optimal availability and efficiency so that we can maximise production from the equipmen and resources available.

5.2.2. Carbon

Reducing carbon emissions is at the core of our activities and we will budget, measure and report on our carbon performance and our contribution to helping Kent's route to Net Zero in all our corporate reporting.

5.3. Transparency and accountability

We seek to be transparent when making investment offers and commit to maintain a balance between benefits falling to clients and those accrued by the society. The board believes in accountability and responsibility for the protection of our natural environment where we work, for the safe operations of the assets we manage and for our reputation and conduct with stakeholders in our business and community.

6. Potential activities and business areas

6.1. Large scale energy projects

6.1.1. Solar

Community energy companies primarily focus on this area and rooftop solar. Development is complex and will require either dedicated or contracted development and planning resources. Projects take considerable time and are subject to grid availability. Structuring project finance is a There may be scope in Kent for KCE to acquire whole assets developed by third parties, part of larger developments being developed by third parties or operating assets. There are multiple large-scale solar developments in Kent – currently 48 projects are on the UKPN embedded generation site as in permitting and totalling 1,525MW. Developing large solar projects will not be a priority for KCE until the company builds its own staff and capacity. Projects will be sourced through direct approaches to projects approaching permitted status.

6.1.2. Wind

The development of onshore wind projects has been almost impossible since the government amended planning rules in 2015. Conditions were imposed stating that wind developments should not be considered acceptable unless they were located in areas defined in local plans and “community support” for the projects could be demonstrated. In 2024 wind projects were returned to equal footing with other renewable energy projects and developers have resumed work.

Wind projects remain more complex than solar projects and take longer to develop. They are more complex to construct as well. Various larger Community energy companies are returning to wind development but projects will only start to appear in several years.

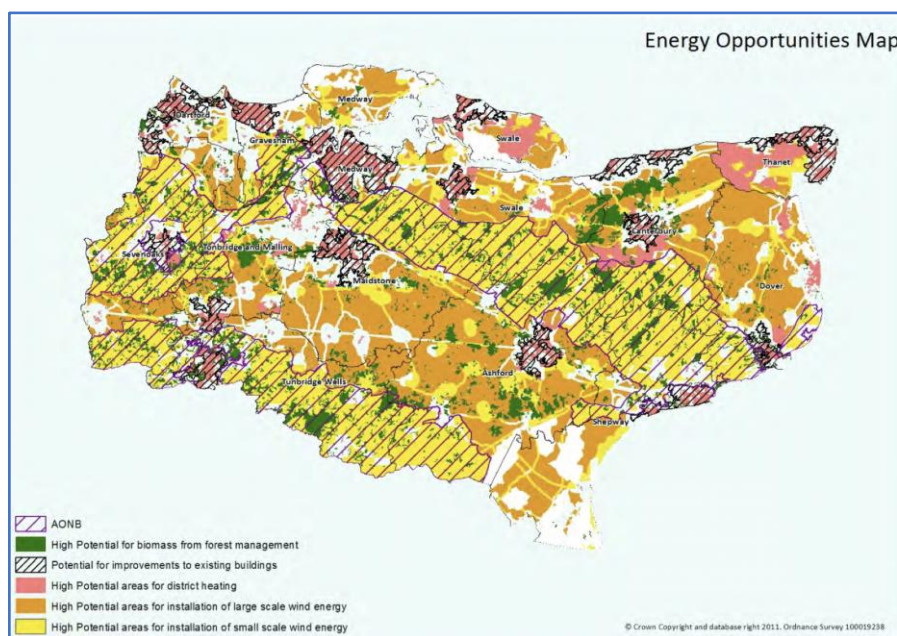


Figure 7 - Kent wind resource map

Kent has good wind resources, particularly on the north coast and Low Weald. Wind projects will not be a priority for KCE until the company builds its own staffing and capacity.

6.2. Rooftop solar energy

Rooftop provision is a core business activity for Community energy and will be for KCE. Asset size is a critical issue as third party asset management is only cost effective at levels above 100kW or even higher so only larger projects will be passed to others. Smaller sites will require KCE to manage billing and other administrative tasks. Very small projects such as community halls may be addressed through the grant programme. Once the initial pipeline has been delivered, focus will primarily be on larger projects

KCE has developed a pipeline of rooftop projects sourced primarily from director sourced contacts. KCE is developing relations with District and County Council sustainability officers to target council owned opportunities. Schools are being targeted by direct contact with school academy chains, KCC and the diocese. We anticipate that new project deal flow will come through framework agreements with academy chains as well as direct approaches once our name and activities are better known. Early staff hires will include adding business development and community relations capacity to promote new projects.

Our first phase includes various projects that are smaller than can be managed cost-effectively by third parties but will r to demonstrate our ability to deliver. The projects are primarily focussed on educational and social organisations but council buildings and commercial projects will be included later.

The first projects will be funded through bridge loans before being refinanced with a withdrawable shares offer in June 2025. It is planned to deliver up to 490kW of projects in 2025, building to 1MW in 2026 and 1.5MW in 2027, funded through the same mechanism, using bridge funds prior to either equity or bond issues. Development will be done using internal staff supported by an external developer/installer to provide technical support, equipment quotes and costing on an open-book basis.

6.3. Storage

Battery storage can be large scale or included within rooftop offers. Large-scale developments need the same level of financial commitment and resourcing as large-scale generation projects. Developing income streams is also complex, as is project funding. While batteries are already a mainstream asset class no KCE involvement in utility-scale projects is anticipated until the company has staff and a more stable financial status.

Smaller batteries will be included in offers to rooftop clients where the use profile supports it. Schools do not have the ideal use profile because they do not have significant evening, weekend and holiday usage. Social care institutions and care homes and some industrial clients have use profiles that support batteries.

Deal flow of new projects is anticipated to come from the same processes as for roof top solar. The plan anticipates 5kWh of storage capacity in 2025, 400kWh in 2026 and 600kWh in 2027.

6.4. EV Charging

155 charging locations are recorded on the UKPN data site. There will be a need for considerable expansion of capacity in the next few years and support feasible through government grants. Charging is a market-ready commercial product and can be established as stand-alone businesses or co-located on client parking sites. New projects will be opportunistically sourced initially depending on whether rooftop clients have a suitable application. No target has been set for charging projects but they will be addressed when the opportunity arises.

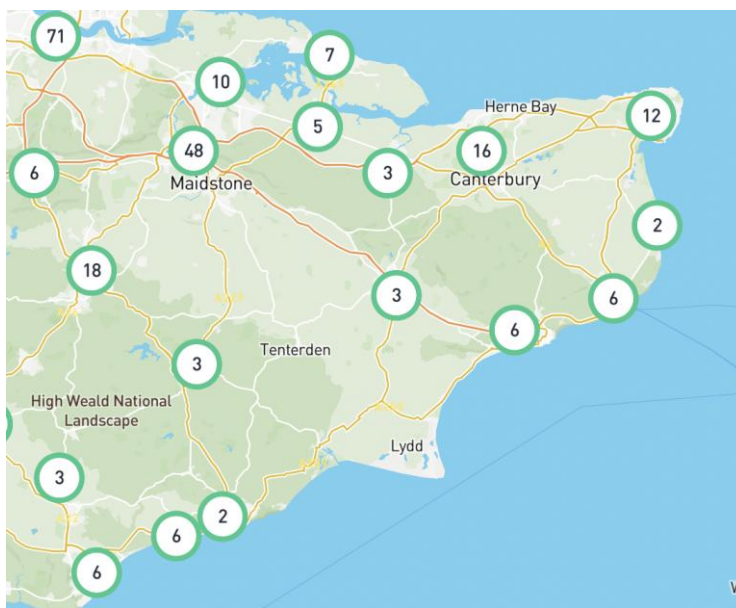


Figure 8 - Map of Kent vehicle charging sites (Chargefinder web site)

6.5. Microgrids and housing developments

Microgrids are networks established behind the meter – either fully islanded operations or grid tied and joining a number of co-located clients with associated generation and batteries. Technology and business models are commercially viable. They can involve groups of houses within a single area such as industrial parks. Bristol Energy Co-op has one operational network in a private housing development. KCE is exploring one such project with a local council owned industrial park. They are complicated to develop as they tend to involve multiple stakeholders, various generating and storage facilities and more complicated interconnection and permitting issues than standard PV installations. Economics can be complicated in smaller housing developments selling to domestic clients.

No target has been set for microgrids in the three year period.

6.6. Energy Local projects

The only significant method of selling energy directly to multiple community clients rather than through PPA's is the Energy Local structure¹. This allows generation feeding into the low-voltage side of a 33kV substation to be sold directly to consumers with smart meters on the circuit. Consumers avoid distribution and transmission tariffs or government imposed environmental charges. A third party grid supplier needs to cover any shortfall from the Energy Local generator. The Plan projects one such scheme to be established in the period.

Power for People has also been campaigning for the Local Electricity Bill². This seeks to require licensed energy suppliers to purchase community produced energy under favourable terms and also allow them to sell to local consumers through a local energy tariff. The bill has been accepted by the government in an amendment to the Great British Energy Bill. KCE will review the development of the law as it progresses, both with regard to expanding our existing capacity as well as for new projects.

6.7. Sustainable heat projects

Improving the UK's delivery of sustainable heat projects whether in individual buildings or through heat networks is a key part of the route towards lowering the UK's emissions and reducing the use of gas. Heat projects are however complex in design and permitting and can be very costly. KCE will not pursue heat projects within the term of the plan. Where feasible the grant programme will support projects that address sustainable heat.

6.8. Energy efficiency and energy poverty advisory

Energy advisory is a core Community energy product. There are grant funds available to support the delivery of such services. It does require trained staff and potentially physical premises. Kent is a large area to cover and delivery will need the development of partnerships with other organisations including local councils in order to create a viable offering. KCE will work in the plan period to develop local government partnerships and grant funding to cover the cost of delivery.

The grant programme will specifically seek projects in the area of highest energy poverty.

¹ <https://energylocal.org.uk>

² <https://powerforpeople.org.uk/read-the-local-electricity-bill>

7. Vision for KCE – Plan targets

Outcome target	2025	2026	2027
Rooftop generation installed (MW/year)	0.4	1.0	1.5
Grid connected ground mounted solar (MW/ year)	0	0	3 ³
Grid connected wind turbines (MW/year)	0	0	0
Storage capacity (MWh/year)	0.1	0.4 ³	0.6 ³
Microgrid (#)	0	0	0
Local energy supply scheme (#)	0	0	1 ³
Carbon reduction (incremental MT CO2e)	44	223	270
Site biodiversity improvement (% on baseline)	5%	10%	15%
Members (cumulative)	250	1,222	1,722
Equity Funds Raised (£m/year) excluding refinance	0.4	1.4	1.25
Debt and Bond Funds Raised/Refinanced (£m/ year)	0.00	1.8	0
Community Benefit by year (incremental £/year)	£15,000	£40,000	£60,000

Figure 9 - KCE summary of targets 2025 to 2027

The Plan projects an increase in capacity from the existing 5MW to 7.9MW and 1.1MWh of storage representing 2.9MW in Rooftop PV. It is anticipated that work will proceed on developing ground mounted wind and solar but none will be operational by 2027. . If delivered, the rooftop solar is projected to deliver incremental annual revenue of £411,000 by 2027 and deliver annual cashflows after debt and equity interest payments of £265,000 by 2027 for overhead, benefits, and reinvestment in new projects.

³ Not included in Share Offer document – to be added in subsequent rounds

8. Implications/Operational Plan

8.1. Growth in membership and shareholder base – targets

The investment plan established in section 7 above requires investment in equity of £400,000 in 2025, £3,200,000 in 2026 and £1,250,000 in 2027. This will need at least one equity fundraising every year. It also involves one bridge funding exercise in 2025 for £180,000 and no commercial debt issuances with equity used to repay the junior loan. Assuming average per investor contributions similar to our initial fundraising this implies the need to increase our membership to 230 in 2025, 1,510 in 2026 and 2,010 in 2027.

8.2. Fundraising programme

8.2.1. Refinance

The cashflows of the existing 5MW plant are highly dependent on whether the existing junior loan of £1,743,000 is refinanced. The model assumes repayment of the junior debt with equity in 2026.

8.2.2. Bridge funding

The model assumes negotiation of bridging facilities before each equity or bond raise to ensure that there are funds to deliver the investment programme without having expenditure contingent on the fundraising. A facility of £180,000 has been negotiated for 2025 ahead of an August equity raise.

8.2.3. Equity raising

Equity of £5.1m is needed to deliver the investment projected over three years. Final repayment term assumed is 20 years and the interest rate required is assumed at 6%. This is a historic high for Community energy and the required rate may fall in the period depending on the performance of government base rates.

8.2.4. Debt raising

No debt is needed to deliver the plan. Where it issued debt is assumed to be six year bonds, refinanced at the end of the term and paying a coupon of 5.5%

8.3. Growth in staff and resourcing

KCE currently has one part time staff member. Post delivery of 2025 targets we anticipate:

- Addition of a further staff member in 2026 for business development and community outreach purposes – with costs funded from cashflows and project funding and salary cost rising to £85,000;
- Addition of two further staff in 2027 – one to assist with fundraising and another for project development – with costs funded from cashflows and project funding and salary rising to £130,000;
- In the event of obtaining third party funding for energy advisory work this could entail further hires but these would have to be funded entirely from grant funding;
- No investment in physical premises in the plan period.

8.4. Growth of board

During the plan period the board will seek to add:

- Identify a new Chair to replace the retiring Chair John Partington
- Legal and planning expertise
- Renewable energy and project development capacity
- Kent community-based experience to assist the development of our grant-making capacity
- In the process it will seek to broaden representation of younger and more diverse groups to more accurately reflect our community

9. Financial model and projections

The model base case is based upon

- Roof top solar installed initially at £920 per kW installed falling to £833 and then £750 by 2027 as larger projects are pursued;
- The Iwade plant is projected to sell energy based upon projected wholesale prices which in turn are projected to grow with CPI. PPA sales for expansion are projected at £0.16 per kWh growing capped at 2% per annum;
- Staff costs are as stated above;
- The junior debt is assumed to be refinanced with equity in 2026;
- Funds are raised of £450,000 for new projects in 2025, £3,250,000 in 2026 for refinance and new projects and £1,250,000 for new projects in 2027;
- Funds cost is 6 years and equity is held for 20 years;
- Capacity grows 490kW in 2025, 1 MW in 2026, 1.5MW in 2027 and 2MW in 2028 and is then held steady.
- Rooftop deals to be signed delivering 15% pre funding cost IRR's.

9.1. Summary results KCE - Consolidated

Results are summarised in the following table.

KCE Consolidated Projections										
Generated (kWh)			5,192,155	6,237,568	7,515,435	9,230,108	9,278,822	45,086,935	42,033,342	38,264,347
Carbon at 2024 grid emissions (MT CO ₂ e)			2,005	2,409	2,902	3,565	3,583	17,413	16,233	14,778
Projections	2023	2024	2025	2026	2027	2028	2029	Years 6 to 10	Years 11 to 15	Years 16 to 20
P&L										
Sales	£ 772,840	£ 628,282	£ 938,874	£ 1,027,764	£ 1,221,354	£ 1,512,768	£ 1,543,367	£ 7,813,908	£ 5,824,721	£ 4,428,506
Cost of Sales	£ (135,046)	£ (239,921)	£ (187,314)	£ (231,226)	£ (271,806)	£ (316,070)	£ (322,043)	£ (1,684,793)	£ (1,818,515)	£ (1,966,155)
Gross margin	£ 637,794	£ 388,361	£ 751,561	£ 796,538	£ 949,548	£ 1,196,698	£ 1,221,324	£ 6,129,115	£ 4,006,207	£ 2,462,351
Administrative Expenses	£ (1,291,658)	£ 49,062	£ (110,010)	£ (172,321)	£ (226,774)	£ (241,958)	£ (247,463)	£ (1,684,793)	£ (1,349,635)	£ (1,419,611)
EBITDA	£ (653,864)	£ 437,423	£ 641,551	£ 624,217	£ 722,775	£ 954,740	£ 973,861	£ 4,444,323	£ 2,656,572	£ 1,042,740
Depreciation	£ (232,763)	£ (226,315)	£ (234,334)	£ (264,446)	£ (301,636)	£ (347,368)	£ (359,298)	£ (1,796,491)	£ (1,769,448)	£ (664,916)
Interest Payable	£ 6,774	£ (226,594)	£ (236,272)	£ (333,646)	£ (403,137)	£ (493,861)	£ (503,926)	£ (2,587,505)	£ (2,442,236)	£ (1,989,839)
Taxes	£ -	£ -	£ -	£ (22,684)	£ (36,921)	£ (35,939)	£ (200,690)	£ (296,086)	£ (88,523)	£ -
Net Profit	£ (879,853)	£ (15,486)	£ 170,945	£ 3,441	£ (18,919)	£ 77,573	£ (90,053)	£ 356,413	£ (1,466,590)	£ (1,612,014)
Community Benefit	£ -	£ -	£ 10,876	£ 37,989	£ 60,000	£ 80,000	£ 80,000	£ 400,000	£ 400,000	£ 400,000
Cash Flow										
Income	£ 772,840	£ 628,282	£ 888,754	£ 877,446	£ 925,995	£ 1,129,632	£ 1,145,232	£ 5,823,275	£ 3,890,969	£ 2,441,800
Operating Expenses	£ (1,101,000)	£ (190,859)	£ (297,323)	£ (403,547)	£ (498,579)	£ (558,028)	£ (569,505)	£ (2,998,354)	£ (3,168,149)	£ (3,385,766)
CFADS	£ (328,160)	£ 437,423	£ 591,431	£ 473,899	£ 427,416	£ 571,605	£ 575,727	£ 2,824,921	£ 722,819	£ (943,966)
Corporation Taxes	£ -	£ -	£ -	£ (22,684)	£ (36,921)	£ (35,939)	£ (200,690)	£ (296,086)	£ (88,523)	£ -
Cashflow Available for Financing	£ (328,160)	£ 437,423	£ 591,431	£ 451,215	£ 390,494	£ 535,666	£ 375,037	£ 2,528,835	£ 634,296	£ (943,966)
Principal, interest and equity coupon	£ (326,060)	£ (359,373)	£ (419,871)	£ (2,367,857)	£ (441,160)	£ (429,052)	£ (387,992)	£ (1,909,040)	£ (1,248,298)	£ -
Investment in new assets	£ -	£ -	£ (400,946)	£ (736,431)	£ (994,182)	£ (1,193,019)	£ -	£ -	£ -	£ -
New Equity	£ 176,000	£ -	£ 450,000	£ 3,256,192	£ 1,250,000	£ 1,500,000	£ -	£ -	£ -	£ -
Net Flows	£ (478,220)	£ 78,050	£ 220,615	£ 603,118	£ 205,152	£ 413,596	£ (12,955)	£ 619,795	£ (614,002)	£ (943,966)
Opening Cash	£ 568,207	£ 89,987	£ 176,198	£ 396,813	£ 999,931	£ 1,205,083	£ 1,618,679	£ 1,605,724	£ 2,225,519	£ 1,611,517
Closing Cash	£ 89,987	£ 176,198	£ 396,813	£ 999,931	£ 1,205,083	£ 1,618,679	£ 1,605,724	£ 2,225,519	£ 1,611,517	£ 667,551
Movement in Funds	£ (478,220)	£ 86,211	£ 220,615	£ 603,118	£ 205,152	£ 413,596	£ (12,955)	£ 619,795	£ (614,002)	£ (943,966)

Figure 10 KCE Consolidated projection summary through 2044

Balance Sheet	2025	2026	2027	2028	2029	2034	2039	2044
Fixed Assets								
Gross Fixed Assets	5,609,379	6,345,810	7,339,992	8,533,011	8,533,011	8,533,011	8,533,011	8,533,011
Depreciation	(2,075,084)	(2,339,530)	(2,641,166)	(2,988,534)	(3,347,832)	(5,144,322)	(6,913,771)	(7,578,686)
Net Fixed Assets	3,534,295	4,006,280	4,698,827	5,544,478	5,185,179	3,388,689	1,619,241	954,325
Investments	20,026	20,026	20,026	20,026	20,026	20,026	20,026	20,026
Goodwill	1,998,421	1,998,421	1,998,421	1,998,421	1,998,421	1,998,421	1,998,421	1,998,421
	£ 5,552,742	£ 6,024,727	£ 6,717,274	£ 7,562,925	£ 7,203,626	£ 5,407,136	£ 3,637,688	£ 2,972,772
Current Assets								
Debtors								
Accounts Receivable	583,975	582,834	582,520	582,480	133,852	133,650	133,447	133,245
Accrued Income	49,392	50,075	50,766	51,464	52,169	55,812	-	-
CPIL Intercompany Account	177,063	177,063	177,063	177,063	177,063	177,063	177,063	177,063
Fees	773	773	773	773	773	773	773	773
Prepayments	246	246	246	246	246	246	246	246
Other debtors	246	246	246	246	246	246	246	246
Total Debtors	£ 811,449	£ 810,991	£ 811,368	£ 812,026	£ 364,104	£ 367,544	£ 311,529	£ 311,327
Natwest Bank Account	396,813	999,931	1,205,083	1,618,679	1,605,724	2,225,519	1,611,517	667,551
Funds in Trust	10	15	21	26	32	62	95	131
Cash at Bank and in Hand	£ 396,823	£ 999,946	£ 1,205,104	£ 1,618,705	£ 1,605,756	£ 2,225,581	£ 1,611,612	£ 667,682
Total Current Assets	£ 1,208,272	£ 1,810,937	£ 2,016,472	£ 2,430,731	£ 1,969,859	£ 2,593,125	£ 1,923,141	£ 979,009
Total Assets	£ 6,761,014	£ 7,835,664	£ 8,733,746	£ 9,993,655	£ 9,173,486	£ 8,000,261	£ 5,560,829	£ 3,951,781
Creditors due in less than 1 year								
Accounts Payable	24,216	24,884	25,375	25,870	26,374	29,050	29,154	32,120
Deposits	575	575	575	575	575	575	575	575
Other creditors	493,468	493,468	493,468	493,468	44,881	44,881	44,881	44,881
Decommissioning provision	18,860	18,860	18,860	18,860	18,860	18,860	18,860	18,860
Total creditors due in less than 1 year	£ 537,119	£ 537,787	£ 538,278	£ 538,773	£ 90,690	£ 93,366	£ 93,470	£ 96,436
Net Current Assets (Liabilities)	£ 671,153	£ 1,273,150	£ 1,478,194	£ 1,891,958	£ 1,879,169	£ 2,499,759	£ 1,829,671	£ 882,573
Creditors due after one year								
Senior Loan	3,370,416	3,040,957	2,707,467	2,389,308	2,107,275	795,901	-	-
Junior Loan	1,856,192	-	-	-	-	-	-	-
Junior Loan Interest payable	-	-	-	-	-	-	-	-
Other creditors	-	-	-	-	-	-	-	-
Total creditors due after one year	£ 5,226,608	£ 3,040,957	£ 2,707,467	£ 2,389,308	£ 2,107,275	£ 795,901	£ -	£ -
Net Assets	£ 997,287	£ 4,256,920	£ 5,488,001	£ 7,065,574	£ 6,975,521	£ 7,110,994	£ 5,467,359	£ 3,855,345
Capital and Reserves								
Profit and Loss Account	370,684	374,125	355,206	432,779	342,726	478,199	(1,165,436)	(2,777,450)
Capital	626,603	3,882,795	5,132,795	6,632,795	6,632,795	6,632,795	6,632,795	6,632,795
Total Capital and Reserves	£ 997,287	£ 4,256,920	£ 5,488,001	£ 7,065,574	£ 6,975,521	£ 7,110,994	£ 5,467,359	£ 3,855,345

Figure 11 KCE projected Balance Sheets through 2044

Expansion Projections								
Generated (kWh)	201,612	1,277,171	2,585,184	4,330,003	4,408,863	21,189,329	18,889,386	15,874,040
Carbon at 2024 grid emissions (MT CO ₂ e)	42	264	535	896	913	4,386	3,910	3,286
Projections	2025	2026	2027	2028	2029	Years 6 to 10	Years 11 to 15	Years 16 to 20
P&L								
Sales	£ 30,886	£ 198,922	£ 410,664	£ 701,556	£ 727,597	£ 3,664,180	£ 3,442,085	£ 2,916,770
Cost of Sales	£ (2,166)	£ (13,971)	£ (28,902)	£ (49,508)	£ (51,750)	£ (549,387)	£ (303,284)	£ (334,850)
Gross margin	£ 28,720	£ 184,950	£ 381,762	£ 652,048	£ 675,847	£ 3,114,793	£ 3,138,801	£ 2,581,920
Administrative Expenses	£ (1,152)	£ (7,429)	£ (15,367)	£ (26,323)	£ (27,515)	£ (146,055)	£ (161,257)	£ (178,040)
EBITDA	£ 27,568	£ 177,522	£ 366,395	£ 625,725	£ 648,332	£ 2,968,738	£ 2,977,545	£ 2,403,880
Depreciation	£ (8,019)	£ (38,131)	£ (75,321)	£ (121,053)	£ (132,983)	£ (664,916)	£ (664,916)	£ (664,916)
Interest Payable	£ (20,047)	£ (101,464)	£ (196,586)	£ (312,574)	£ (332,458)	£ (1,662,289)	£ (1,662,289)	£ (1,662,289)
Taxes	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Net Profit	£ (499)	£ 37,927	£ 94,488	£ 192,097	£ 182,891	£ 641,533	£ 650,340	£ 76,675
Community Benefit	£ 1,880	£ 19,014	£ 42,452	£ 78,288	£ 78,969	£ 395,286	£ 328,814	£ 185,398
Cash Flow								
Income	£ 30,886	£ 198,922	£ 410,664	£ 701,556	£ 727,597	£ 3,664,180	£ 3,442,085	£ 2,916,770
Operating Expenses	£ (3,318)	£ (21,400)	£ (44,269)	£ (75,831)	£ (79,265)	£ (420,749)	£ (464,540)	£ (512,890)
CFADS	£ 27,568	£ 177,522	£ 366,395	£ 625,725	£ 648,332	£ 3,243,431	£ 2,977,545	£ 2,403,880
Corporation Taxes	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Cashflow Available for Financing	£ 27,568	£ 177,522	£ 366,395	£ 625,725	£ 648,332	£ 3,243,431	£ 2,977,545	£ 2,403,880
Principal, interest and equity coupon	£ -	£ (20,047)	£ (101,464)	£ (196,586)	£ (312,574)	£ (1,662,289)	£ (1,662,289)	£ (1,662,289)
Investment in new assets	£ (400,946)	£ (736,431)	£ (994,182)	£ (1,193,019)	£ -	£ -	£ -	£ -
New Equity	£ 400,946	£ 736,431	£ 994,182	£ 1,193,019	£ -	£ -	£ -	£ -
Net Flows	£ 27,568	£ 157,474	£ 264,931	£ 429,138	£ 335,758	£ 1,581,142	£ 1,315,255	£ 741,591
Opening Cash	£ -	£ 27,568	£ 185,042	£ 449,973	£ 879,112	£ 1,214,869	£ 2,796,012	£ 4,111,267
Closing Cash	£ 27,568	£ 185,042	£ 449,973	£ 879,112	£ 1,214,869	£ 2,796,012	£ 4,111,267	£ 4,852,858
Movement in Funds	£ 27,568	£ 157,474	£ 264,931	£ 429,138	£ 335,758	£ 1,581,142	£ 1,315,255	£ 741,591

Figure 12 KCE Stand Alone P&L Projections

Key elements of the plan are:

- The refinancing of the junior debt with community equity rather than an amortising debt;
- The ability to raise community equity sufficient to fund the rooftop campaign and sign deals at target rates of return;
- No changes to the UK wholesale market mechanism including the existing tariff structure. Also wholesale market continuing at trend plus CPI.
- No plan has been made to seek better pricing for the 5MW project's PPA's but this is an upside possibility with direct client PPA's if permitted by the lender.

10. Key reporting on core values

Key performance indicators are included on Appendix IV below.

10.1. Data-based reporting on energy generation

KCE will report to the board and on its web site details of its management of the energy assets it operates including:

- Availability;
- Performance ratios (temperature adjusted);
- Performance against budget;
- Price obtained from PPA's.

10.2. Data based reporting on carbon benefit

KCE will report on delivery of CO₂e reduction measured against the grid reported CO₂e for generation as well as transmission and distribution for its core generation assets as well as its rooftop portfolio,

10.3. Site management – LMP compliant plus nature forward

KCE will report on compliance with its Land Management Plan obligations as well as data on delivery of its objectives to improve biodiversity on its sites.

10.4. Financial contributions and benefits delivered through the grant programme

KCE will report on its contribution through the grant programme to funds devoted to supporting the natural environment, the reduction of energy poverty, promotion of energy efficiency and sustainable transport and healthy lifestyles. It will establish target areas for delivery of benefits in the worst areas of energy poverty.

10.5. Community engagement and effectiveness of outreach and communications

KCE will report on the effectiveness of its social media outreach, website visits and responses to its shareholder outreach and mailings.

11. Community Benefit

The projected annual funds to be made available from grants is projected to increase from £15,000 in 2024 to £15,000 in 2025, £40,000 in 2026 and £60,000 in 2027. KCE will reinforce the capacity of the Grant Committee with volunteer members that can bring experience of management of grant programmes as well as links to community organisations within Kent in our five core target areas.

Appendix I - Kent Geography Data

1. Political – County and District Councils and Constituencies

Our area includes one County Council and 11 District Councils. The current government reform of local governance is likely to result in the abolition of the existing bodies and their replacement with three unitary authorities of about 500,000 residents each on borders yet to be determined. The county includes 18 parliamentary constituencies of which 4 are in the Orchard area. 8 are currently served by Labour MP's, 5 by Conservative and 1 Liberal Democrat.

Kent County Council has responsibility for around 461 state primary schools and 102 secondary schools. A relatively small number of junior schools but around 60% of secondary schools are run by academies.⁴

Total Number of Schools by District and Status (Includes Nursery School, Special Schools and Pupil Referral Units)
January 2024

District	Community	Foundation	Voluntary Aided	Voluntary Controlled	Total (exc Academy and Free)	Academy*	Free*	Total (inc Academy and Free)
Kent	115	62	40	80	297	275	21	593
Ashford	5	12	3	6	26	24	3	53
Canterbury	6	8	3	10	27	19	1	47
Dartford	2	2	3	1	8	29	4	41
Dover	15	2	2	5	24	28	0	52
Folkestone and Hythe	5	5	2	11	23	20	1	44
Gravesham	6	8	1	0	15	23	1	39
Maidstone	20	5	2	10	37	23	5	65
Sevenoaks	13	2	8	8	31	15	1	47
Swale	8	1	3	5	17	41	1	59
Thanet	6	8	3	6	23	20	1	44
Tonbridge and Malling	19	7	4	6	36	21	2	59
Tunbridge Wells	10	2	6	12	30	12	1	43

Figure 13 - Number of Schools by Type

Total Number of Schools by District and Type - Primary
January 2024

District	Nursery	Free	Infant	Infant - Academy	Junior	Junior - Academy	Primary	Primary - Academy	Total Primary (exc Academy and Free)	Total Primary Academy and Free*	Total Primary (inc Academy and Free)
Kent	1	10	17	8	13	12	232	178	253	208	461
Ashford	0	1	2	1	1	2	21	15	24	19	43
Canterbury	0	0	4	1	4	1	14	11	22	13	35
Dartford	0	2	0	1	0	1	6	19	6	23	29
Dover	0	0	0	2	1	1	19	18	20	21	41
Folkestone and Hythe	0	0	0	0	0	0	21	15	21	15	36
Gravesham	1	1	0	2	1	1	8	15	10	19	29
Maidstone	0	3	3	0	3	0	26	14	32	17	49
Sevenoaks	0	0	1	0	0	1	29	11	30	12	42
Swale	0	0	0	1	0	1	16	31	16	33	49
Thanet	0	1	5	0	2	3	10	10	17	14	31
Tonbridge and Malling	0	1	2	0	1	1	27	13	30	15	45
Tunbridge Wells	0	1	0	0	0	0	25	6	25	7	32

Figure 14 – Number of Junior Schools by Type

Total Number of Schools by District and Type - Secondary
January 2024

District	Free	Grammar	Grammar - Academy	High	High - Academy	Wide Ability	Wide Ability - Academy	University Technical College (UTC)	Total Secondary (exc Academy and Free)	Total Secondary Academy and Free*	Total Secondary (inc Academy, Free and UTC)
Kent	8	9	23	7	36	2	16	1	18	84	102
Ashford	2	0	2	0	3	0	1	0	0	8	8
Canterbury	1	2	1	0	4	1	1	0	3	7	10
Dartford	1	0	4	1	2	0	2	1	1	10	11
Dover	0	2	1	0	4	0	2	0	2	7	9
Folkestone and Hythe	1	0	2	0	1	0	2	0	0	6	6
Gravesham	0	0	2	3	1	1	1	0	4	4	8
Maidstone	1	2	2	0	6	0	1	0	2	10	12
Sevenoaks	1	0	0	0	1	0	1	0	0	3	3
Swale	0	0	3	0	4	0	1	0	0	8	8
Thanet	0	0	2	1	4	0	1	0	1	7	8
Tonbridge and Malling	1	1	2	2	5	0	0	0	3	8	11
Tunbridge Wells	0	2	2	0	1	0	3	0	2	6	8

Figure 15 - Number of Senior Schools by Type

⁴ https://ehq-production-europe.s3.eu-west-1.amazonaws.com/1ed94165a39fc8f14d799880f7537690e23fddb4/original/1729674025/f347baed054558967e3002b1dacfd76f_Facts-and-Figures-2024.pdf?X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIA4KKQAKIJHMYNPA%2F20250310%2Feu-west-1%2Fs3%2Faws4_request&X-Amz-Date=20250310T115734Z&X-Amz-Expires=300&X-Amz-SignedHeaders=host&X-Amz-Signature=75c9dd838066160062cbdbd98d92e93092f6fe90a6bc75f1b97b3125888ec6d1

The area includes a large number of influential governance bodies where KCE needs to establish relations and that might be a source of deal flow as well as partners on energy projects and in promoting energy efficiency. KCC is a destination for marketing and partnership with schools but given that the majority of the larger and secondary schools are run by academies, this will require a direct approach to individual academies, one by one.

2. Human – population, major population centres

In the 2021 Census the area included 1,576,000 residents. The area stretches from the London suburbs in Dartford to rural areas. It has a number of medium sized towns with no dominant centre. The largest town is Maidstone with over 100,000 residents, followed by Dartford, Ashford, Margate, Royal Tunbridge Wells Canterbury and Folkestone, each with more than 50,000 residents. There are a further 8 towns with more than 30,000 people.

In comparison with other Community energy companies therefore the area is very large, and diverse in its urban/rural mix. There is no dominant settlement and no single easily addressable community.

The population⁵ has about 58% economically active members with 24% at or above retirement age.

Key statistics relevant to KCC's social and sector interests include:

- 14% live in socially rented accommodation
- 5% are in bad or very bad health
- 7.4% are disabled under the Equality Act with significantly limited activity and a further 10.5% are similarly disabled with partially limited activity
- 75% depend on gas for their heating needs
- 1.3% have no central heating at all
- 3.6% continue to use oil to heat their homes with oil

Social deprivation is concentrated in the north, in Thanet and the eastern parts of the county with the western and rural areas showing more prosperous demographics.

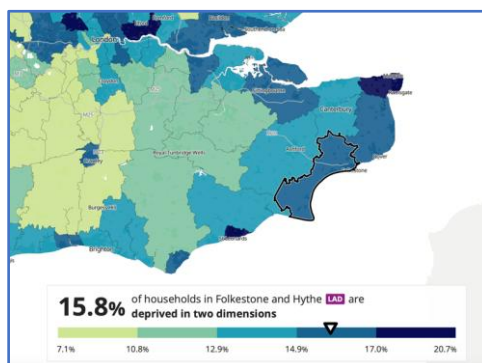


Figure 16 - Poverty indices by area

⁵ https://www.nomisweb.co.uk/sources/census_2021/report?compare=E10000016

Appendix II - Kent Energy Data

1. Energy

1.1. Energy provider

The Distribution Network Operator (“DNO”) is UK Power Networks. The company covers the East of England, London and the South-East⁶. The latter area covers an area of 8,327 km², serving 2.3m clients. It has a peak load in 2024 of 4,000MW which it serves through 525 Main substations and 24,000 secondary substations with 4,240 km of 132kV and above lines and 31,000km of LV lines.

The grid in our area is shown below⁷.



Figure 17 - Primary and secondary Grid points, 132kV and 33kV lines

1.2. Energy consumption – profile of consumers

The UK Government statistics for 2023⁸ indicate the following statistics:

- 694,000 domestic meters in the whole of Kent
- 59,600 non-domestic meters
- 2,409 GWh domestic consumption at a mean consumption of 3,483 kWh per household
- 2,963 GWh commercial and other consumption at a mean consumption per meter of 50,525 kWh

⁶ <https://ukpowernetworks.opendatasoft.com/explore/dataset/ukpn-network-statistics/summary/>

⁷ [https://ukpowernetworks.opendatasoft.com/pages/network-infrastructure-usage-map/#:~:text=Map%20view%20showing%20the%20Network,in%20to%20see%20the%20details\).&text=Edit%20area%20filter.,Delete%20area%20filter.](https://ukpowernetworks.opendatasoft.com/pages/network-infrastructure-usage-map/#:~:text=Map%20view%20showing%20the%20Network,in%20to%20see%20the%20details).&text=Edit%20area%20filter.,Delete%20area%20filter.)

⁸ <https://www.gov.uk/government/statistics/regional-and-local-authority-electricity-consumption-statistics>

1.3. Energy generation

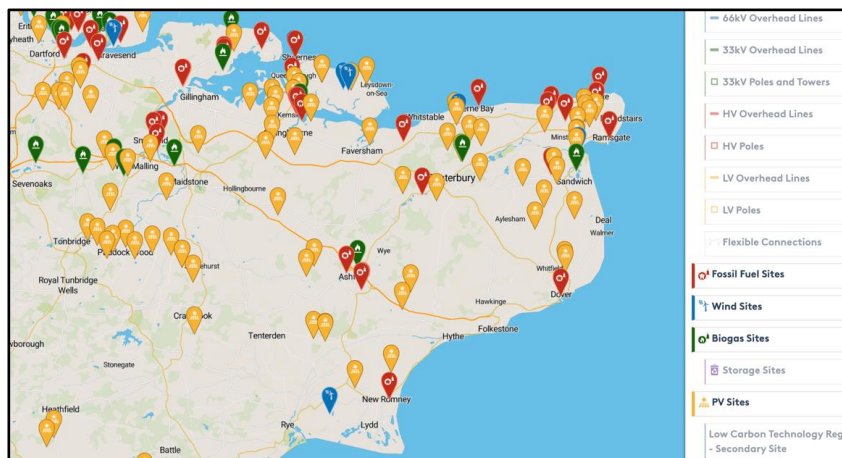


Figure 18 - Map showing location of large-scale energy generation in Kent

According to the UK government data site⁹ combined capacity in Kent by district authority of renewable energy installed for all sizes of technologies in 2023 was:

- Solar sites – 34,219 and capacity 416.9MW
- Onshore Wind sites – 26 and capacity 60MW
- Anaerobic Digestion – 10 and capacity 5.4MW
- Offshore wind – 3 and capacity 439.5MW
- Biomass – 7 and capacity 27.8MW
- Landfill gas – 11 and capacity 22.8MW
- Other – 17 and capacity 9.4MW

Solar capacity is located as follows:

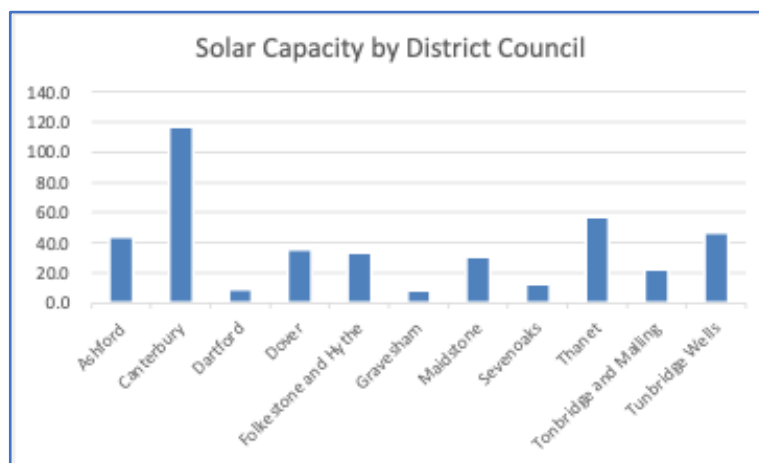


Figure 19 - Installed capacity of solar PV by District 2023

Canterbury, Ashford, Thanet and Tunbridge Wells are well served by solar. Gravesham and Sevenoaks show low levels of installed capacity

Onshore wind is almost all located on Romney Marsh in a single site. Kent is poorly served by onshore wind.

1.4. Small scale systems installed

According to UKPN's data site there are:

- 14,786 solar PV connections in Kent – 52MW – average 3.5kW
 - Ashford 5.9MW
 - Canterbury 7.3MW
 - Dartford 0.8MW
 - Dover 4.9MW
 - Folkestone 6.4MW
 - Gravesham 5.6MW
 - Maidstone 4.7MW
 - Sevenoaks 3.2MW
 - Thanet 5.2MW
 - Tonbridge and Malling 4.4MW
 - Tunbridge Wells 3.5MW

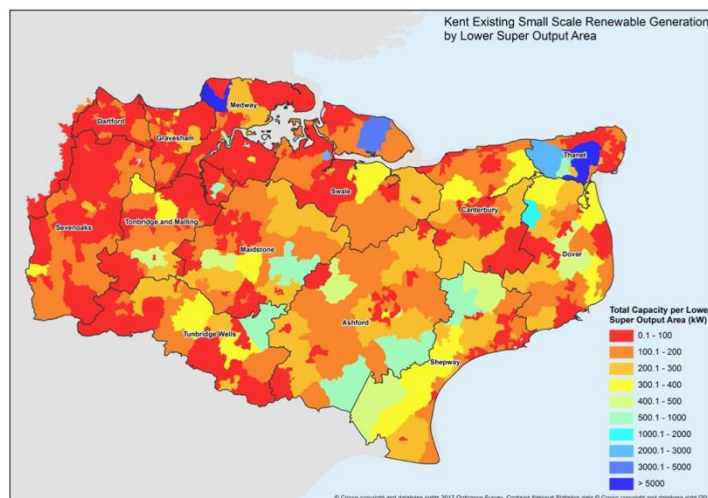


Figure 20 – KCC 2017 estimation of location of small-scale PV

- 302 EV Chargers with an inward capacity of 2.132MW
 - Ashford 111 – 0.77MW
 - Canterbury 147 – 1.03MW
 - Dartford 62 – 0.45MW
 - Dover 9 – 0.44MW
 - Folkestone 65 – 0.47MW
 - Gravesham 68 – 0.48MW
 - Maidstone 233 – 1.647MW
 - Sevenoaks 80 – 0.57MW
 - Thanet 35 – 0.25MW

- Tonbridge and Malling 228 – 1.60MW
- Tunbridge Wells 65 – 0.47MW

1.5. Installed capacity vs demand

Data from an earlier period was reviewed by KCC¹⁰. Conclusions were that Kent could generate up to 64% of its energy needs from in-county generation sources

How much of Kent's electricity demand is met by its in-boundary renewables?

Taking the county in isolation, we can contextualise energy supply by comparing the in-boundary renewable generation as a proportion of the overall energy consumption for the county.

- SCATTER activity data for electricity consumption for heating, lighting, appliances & cooking in buildings was calculated for the county (6.8TWh in total).
- This figure was compared against the county's renewable generation figures. Kent's locally-installed renewables generated just under 4.4 TWh of energy in 2017 (BEIS renewables statistics).
- This treatment excludes all energy consumption from natural gas, coal and other fuels i.e. the electricity consumption data represents a small proportion of the overall fuel consumption for the county (c. 10% of overall direct & indirect energy consumption).

This comparison indicates that approximately 64% of Kent's electricity consumption could be met by its in-boundary renewables.

Figure 21 - KCC evaluation of how much demand could be met by Kent renewables

¹⁰ https://www.kent.gov.uk/__data/assets/pdf_file/0003/122898/Kent-Emissions-Pathway-Report.pdf

Appendix III - Kent climate change and Nature

1. Carbon emissions

Carbon emissions were reviewed from UK government data by district.¹¹ Emissions changes by sector from 2007 to 2022 are shown below.

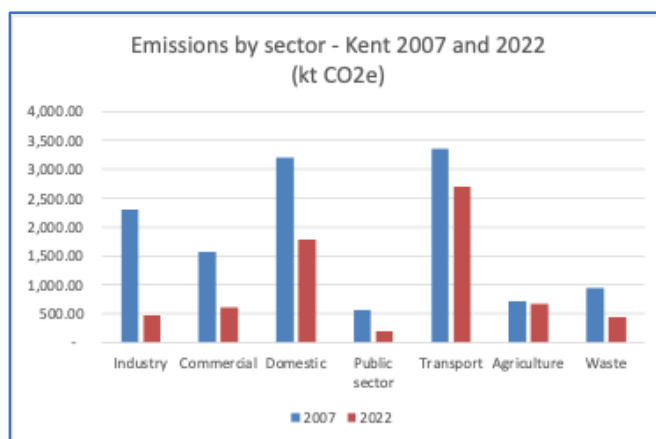


Figure 22 - Kent CO₂e Emissions - 2007 and 2022 by sector

Total emissions have fallen by 47% over the period from 12,439 kt CO₂e to 6,633 kt CO₂e. Significant falls have been registered in industry – 80% (largely due to a loss of industrial activity but also the material decline in carbon-based electricity generation in the grid). Smaller industry only declined 12%. Commercial emissions declines were 61%, mostly in the use of electricity with gas use only declining 14%. Public sector declines were 64%. Domestic declines were 44% in total, with electrical emissions declining 69% reflecting the decarbonisation of the grid but gas, mainly used for heating declining only 24%. Transport declined only 20% with the sharpest decline on minor roads. Agriculture declined only 6%, with emissions from electricity falling 75%, from gas rising 104%, from livestock declining 15% and soils 13%. Waste emissions from landfills fell 47% but rose 13% from other sources. Per capita emissions fell by 53% from 9.73 to 4.61 kt CO₂e over the period.

Emissions in Kent between 2005 and 2018 fell by 40% exceeding the 2020 KCC target to reduce emissions by 34%.

The emissions story in Kent is similar to the rest of the UK. Material gains have been made in decarbonising the electrical grid. Only small changes have been achieved in heating and transport. Agriculture remains a small but unchanging source of emissions. Industrial use has declined from 19% to 7% of emissions. Domestic emissions remain at 27% of the total. Transport emissions have risen from 20% of the total to 41%. Agriculture has risen from 6% to 19%. If KCE is to have a role in reducing emissions beyond continuing to improve the decarbonisation of the grid it needs to develop an approach to assisting in the electrification of transport, assisting in introducing green energy to domestic and other heating uses and helping Kent farmers to decarbonise.

¹¹ <https://www.gov.uk/government/collections/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics>

Emissions by district are as follows:

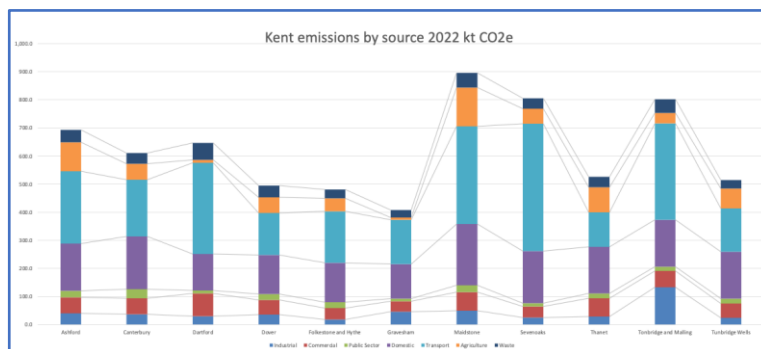


Figure 23 - Emissions by district 2022 - kt CO₂e

The largest sources of emissions in Kent are the industrial areas of Swale and Medway which fall out of KCE's area. In our area Maidstone, Tunbridge and Sevenoaks, with transport a key factor in each, and with industry in Tonbridge and agriculture in Maidstone contributing to larger emissions. Transport and domestic emissions are issues in every district. Reductions were largest in Gravesham due to de-industrialisation and smallest in Thanet and then Dartford.

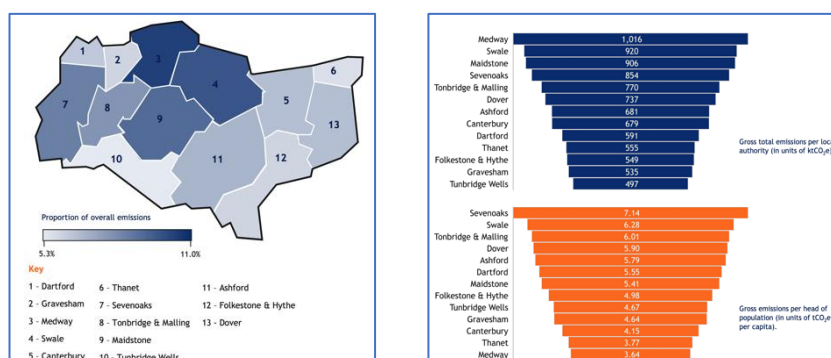


Figure 24 - KCC data on emissions by district 2020

Progress in the route to zero in Kent is shown below in the KCC publication covering emissions and pathway to net zero¹². It shows a cumulative total from

¹² https://www.kent.gov.uk/_data/assets/pdf_file/0003/122898/Kent-Emissions-Pathway-Report.pdf

2020 to 2050 of 57,700ktCO₂e as the carbon budget that needs to be eliminated from Kent-based emissions. KCE should identify a portion of these savings among its KPI's. Impact should also be evaluated by district or new unitary area.

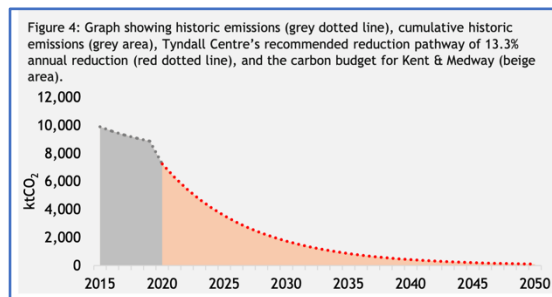


Figure 25 - KCC calculated carbon budget through 2050

KCC's strategy for emissions reduction is shown below:

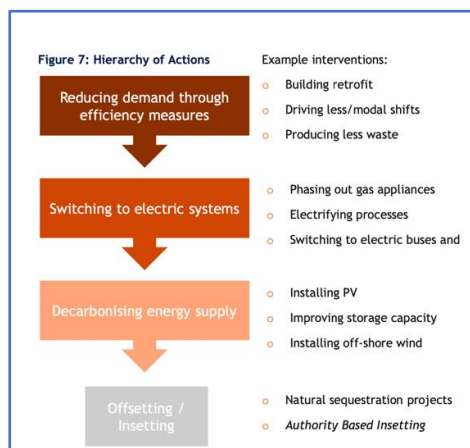


Figure 26 - KCC priority targets for emissions reduction

The cascade of actionable activities is first energy efficiency, electrification, renewable energy installation, electrification of transport and then offsetting. Community energy can work on retrofit and energy efficiency advisory, on sustainable heating, assistance with provision of charging facilities and installing utility-scale renewable and rooftop solar generation facilities and batteries. Plans will be detailed below concerning what activities we can prioritise together with targets and measurable impact.

2. Climate change exposure

KCC's Climate change and Risk Assessment¹³ includes the following key adverse likely impacts arising from UKPC18:

- Hotter summers with increase in average temperatures of 2-3°C by 2040 and 5-6°C by 2080

¹³ https://www.kent.gov.uk/__data/assets/pdf_file/0019/111385/CCRIA-for-Kent-and-Medway-part-two-people-and-the-built-environment-sector-summary.pdf.pdf

- Warmer winters with an increase in average temperatures of 1-2°C by 2040 and 3-4°C by 2080
- Drier summers with a reduction in average precipitation of 20-30% by 2040 and 30-50% by 2080
- Wetter winters with an increase in average precipitation of 10-20% by 2040 and 20-30% by 2080
- Increase in sea level rise by up to 0.3m by 2040 and 0.8m by 2080

The impact is likely to affect in terms of priority:

- Flooding and coastal change to communities, businesses and infrastructure
- Risks to health, well-being and productivity from high temperatures
- Risks of shortage in public water supplies, for agriculture and industry
- Risks to natural capital including land, coastal, marine and water ecosystems, soils and biodiversity
- Risks to domestic and international food production and trade
- New and emerging pests and diseases for people, plants and animals

All coastal areas are at risk from sea-level rise with at least 88,000 properties impacted. They already subject to changes in erosion patterns including several areas of special scientific interest. Increased flood risk from more extreme rain events impacts all areas along the county's rivers. Most of Kent's rivers are already classed as poor in the Water Framework Directive and increased temperatures and changes in flow patterns will increase stress on flora and fauna and oxygen levels. Soil erosion and slope stability is affected across the county by increased rainfall. This also has an impact on groundwater quality in Nitrate Vulnerable Zones. Significant storm events present a risk to transport infrastructure including Dover and the Dartford Crossing. All Kent-based energy, road and rail infrastructure is confronting increased risk of impact from storm events. Kent is already confronting water stress, with demand growth from increased population facing decreasing water supply and a very large investment requirement in storage and treatment. Projections suggest an incremental 1.5-2.6bn litres per day might be required by 2080.

There are relatively few benefits and multiple adverse effects of climate change to life in Kent. KCE's founding principles include combatting the effects of climate change and this will remain a focus throughout the term of this business plan, whether in promoting renewable energy generation as well as within our grant programme (see below).

3. Biodiversity and state of nature

Kent has a biodiversity strategy established in the Kent Nature Partnership Biodiversity Strategy 2020 to 2045¹⁴. This lays out work in hand to protect and recover threatened species through a series of 17 priority habitats and 13 priority species and indicator species where Kent agencies and non-governmental bodies can work together to protect and encourage positive outcomes. The strategy also addresses rewilding, climate change, natural solutions, invasive species and soil preservation.

¹⁴ <https://kentnature.org.uk/wp-content/uploads/2022/01/Kent-Biodiversity-Strategy-2020.pdf>

Key fauna species include Turtle Doves, Swifts, Nightingales, Sandwich Terns, Lapwings, Hedgehogs, Water Voles, Adders, the Serotine bat, the European Eel Harbour and Grey seals. Insects include the Adonis Blue butterfly, the Shril carder bee, the Heath Fritillary and Common Blue butterfly. Plants include Kentish Milkwort, the True Fox Sedge and the Lady Orchid. Key areas are covered on the following graphic:

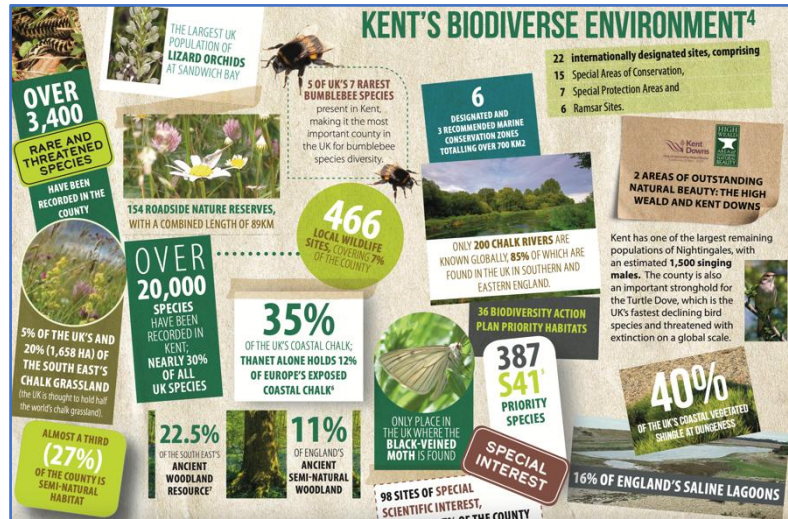


Figure 27 – Key Kent nature priorities

KCE will focus its grant giving priorities in the biodiversity area to fund groups aligned with the target areas of the county's biodiversity protection plan.

Appendix IV - Kent Energy Poverty and Efficiency

1. Fuel poverty and social deprivation

Kent's energy poverty statistics were identified¹⁵.

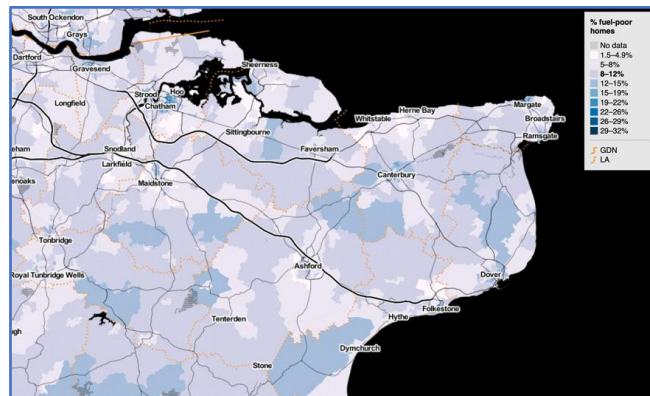
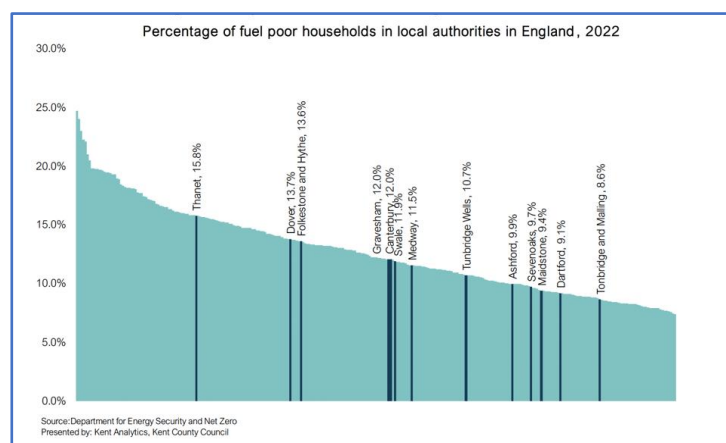


Figure 28 - Map of energy-poor areas in Kent

Energy poverty is measured through the Energy Poverty Index which typically considers household income, energy expenditure as a percent of income, housing quality, access to energy services, and energy efficiency of dwellings. Nationally in 2022, 13.1% of households in England were considered energy poor. The worst areas of energy poverty in Kent are found in Margate and Ramsgate, parts of Dover with levels as high as 19%. Thanet has the highest concentration and has shown increases in recent years¹⁶. There are also a number of rural areas that show levels of fuel deprivation higher than 12%. All Kent authorities saw an increase in fuel poverty between 2021 and the present date and all authorities showed above regional rates of increase apart from Ashford and Sevenoaks. The worst affected wards were Cliftonville in Margate, Margate Central, Tower Hamlets in Dover, Eastcliffe in Thanet, Folkestone Harbour, Folkestone Central and East Folkestone and St Radigund in Dover, all with over 19% and as high as 29.4%.



¹⁵ <https://www.nongasmap.org.uk>

¹⁶ https://www.kent.gov.uk/__data/assets/pdf_file/0007/135943/Fuel-Poverty-bulletin.pdf

Figure 29 - Chart showing energy poverty nationally and by district

KCE will seek to address energy poverty through two methods. New energy projects will be sought on buildings that address vulnerable communities, helping them to lower their energy cost and free resource towards their key priorities. Secondly our grant programmes will seek to support organisations in the worst-off areas noted above.

2. Energy efficiency

Energy efficiency indicators were reviewed from Gov.UK¹⁷. Domestic energy performance is assessed using standardised modelling and a Standard Assessment Procedures. Using filed energy efficiency certificates since 1/1/2015 to the present day the following data was identified for the Kent districts covered by KCE;

- Number of filings 354,256
- A rating – 1,676 or 0.47%
- B rating – 54,263 or 15.32%
- C rating – 119,652 or 33.78%
- D Rating – 123,420 or 34.84%
- Worse than D – 55,245 or 15.59%
- D and below 123,420 or 50.43%

By District and D and below:

- Ashford – 15,550 out of 35,515 or 44%
- Canterbury - 20,951 out of 41,666 or 50%
- Dover - 17,736 out of 34,191 or 52%
- Folkestone - 17,662 out of 33,243 or 53%
- Gravesham - 12,924 out of 25,771 or 50%
- Maidstone - 21,340 out of 48,270 or 44%
- Sevenoaks - 15,529 out of 26,206 or 59%
- Thanet - 25,041 out of 46,564 or 54%
- Tonbridge and Malling 14,038 out of 30,004 or 47%
- Tunbridge Wells 17,894 out of 32,826 or 55%

Overall efficiency performance for the whole county is poor. Half the houses perform at D or below in seven out ten districts. A D represents a house that is 68% to 55% efficient. There is considerable scope within the county to promote improvements in energy efficiency and the business plan will address below how we intend to work on this area.

¹⁷ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-energy-performance-of-buildings-certificates#epcs-for-all-domestic-properties-existing-and-new-dwellings>

Appendix V - Consolidated Balance Sheet at 12/31/2024

DRAFT

KENT COMMUNITY ENERGY LIMITED GROUP
REGISTERED NUMBER: RS007233

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

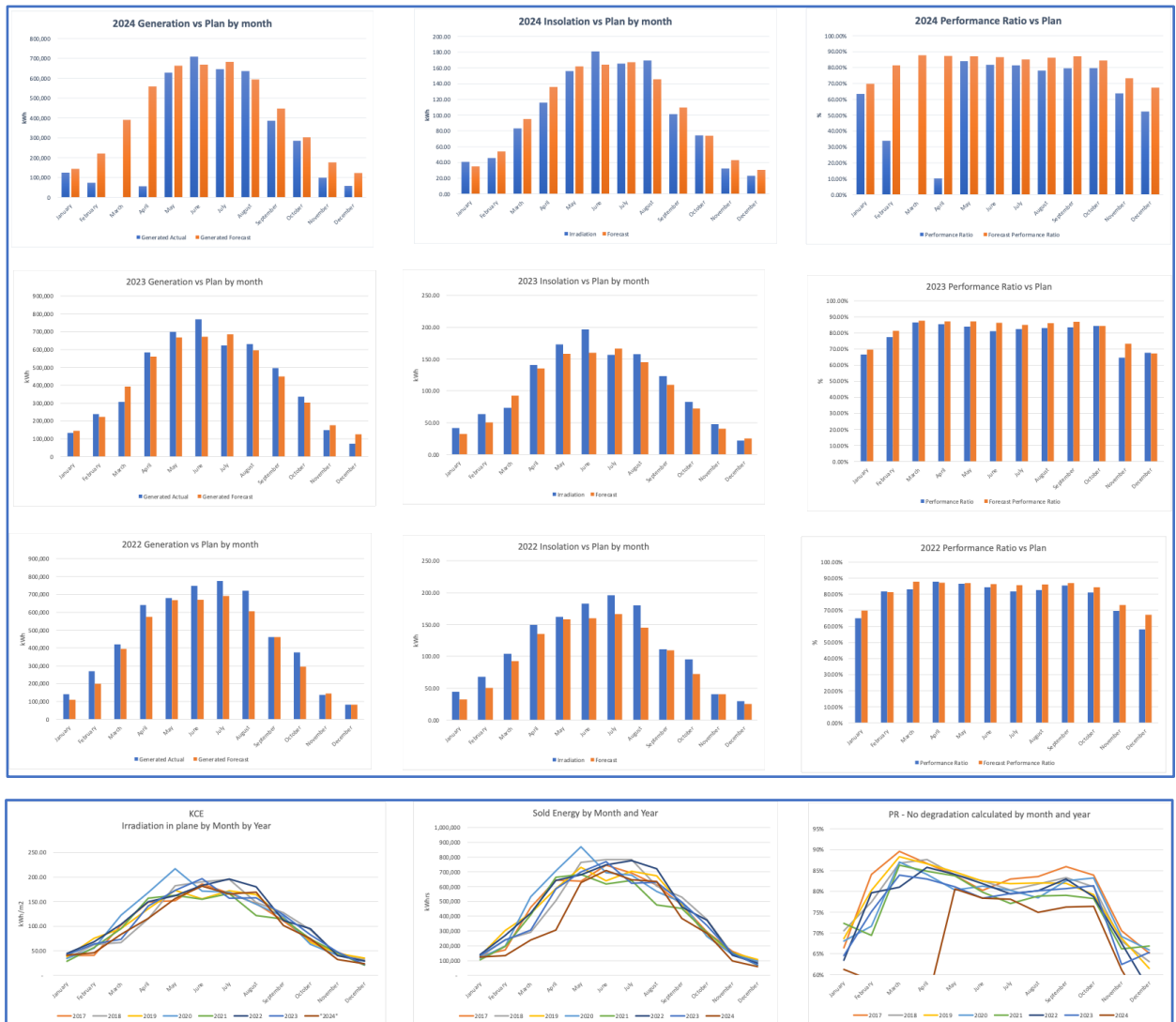
	Note	2024 £	2023 £
Fixed assets			
Intangible assets	6	1,667,489	1,667,489
Tangible assets	7	3,367,683	3,593,997
Investments	8	20,027	20,027
		<u>5,055,199</u>	<u>5,281,513</u>
Current assets			
Debtors: amounts falling due after more than one year	9	647,305	-
Debtors: amounts falling due within one year	9	597,291	937,897
Cash at bank and in hand	10	79,997	89,988
		<u>1,324,593</u>	<u>1,027,885</u>
Creditors: amounts falling due within one year	11	(522,854)	(423,416)
		<u>801,739</u>	<u>604,469</u>
Net current assets		<u>801,739</u>	<u>604,469</u>
Total assets less current liabilities		<u>5,856,938</u>	<u>5,885,982</u>
Creditors: amounts falling due after more than one year	12	(5,709,259)	(5,722,817)
Net assets		<u>147,679</u>	<u>163,165</u>
Capital and reserves			
Called up share capital	13	176,603	176,603
Profit and loss account		(28,924)	(13,438)
		<u>147,679</u>	<u>163,165</u>

Appendix VI – P&L Account for year ended 31/12/2024

KENT COMMUNITY ENERGY LIMITED GROUP				DRAFT
CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2024				
	Note	2024 £	2023 £	
Turnover		628,282	44,483	
Cost of sales		(239,921)	(12,040)	
Gross profit		388,361	32,443	
Administrative expenses		(277,480)	(13,824)	
Exceptional administrative expenses		(25,073)	(30,695)	
Other operating income		125,300	-	
Operating profit/(loss)		211,108	(12,076)	
Interest receivable and similar income		10,632	933	
Interest payable and similar expenses		(237,226)	(6)	
Loss before tax		(15,486)	(11,149)	
Loss after tax		(15,486)	(11,149)	
Retained earnings at the beginning of the year		(13,438)	(2,289)	
		(13,438)	(2,289)	
Loss for the year attributable to the owners of the parent		(15,486)	(11,149)	
Retained earnings at the end of the year		(28,924)	(13,438)	
There were no recognised gains and losses for 2024 or 2023 other than those included in the consolidated statement of income and retained earnings.				
The notes on pages 14 to 23 form part of these financial statements.				

Appendix VII - Historic Solar performance

Annual Irradiation Incline	January	February	March	April	May	June	July	August	September	October	November	December	Total	Plan	Variance
2016	40.22	41.07	102.45	148.94	151.95	185.87	166.84	146.20	110.98	73.69	45.29	33.43	150.41	1234.86	5.36
2017	35.00	62.32	67.05	115.28	182.40	190.27	195.13	148.11	127.13	93.15	41.85	32.21	1289.91	1234.86	55.05
2018	38.14	75.79	94.93	135.70	172.60	155.20	172.00	164.10	116.90	67.20	44.30	35.20	1272.06	1234.86	37.20
2019	34.40	55.19	122.57	168.20	216.60	171.30	169.34	145.08	119.67	63.15	41.06	28.99	1335.55	1234.86	100.69
2020	28.70	56.40	95.20	156.80	163.10	155.00	166.50	121.30	114.80	74.20	45.90	20.60	1198.50	1234.86	(36.36)
2021	44.20	68.00	103.90	149.60	162.20	182.80	195.80	180.20	111.30	95.30	40.50	29.56	1363.36	1234.86	128.50
2022	41.44	63.72	73.26	140.77	172.83	196.61	156.76	157.66	123.27	82.82	47.65	22.17	1278.96	1234.86	44.10
2023	40.85	45.65	83.36	115.83	156.00	181.17	165.66	169.47	101.44	74.51	32.23	23.27	1189.44	1234.86	(45.42)
Average	37.44	60.36	94.19	145.04	174.53	176.72									
Annual Yield Actual	January	February	March	April	May	June	July	August	September	October	November	December	Total	Plan	Variance
2016	133,383	172,414	458,565	644,889	636,067	744,921	691,208	610,281	476,492	294,277	163,455	94,717	5,120,669	5,280,749	(160,080)
2017	123,303	240,861	290,724	504,568	764,730	784,488	782,527	604,721	528,828	377,283	142,241	101,530	5,245,804	5,254,345	(8,542)
2018	130,818	303,626	418,812	586,838	729,859	639,041	703,326	671,920	478,329	265,842	152,160	108,156	5,188,727	5,227,942	(39,215)
2019	116,910	197,566	532,632	706,032	868,666	694,582	678,580	568,108	493,502	262,498	141,754	95,412	5,356,642	4,946,429	410,213
2020	103,690	195,452	410,212	664,210	682,058	617,890	641,028	477,653	453,022	290,230	151,626	68,808	4,755,879	4,921,309	(165,430)
2021	140,148	270,561	420,249	641,037	680,708	747,568	776,116	721,302	461,289	374,503	136,580	83,276	5,453,337	4,897,755	555,582
2022	133,696	239,153	306,950	583,205	699,703	769,345	622,450	631,123	496,704	336,528	148,550	72,362	5,039,769	4,995,415	44,354
2023	124,988	133,696	239,153	306,950	627,848	708,892	646,360	634,686	386,263	284,453	98,455	58,258	4,250,002	4,970,438	(720,436)
Average	125,992.54	231,376.14	405,449.11	618,682.71	723,113.00	714,033.57									
MB PR Undegraded	January	February	March	April	May	June	July	August	September	October	November	December	Annual	Plan	Variance
2016	0%	0%	0%	0%	0%	0%	0%	0%	0%	85%	70%	65%	82.68%	85.61%	-2.93%
2017	66%	84%	90%	87%	84%	80%	83%	84%	86%	84%	71%	65%	82.68%	85.61%	-2.93%
2018	71%	77%	87%	88%	84%	83%	80%	82%	83%	81%	68%	63%	81.43%	85.61%	-4.17%
2019	69%	80%	86%	87%	85%	82%	82%	82%	82%	79%	69%	63%	81.68%	85.61%	-3.93%
2020	68%	72%	87%	84%	80%	81%	80%	78%	83%	83%	69%	66%	80.31%	85.61%	-5.30%
2021	72%	69%	86%	85%	84%	80%	77%	79%	79%	78%	66%	67%	79.46%	85.61%	-6.15%
2022	63%	80%	81%	86%	84%	82%	79%	80%	83%	79%	68%	56%	80.10%	85.61%	-5.51%
2023	65%	75%	84%	83%	81%	78%	80%	80%	81%	81%	62%	65%	78.91%	85.61%	-6.70%
2024	61%	59%	57%	53%	81%	78%	78%	75%	76%	76%	61%	50%	71.55%	85.61%	-14.06%



Appendix VIII – Key performance indicators

Outputs	Indicators	Monitoring Mechanism	Frequency
Generation Performance	Installed Capacity (MW)	Bright Renewables	Monthly
	Generation (MWh)	Bright Renewables	Monthly
	Availability %	Bright Renewables	Monthly
	Project PR Ratio	Bright Renewables	Monthly
	Performance against Budget	Bright Renewables	Monthly
New Asset Development	Pipeline (MW under active development)	Board Report	Quarterly
	Pipeline by date of delivery	Board Report	Quarterly
	Average pipeline IRR (%)	Board Report	Quarterly
	Projected pipeline capital cost (£)	Board Report	Quarterly
Outreach and Engagement	Newsletter List (#)	Board Report	Quarterly
	Newsletter open and click through rates (%)	Board Report	Quarterly
	Social Media network (#)	Board Report	Quarterly
	Social media engagement (#)	Board Report	Quarterly
	Kent-based share and bond holders (#)	Board Report	Quarterly
	National-based share and bond holder (#)	Board Report	Quarterly
	Website traffic (#)	Board Report	Quarterly
Finances	Weighted Average cost of capital(%)	Board Report	Quarterly
	Return on capital employed (%)	Board Report	Quarterly
	Gross profit margin by project (%)	Board Report	Quarterly
	Operating margin by project (%)	Board Report	Quarterly
	EBITDA margin by project (%)	Board Report	Quarterly
	Liquidity holding company (%)	Board Report	Quarterly
	Interest Cover (multiple)	Board Report	Quarterly
	Debt Service coverage ration holding company (multiple)	Board Report	Quarterly
	Leverage (Total debt to EBITDA multiple)	Board Report	Quarterly

	Senior debt leverage (senior debt to EBITDA multiple)	Board Report	Quarterly
	Leverage (Senior debt to total assets %)	Board Report	Quarterly
Staff reporting	Staff numbers (#)	Board Report	Quarterly
	PAroll costs by category (∞)	Board Report	Quarterly

Appendix IX - Projected Consolidated KCE P&L (Detail)

Year	2025	2026	2027	2028	2029	2034	2039	2044
P&L Account	66	477	607	814	26	(51)	(67)	(70)
Carbon	2,005	2,482	3,089	3,904	3,930	3,725	3,419	3,071
Production Sales	5,192,155	6,426,668	7,999,623	10,108,051	10,176,048	9,644,816	8,852,981	7,951,564
Export PPA	468,803	565,475	778,100	1,098,111	1,125,246	1,114,511	1,025,719	879,905
Feed in Tariff Generation	460,980	467,399	473,849	480,371	486,964	521,007	-	-
REGOs	9,091	24,349	46,324	76,535	79,208	78,992	71,534	58,786
Other Income	-	-	-	-	-	-	-	-
Total Sales	938,874	1,057,222	1,298,273	1,655,017	1,691,418	1,714,509	1,097,253	938,691
Cost of Sales								
Advertising	4,111	4,230	4,316	4,403	4,491	4,958	5,474	6,044
Consultancy Fees	4,111	4,230	4,316	4,403	4,491	4,958	5,474	6,044
Benefits to ultimate Beneficiary	10,876	37,989	60,000	80,000	80,000	80,000	80,000	80,000
Insurance	36,385	39,267	42,441	46,538	47,672	52,634	58,112	64,160
Meter Operator Costs	1,472	1,515	1,545	1,576	1,608	1,775	1,960	2,164
O&M Costs	41,965	55,161	71,848	94,571	97,792	107,971	119,209	131,616
O&M Contract Ad-Hoc	30,835	31,729	32,373	33,021	33,681	37,187	41,057	45,330
Power Supply (PSA)	12,538	12,847	13,105	13,367	13,634	15,053	16,620	18,349
Rates	17,268	17,768	18,129	18,492	18,861	20,824	22,992	25,385
Rent	27,752	28,556	29,136	29,719	30,313	33,468	36,951	40,797
Total Cost of Sales	187,314	233,292	277,210	326,088	332,543	358,828	387,849	419,890
Gross Profit	751,561	823,930	1,021,063	1,328,929	1,358,875	1,355,681	709,404	518,802
Profit Margin %	80%	78%	79%	80%	80%	79%	65%	55%
Other Income and expenses								
Bank Interest received	206 £	- £	- £	- £	- £	- £	- £	-
Bank fees paid	211 £	5 £	5 £	6 £	6 £	6 £	7 £	8
Administrative Expenses								
Audit and Accountancy Fees	9,806	10,090	10,295	10,501	10,711	11,825	13,056	14,415
COAM Fee	41,303	49,842	60,395	74,647	76,956	84,965	93,808	103,572
Professional Fees	514	529	540	550	561	620	684	756
Exceptional Cost	-	-	-	-	-	-	-	-
Ongoing Portfolio Support Costs	25,696	26,441	26,978	27,517	28,068	30,989	-	-
Other expenses	1,696	1,745	1,781	1,816	1,852	2,045	2,258	2,493
Refinance Fee	154	159	162	165	168	186	205	227
Salaries	30,835	84,610	129,493	132,082	134,724	148,746	164,228	181,321
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	110,215	173,420	229,647	247,285	253,046	279,383	274,247	302,791
EBITDA	641,551	650,510	791,416	1,081,644	1,105,829	1,076,299	435,157	216,011
Depreciation	234,334	269,417	314,974	370,996	385,611	159,296	159,296	159,296
Interest Payable								
CPIL Junior Loan	122,071	76,044	(7,862)	(7,884)	-	-	-	-
CPIL Senior Loan	4,457	4,153	3,801	3,449	3,099	1,420	-	-
Replacement Loan Interest	-	-	-	-	-	-	-	-
Equity Cost	24,096	151,439	295,468	382,968	397,968	397,968	397,968	397,968
Loan Arrangement Fees	-	-	-	-	-	-	-	-
RPI Charge capital	78,083	94,147	103,868	107,444	102,860	128,589	-	-
	228,707	325,784	395,275	485,977	503,926	527,976	397,968	397,968
Profit before Tax	178,510	55,310	81,167	224,671	216,292	389,026	(122,106)	(341,253)
Taxation	-	24,488	38,887	46,676	242,982	74,681	7,454	-
Profit after Tax	178,510	30,821	42,280	177,995	(26,690)	314,346	(129,560)	(341,253)