

Westmill Solar Membership Capital Survey

474 Respondents		
	# of Respondents	% of Respondents
Shareholders Only	322	68%
Shareholder and Bondholder	94	20%
Bondholder Only	40	8.5%
Other	16	3.5%

83.5% of respondents would reinvest all their bond (112 respondents)

66% of respondents would invest more capital (305 respondents)

£500,000 estimated additional capital that could be raised from existing members

Only **34** respondents would wish to withdraw all their capital

Of respondents who would invest more		
	# of Respondents	% of Respondents
Up to £1,000	93	40
£1,001-£5,000	104	44
£5,001-£10,000	31	13

On future returns and equitable distribution (asked only to existing members)		
	# of Respondents	% of Respondents
6-8% for everyone	146	39%
7-11% for existing shareholders	126	34%
12% for existing shareholders	104	28%

Executive Summary

The survey had a total of **474 respondents**. The general feeling of the comments was **largely positive**, with the **majority of bondholders expressing a desire to reinvest all of their capital** and **many respondents intending to invest more capital** into Westmill Solar, if given the opportunity. Many individuals expressed appreciation for the Board and the management of the co-operative.

85% of respondents would reinvest once their bond matures, with a trend that individuals would prefer to invest in **bonds over shares** and that the terms of the bonds would play a factor in their final decision.

66% of respondents would invest additional money into Westmill Solar with 40% prepared to invest up to £1,000 and 44% interested in investing between £1,000-£5,000. Taking a mean figure within each bracket and the lower figure at the over £10,000 would give an **estimated raise figure of around £500,000**.

65% of bondholders do not want to withdraw any share capital with 24% (34 individuals) wanting to withdraw all of their capital. The remaining 12% would like to withdraw some of their capital, with the general figure listed as withdrawing 20% of their share capital.

There is a fairly **even split among respondents regarding interest rates for existing versus new members**. In the comments section, many members indicated that if interest rates were reduced to 6-8% for all members, then existing members should be given the opportunity to purchase more shares before new members are given the opportunity. **19 individuals expressed very strongly** that they would feel they are **being penalised** as original investors if they were to **receive an interest rate below the original 12%**.

Detailed Data

Question 1:

Which of the following best describes your membership of Westmill Solar?

	# of Respondents	% of Respondents
Shareholders Only	322	68
Shareholder and Bondholder	94	20
Bondholder Only	40	8.5
Other	16	3.5

Of the respondents who listed **Other**, the majority received shares from **deceased family members**.

Question 2:

How many shares in Westmill Solar do you hold?

	Of Survey Respondents		Of Total Share Holders	
	# of Respondents	% of Respondents	# of Total	% of Total
<250	78	17	353	22
250-2,500	272	58	864	54
2,500-10,000	89	19	285	18
>10,000	29	6	82	5

Taking a **mean figure** for each bracket and the lowest number for >10,000, this would amount to around **854,500 shares which is 22% of the 3,849,984 total shares**. Taking the **highest figure** for each bracket and the lowest number for >10,000, this would amount to **1,588,500 shares which is 40% of the total shares**.

Question 3: Only asked to bondholders

The Board would like to offer 2019 bondholders the opportunity to reinvest the money to be received when the bonds mature at the end of 2024 into shares in Westmill Solar or a new bond, probably offering a 6-8% per annum return. As things stand, would you prefer to reinvest all of [your] 2019 bond into Westmill Solar shares or a new bond, reinvest part of [your] 2019 bond into Westmill Solar or a new bond, allow all of my 2019 bond to mature and keep the cash.

	# of Respondents	% of Respondents
Reinvest All	112	83
Reinvest Part	6	5
Reinvest None	16	12

Of those who would **reinvest part**, there is a trend that individuals would prefer to invest in **bonds over shares** and that the terms of the bonds would play a large factor in their final decision.

Question 5:

Would you be interested in investing additional money into Westmill Solar in 2024 (assuming a target financial return on this money of between 6-8% per annum)?

	# of Respondents	% of Respondents
Yes	305	66
No	154	34

Of the respondents who would be interested in investing additional money, they indicated they would invest:

	# of Respondents	% of Respondents
Up to £1,000	93	40
£1,001-£5,000	104	44
£5,001-£10,000	31	13
Over £10,000	7	0.03

Taking a mean figure within each bracket and the lower figure at the over £10,000 it is estimated that this would have a raise potential of around **£500,000**.

Question 7: Only asked to Shareholders

The Board understands that some members may want to withdraw share capital. Westmill Solar returned 20% of all members' capital in 2014 and a further 10% in 2017. Your Board is contemplating managing a further capital withdrawal of up to 20% of Westmill Solar's total share capital in 2024 but only for those members who request it, not automatically for all members. Might you like some or all of your existing share capital to be repaid in 2024?

	# of Respondents	% of Respondents
Yes, All	34	24
Yes, Part	17	12
No	90	64

Of those respondents who would like to **withdraw part of their share capital**, there was a general consensus that individuals would like to **withdraw around 20%** of their total share capital. **Health concerns** and **moving away from the area** are the most common reasons why individuals would want to withdraw their share capital.

Question 9: Only asked to Shareholders

In recent years, your Board has targeted an annual interest rate on members' share capital of around 12%. This figure reflects the fact that the vast majority of members joined on the basis of our 2012 share offer document before our business model was proven. Ideally, your board would like new members to participate in Westmill Solar on an equal basis with existing members. This would avoid the creation of different classes of members and would help simplify our administration. However, the Board also recognises that members who joined in our early days might continue to expect a higher level of return to reflect the additional risk that they took at that time. This is a delicate and complex balance to strike (and there can be no guarantees on what future returns will be in any case), but we would like to understand better the relative importance you place on the future financial return of your existing capital in the context of a developing co-operative and the principle of equality of treatment for new members. Which of the following statements below best describes your views on this:

- I strongly believe in equality of treatment between members and Westmill Solar investing significantly more in its development and would be prepared to accept a future return on my

existing capital of around 6-8% per annum (in line with what is likely to be offered to new members) to enable this to happen.

- I am keen to encourage new members to Westmill Solar and in Westmill Solar investing more in its development but believe that my existing share capital should continue to receive a greater return than new share capital, somewhere in the region of 7-11% per annum.
- I agree it is important for Westmill Solar to bring in new members and invest in its development but would prefer these developments to be financed, as far as possible, from existing resources to the extent that this helps maintain a return on my existing share capital of around 12% per annum.

	# of Respondents	% of respondents
6-8% for everyone	146	39
7-11% for existing shareholders	126	34
12% for existing shareholders	104	28

Within comments on this question, many respondents suggested that if the interest rate for everyone was reduced to 6-8% then **existing members should be given the option to purchase more shares before new members** are given the opportunity.

There were 85 comments on this question and **19 expressed very strongly** that they would feel they are **being penalised** as original investors if they were to receive an interest rate **below the original 12%**.