

Welcome to the home of the Belchford Downhill Challenge!



This document invites you to become a member of :
Belchford Community Solar Co-operative Ltd
by investing in its shares. Please read full document carefully



Community Solar Co-op Ltd Share Offer

Offer opens 14th July 2014
Offer closes 29th August 2014

The Belchford Community Solar Co-operative Ltd is an industrial & Provident Society registered with the Financial Conduct Authority with registered number 32246R

CONTENTS PAGE

Directors' Letter and Declaration	3
1. Summary of Offer	4
2. Background	6
3. Risk Factors	8
4. Management and administration	9
5. Share Offer	12
6. Terms and Conditions	14
7. Guidance Notes.....	16
8. Glossary.....	17

DIRECTORS' LETTER AND DECLARATION

June 2014

Dear Co-operative Members and Potential Investors,

This document describes an exciting opportunity for you to invest in a community based renewable energy scheme in the village of Belchford in the Lincolnshire Wolds.

Belchford Community Solar Co-op, (BCSC), has been formed to enable as many people as possible in the local area to share and reap the financial rewards that exist to encourage the development of renewable energy. This development is vital as part of the global effort to reduce carbon emissions, which are widely recognised as being responsible for climate change.

The project involves the installation of a 50kW solar array on a local barn roof at Glebe Farm, Belchford and will join one of the 500,000 solar installations in the UK.

There is a growing movement to bring control of our vital services back into local control, and latest government figures show that community share offers in the UK have raised nearly £14 million for investment in renewable energy. Estimates suggest that, by 2020, projects owned wholly or partly by local communities could represent 15% of all solar and onshore wind capacity – enough to meet the needs of 1 million homes with sustainable, low-carbon electricity. Local ownership brings many benefits: communities are more resilient; have greater understanding of where our energy comes from and the environmental impact of producing it; and more money remains in the local economy.

By joining the BCSC, you'll be supporting vital local services and putting your money to use in a socially and environmentally strong community business. Please read the document carefully and we hope that you will join us to help make this project a success.

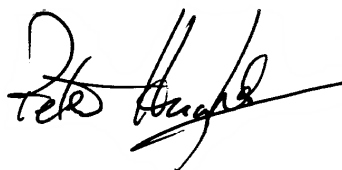
DECLARATION

The directors are responsible for preparing this document. They declare that having taken all due care to ensure that such is the case, the information contained in this Offer Document is to the best of his/her knowledge, in accordance with the facts and contains no omission likely to affect its import

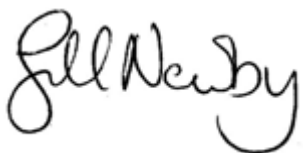
Gordon Bullock



Peter Hughes



Gillian Newby



John Smith



Registered Office: 'Apple Thorn', Chapel Lane, Belchford, Horncastle Lincolnshire LN9 6LR

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www.belchford.coop

1. SUMMARY OF OFFER

INTRODUCTION

The purpose of this share offer is to raise sufficient funds to pay for installation of solar photovoltaic (PV) panels on a barn roof at Glebe Farm, Belchford. The purpose of installing solar panels is to: reduce carbon emissions; showcase low carbon technologies within the community and provide an opportunity for local residents to own a stake in the provision of essential local services.

IMPORTANT INFORMATION

This document has been prepared by the Directors of the Belchford Community Solar Co-op, (BCSC), who are responsible for its contents. It is published in accordance with the guidelines set out by the Financial Conduct Authority.

Full details on the legal compliance of this document and the terms of the offer and how to subscribe are set out in the main body of this document and the associated appendices. Technical and other words and phrases used in this Offer Document with a particular meaning are defined and explained in the Glossary. This summary should be read as an introduction only and any decision to subscribe made on the basis of the document as a whole.

THE PROJECT

The purpose of the project is to generate electricity from solar PV panels which will displace electricity that would otherwise come from fossil fuels. Some electricity will be used by the farm buildings on which the solar panels are mounted and the surplus will be fed into the grid.

The Co-operative will generate revenue from the sale of electricity and receive income from the Feed-in Tariff (FIT). A projected annual surplus over expenses will enable it to pay interest payments to members. It is intended that this lifetime will be 20 years based on the term of the FIT payment.

THE OFFER

This Offer Document seeks to raise sufficient funds by the issue of Offer Shares at £1, payable in full on application, to finance the development and installation of solar panels on the barn roof at Glebe Farm.

This share offer is designed for 57,000 of the shares to be issued to be eligible for tax relief under the Seed Enterprise Investment Scheme (SEIS) and we have been given approval for this from HMRC. The rate of SEIS tax relief is 50% for eligible taxpaying members. (You are advised to consult the HMRC website for more details of eligibility and to take appropriate advice).

The sum sought from this share issue is £57,000. If the share offer is over-subscribed, first priority will be given to applicants living within the parish boundary of Belchford or those owning property in Belchford. Second priority will be given to those living closest to St Peter & St Paul's church in Belchford.

The initial offer period is for 7 weeks. At the discretion of the Board the Offer may be extended.

Subscribers should regard these Shares as a long-term investment. They may subscribe for a minimum of 250 and a maximum of 10,000 offer Shares at their £1 par value.

IRR

IRR (Internal rate of return) is a standardised way of meaningfully comparing different investments that pay back in different ways.

An investment in a share scheme such as this does not pay back a uniform interest rate through its lifetime, as typically the interest rate starts low and increases with time. In addition, capital will gradually be returned to investors through the project lifetime, and this means that taking a simple average of the interest received each year is not a good measure of the overall scheme.

IRR overcomes this by finding the equivalent simple interest rate, uniform throughout the lifetime of the investment, that the scheme is equivalent to.

Hence, saying that this scheme has an IRR of 10% means that you will receive the same benefit as putting the same money into a bank account and withdrawing this at the same rate over the same period at a uniform interest rate of 10%.

Returns to Members are calculated according to projected income and expenditure during the life of the project using the assumptions stated in the Share Offer Document. The projected rate of return (IRR) over the expected life of the Project is approximately 10%. With the SEIS this translates to an effective IRR of 17%.

Shares will not be traded on a recognised stock exchange and shares are not transferable. Members may apply to withdraw shares after the end of the third year of operation. Share withdrawal may be authorized at the discretion of the board.

It is the intention of the Co-operative to return members' capital at intervals over a 20 year period, subject to financial performance and to a specified contingency reserve being retained within the Co-operative.

Each successful subscriber, whatever the relevant stake, automatically becomes an equal co-operative member of the Belchford Co-op on a one member one vote basis.

THE RISKS

All investment and commercial activities carry risk. Investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of the Project. Those interested in investing should do so only after reading this document in full and taking appropriate financial and other advice.

2. BACKGROUND

This section provides the background to the project and the organizations that have put it together.

CO-OPERATIVES AND RENEWABLE ENERGY

The co-operative movement originated in 1844 with the formation of a food store in Rochdale, Lancashire, organised by a group now known as the Rochdale Pioneers. These 30 founding members were frustrated with the dishonest practices and high prices charged by local merchants, and set up a new shop based on ethical principles and owned by its own customers. From this beginning, the co-operative movement has spread throughout the world, with every co-operative based on the same principles of wide ownership, and a set of values and principles based around equality and democracy.

You can find out more about co-operatives from the website of Co-operatives UK, the national trade body that promotes Co-operation in the UK at: <http://www.uk.coop> Co-operative ownership of renewable energy has been growing rapidly in the UK over the past 17 years. The first renewable energy co-op in the UK was the Baywind co-op in Cumbria, a wind farm of 6 turbines which first started producing electricity in 1997.

The introduction of the Feed in Tariff (FIT) in the UK in 2010 has made many more small scale renewable energy projects viable, and this has enabled many more local groups to launch successful renewable energy co-operatives. These include several installations installed by Bath and West Community Energy, Llangattock Green Valleys Hydro, the Leominster Community Solar Co-operative on a leisure centre roof, and the Westmill 5 MW solar farm, which is the first community owned solar farm. This project will be the first co-operative community share funded solar PV installation in Lincolnshire.

Co-operative Societies, using the Industrial and Provident Society form such as this one, are democratic structures with the legal ability to raise money directly from members of the public. With a 'one member one vote' system and a board elected from the membership, they offer a fair and transparent way to operate a community owned renewable energy business. They also have the power to prioritise investment from the local area, ensuring that, as much as possible, financial benefits from renewable energy are felt by people in the locality. Industrial and Provident Societies are registered with the Financial Conduct Authority (FCA).

THE BELCHFORD COMMUNITY PROJECT

The BCSC project has been set up by four founder members all of whom live in Belchford and was formally established in November 2013 for the purpose of installing community owned solar panels.

PROJECT TIMELINE

18 November 2013	Belchford Community Solar Co-op formed
September 2013 – April 2014	Surveys, grid connection negotiations, installation estimates, leases negotiated
25 January 2014	Open meeting Belchford village hall
14 July 2014	Share Issue launched
29 August 2014	Deadline for share applications
September 2014	Installation of PV arrays complete
December 2014	First AGM of the Co-operative

BELCHFORD COMMUNITY SOLAR CO-OPERATIVE LTD

Belchford Community Solar Co-op Ltd was incorporated and registered with the UK Financial Conduct Authority as an Industrial and Provident Society number 32246R on 18 November 2013. It is domiciled in England with its registered office at 'Apple Thorn', Chapel Lane, Belchford, Horncastle, Lincs LN9 6LR.

An Industrial and Provident Society is a legal form providing the structure of a co-operative. It is owned by and operated for the benefit of its members and/or the community. Members elect directors and each member has one vote in a members' meeting regardless of the number of shares held. Members are protected by limited liability and are only obliged to contribute the initial cost of their shares. An Industrial and Provident Society is governed by Rules, largely in standard form, which are approved by and registered with the Financial Conduct Authority. A copy of the rules of BCSC is available from the project website at www.Belchford.coop

3. RISK FACTORS

All investment and commercial activities carry risk, and subscribers should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this opportunity. Attention is drawn to the following:

GENERAL INVESTMENT RISKS

- The value of shares can fluctuate according to the value of the underlying business.
- Offer Shares will not be transferable or traded on a recognised stock exchange.
- Members wishing to withdraw their share capital will be able to apply to the Board for this purpose after the third year of operation. Withdrawal of share capital is at the discretion of the Board but will not be unreasonably refused as long as sufficient funds are available in the bank account.

RENEWABLE ENERGY INDUSTRY RISKS

- Government policy towards renewable energy may change. Throughout the operation of the FIT and previous similar schemes such as ROC and NFFO, the Government has maintained the commitment to the process of 'grandfathering' which ensures that whatever tariff a project is registered for at the commencement of operation, will remain the same for the duration of the FIT period, (which is 20 years in the case of solar PV panels). Therefore revenue from FITs for BCSC should not be affected by any future changes to the FIT. This payment is also index linked to RPI. The figures used here are those currently published by Ofgem.
- New technology inventions and developments may render existing technologies and equipment obsolete though such applications require long lead times and are unlikely to render existing renewable energy projects redundant.
- Long-term changes to weather patterns could result in lower levels of production. However, there is no evidence that BCSC is aware of that this is occurring.
- Atypical short-term weather conditions could affect expected levels of generation, although overall patterns outside anticipated parameters are unlikely.
- Operational costs may rise faster than anticipated during the life of the Project

RISKS SPECIFIC TO BELCHFORD

- If once installations commence an unforeseen delay means that the site does not meet the FIT deadline for receiving the pre-registered FIT rate, then they will receive the applicable FIT at the time they are commissioned and registered for the FIT. This will be at a lower rate and will therefore adversely affect returns to members.
- Warranties and insurance will be in place in the event of breakdown of the equipment and will cover loss of income for associated, though limited, periods of business interruption. Accidental and malicious damage will also be covered under insurance and public liability insurance is provided. However, equipment failure due to exceptional circumstances would increase maintenance costs and this would impact on Co-operative income.
- Some costs in the financial model such as insurance are estimates at this stage based on similar projects elsewhere
- In the event that the landowner needs to undertake essential works on site during the project term, BCSC will be responsible for all costs associated with the removal and reinstallation of the Solar Array(s) and associated equipment and the Landowner will not indemnify BCSC for loss of income. Insurance may or may not cover the costs incurred by BCSC in such instances and as a result returns to members could be affected and in the cases of repeated and/or prolonged periods of works could mean members' original investment is not repaid. The barn was built 4 years ago and the roof was specifically strengthened to accommodate PV panels. The roof is in excellent condition and suitable for the installation of solar PV.
- BCSC have negotiated a Lease with the landowner to lease the site for the full 20 year term of the Project, so that should the landowner sell Glebe Farm the installation can legally remain in place.

4. MANAGEMENT AND ADMINISTRATION

This section provides details on the Board and the running of the Co-operative.



Director & Secretary: Peter Hughes

Peter graduated in chemistry and worked as a research chemist with an American pharmaceutical company before joining the food industry. Starting off as a graduate trainee he reached a variety of senior management positions including that of group director responsible for 6 companies. He is also a parish councillor and has his own solar array on his house roof.



Director: John Smith

John went to agricultural college and has been in agriculture all his life. It was John's grandfather who bought Glebe Farm in 1956 and the business has now grown into thousands of acres in Belchford and around Lincolnshire. John is also a director of a tractor company in Louth and vice- chair of the NFU in Lincolnshire. He is also a parish councillor.



Director: Jill Newby

Jill graduated in environmental science and after working as a science technician for an agricultural college and at British Sugar and then became a teacher. She now works as an instructor teaching rural studies and land based City & Guild qualifications at a school for pupils with moderate learning difficulties. She is also a parish councillor and was previously both a parish clerk and chairman of Belchford & Fulletby parish council.



Director: Gordon Bullock

Gordon started his life as a postman before starting his own greengrocery business in West Yorkshire. He then joined British Telecom and worked in a number of positions including carrying out repairs and installation of telephone lines to both residential and business customers. Relatively new to the village he has his own solar array on his house roof.

THE BOARD

The current board is a transitional board, for the purposes of setting up the Co-operative, running the share issue and overseeing the installation of the solar PV panels. Board elections from the new membership will be held at the first AGM in December 2014.

CURRENT AND INTENDED SHAREHOLDINGS OF DIRECTOR

The total amount of shareholdings that the Directors intend to take up through this Share Offer is 30,004 in total, including their existing £1 shareholdings.

DISCLOSURE

None of the directors of BCSC have, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies, receiverships or liquidations, or received any public reprimand or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court.

CONFLICTS OF INTEREST

John Smith is secretary and director of AW Smith & Sons the owners of Glebe Farm. The directors are unaware of any other conflicts of interest.

REMUNERATION

No remuneration has been paid by the Belchford Co-op to the Directors or Secretary. When the solar panels are generating electricity each Director will be entitled to claim fees and/or expenses not exceeding £50 p.a. in addition to travel expenses. Directors' share applications will be met in full, but there are no pension schemes, share option schemes, and except for the reimbursement of expenses there are no other benefits for Directors of Belchford Co-op.

BOARD PRACTICES

Directors serve in accordance with the Rules. There are no service contracts for them or the Secretary. Belchford Co-op will have no employees and the business is not dependent on key individuals. Day-to-day operations will be managed by the Co-operative under the supervision of the Board. The Board will bear ultimate responsibility to the Members.

As an Industrial and Provident Society, Belchford Co-op complies with statutory requirements and those of the Financial Conduct Authority. As the Shares will not be listed, Belchford Co-op is not obliged to comply with The Combined Code on Corporate Governance.

Belchford Co-op strives to promote Co-operative Values and Principles:

- Self help and self-responsibility
- Democracy and equality
- Honesty and openness
- Social responsibility
- Autonomy and independence
- Member economic participation
- Opportunities for education
- Concern for community
- Co-operation among co-operatives

ACCOUNTS

Belchford Community Solar Co-operative was incorporated on 18 November 2013. Its financial year-end is 31st December 2014. At the time of commencing share issue, except for the issue of 1 share at par to each director, no other transactions had taken place.

DIVIDEND POLICY

Members' Shares will attract a payment of interest annually in arrears and there is currently no policy to pay dividends (see glossary for the definition of dividends). Interest rates will vary according to financial performance.

LEGAL PROCEEDINGS

There have been no governmental, legal or arbitration proceedings relating to the Project or BCSC and none are pending or threatened which could have a significant effect on the financial position or profitability of BCSC.

RULES OF THE CO-OPERATIVE

Industrial and Provident Societies, such as BCSC, are governed by Rules approved by the Financial Conduct Authority (not by Memorandum and Articles of Association). A copy of these Rules is available from BCSC website www.belchford.coop

FURTHER INFORMATION

Other documents mentioned in this Offer are available from the BCSC website. Please see contact details (to be found elsewhere in the share offer document).

General information sourced from third parties in this Offer Document has been accurately reproduced and as far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

5. SHARE OFFER

REASONS FOR THE OFFER AND USE OF PROCEEDS

This Offer is being made so that:

- Solar PV panels can be installed on Glebe Farm, providing them with free electricity while the panels are generating.
- Members may benefit from BCSC owning the solar PV installations.
- BCSC and its Members are able to make a contribution to promoting renewable energy and reducing the negative effects of reliance on non-renewable energy sources and their effects on Climate Change.

OFFER SHARES

57,000 (Fifty seven thousand) ordinary Shares of £1 are offered at par and payable in full on acceptance of an application on the Terms and Conditions of this Offer Document. The Shares, which will not be traded on any stock exchange, have been created under the Industrial & Provident Societies Act 1965.

Successful applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by BCSC, at Apple Thorn, Chapel Lane, Belchford, Horncastle LN9 6LR, or any successor business address. Each person or organisation issued with Shares becomes a Member of BCSC, with membership rights defined in the Rules. The principal rights are:

- One vote per holding on resolutions of the Members, including in relation to the appointment of Directors
- The right to receive a proportionate annual interest payment as a return on the investment in shares (subject to available profits)
- The right to the return of the original investment at the end of the life of the solar PV installation (subject to available surplus assets and any new business of BCSC)
- As a Member, eligibility for election to the Board.

INTEREST PAYMENT/DIVIDEND

Interest will be paid on the balance of each Member's account at rates which will reflect annual financial performance.

Each Share carries a right to an equal part in any declared dividend, although it is not the intention to declare dividends in addition to annual interest payments. The date on which entitlement to interest (or any dividend) arises will be announced each year. It is envisaged that any interest (or dividend) unclaimed for a period of 7 years will be cancelled for the benefit of all Members. There are no restrictions on interest and dividend payments and no special procedures have been established for non-resident holders.

VOTING RIGHTS

Each Member has one vote, regardless of the number of Shares held. There are no pre-emption rights.

RIGHTS TO SHARE IN PROFITS/SURPLUSES

All Members are entitled to share in interest (and dividends) declared out of annual profits, such payments to be divided equally between the total Shares in issue. This means that a Member with 10,000 shares has a single vote but will receive interest or dividends on all 10,000 shares. When the lease contract on Glebe Farm reaches its full term, members can decide whether to negotiate any new leases or whether to wind up the co-operative. In the latter case, assets will be realised and the net proceeds applied in repaying Members' share capital and any outstanding share interest. Any surplus will be transferred to another Society or non-profit body with similar objects to BCSC.

REDEMPTION PROVISIONS

Redemption of Shares may take place in accordance with the Rules. Members do not have the right to withdraw share capital but the Board of the Co-operative has the power to permit Shares in the Co-operative to be withdrawn by agreement between the Board and the member. Members can apply for withdrawal of share capital after the third year of operation. In addition the Board has the power to return capital to members at its discretion.

TAXATION

Interest payments made to Members will be subject to United Kingdom taxation. It is expected that payments will be made gross and members will be responsible for declaring this income on their tax returns.

PROVISIONS ON DEATH OF A MEMBER

In accordance with BCSC rule 22, on the decease of a member of the Co-operative, their shares can be transferred to their personal representative, who can keep them, apply for withdrawal of the share capital or transfer them to any other person who qualifies to be a member of the Co-operative.

6. TERMS AND CONDITIONS

ELIGIBILITY

The Offer is open to anyone, over 16 years of age, who meets the membership requirements of the Rules.

MINIMUM AND MAXIMUM HOLDINGS

The minimum number of Shares which can be applied for is 250 and the maximum holding of shares will be 10,000 to enable as many members as possible to participate in the scheme.

APPLICATION PROCEDURE

- Anyone interested in responding to this Offer is strongly advised to take appropriate independent financial and other advice.
- Shares shall be applied for using the Application Form following the Guidance Notes.
- By delivering an Application Form an Applicant offers to subscribe, on the Terms and Conditions contained in this Offer Document, for the number of Shares specified, or such lesser number as may be accepted.
- An Applicant who receives Shares agrees to automatic membership of BCSC and to be bound by its Rules.
- Once an application has been made it cannot be withdrawn.
- Multiple subscriptions will be admitted providing that they do not result in a Member (other than an Industrial and Provident Society) holding more than the agreed limit of 10,000 Shares.

THE OFFER TIMETABLE

The Offer will remain open for a period of 7 weeks from 14 July 2014 until 29 August 2014. The Board expects the following timetable to apply, although if the Offer Period is extended, other timings will extend correspondingly.

14 July 2014 Share issue launched

29 August 2014 Deadline for share applications

September 2014 Installation of PV arrays complete

December 2014 First AGM of co-operative

The Directors reserve the right to extend the Offer Period at their discretion.

Consequences if the Offer is Unsuccessful

If a sum less than the Offer total is raised the Board will not proceed with the installations unless returns to members would not be adversely affected. Application Monies will be returned to the Applicants as soon as is practical. None of BCSC, its Directors or advisors will be responsible for loss suffered by Applicants as a result of this provision.

COMMITMENTS AND CONFIRMATIONS BY APPLICANTS

Each Applicant, on submitting an Application Form, confirms that he/she/it:

- Meets the eligibility criteria
- Is not making multiple applications for a total of more than 10,000 Shares
- Is not relying on any information or representation in relation to the Offer Shares, BCSC, or the solar PV installation which is not included in this Offer Document
- Shall provide all additional information and documentation requested by BCSC in connection with their application, including in connection with taxation, money laundering or other regulations.

Any person signing an Application Form on behalf of another person undertakes that they are authorised to do so.

PROCEDURES ON RECEIPT BY BELCHFORD OF APPLICATIONS

- Offer cheques/bankers' drafts will be presented on receipt and may be rejected if they do not clear on first presentation.
- Surplus Application Monies may be retained pending clearance of successful Applicants' cheques
- Applications may be rejected in whole, or in part, or be scaled down, without reasons being given
- Application Monies in respect of any rejected or scaled-down Applications shall be returned by crossed cheque, payable to the Applicant, to the postal address on the Application Form no later than one month after the end of the Offer Period (as extended).
- No interest is payable on submitted Application Monies which become returnable.
- Applications on incomplete or inaccurate Application Forms may be accepted as if complete and accurate.
- BCSC reserves the right not to enter into correspondence with Applicants pending the issue of share certificates or the return of Application Monies.
- Results of the Offer will be published on the website www.belchford.coop and by press release within one month after the Offer has been closed.
- In the case of oversubscription, Directors' applications will be met in full and the Directors shall, at their discretion, determine the appropriate allocation of Shares on the principle that priority will firstly be given to Applications from Belchford and secondly to those living closest to the church of St Peter & St Paul in Belchford.
- Share certificates will be issued to successful Applicants one month after the end of the Offer Period.

PRICING, TRADING AND DEALING ARRANGEMENTS

The Board has resolved to offer Shares at their par value of £1. As BCSC intends paying interest on Members' shares each year from 2015 such that retained profits will not accumulate, the underlying asset value of each Share is likely to remain at £1 and any share redemption will take place at par.

GOVERNING LAW

This Offer Document and the Terms and Conditions of the Offer are subject to the law of England and Wales.

7. GUIDANCE NOTES

APPLYING FOR SHARES

The Offer is open to individuals, Industrial and Provident Societies and other organisations. It is only possible to purchase Shares in Belchford Co-op by completing the Application Form.

Before completing the Application Form you should consider taking appropriate financial and other advice, particularly in relation to any aspect of the Offer Document which is not clear to you. Your attention is particularly drawn to:

- The Risk Factors section which describes risks relating to an investment in the Offer Shares.
- Terms and Conditions of the Offer because by completing the Application Form you will make an irrevocable offer which may be accepted by Belchford Community Solar Co-op.
- The Rules of Belchford Community Solar Co-op because in buying Offer Shares you will become a Member of BCSC and will be bound by those Rules.

AMOUNT TO INVEST

The price of each share is £1. You should decide how many shares you want to buy and put that number in the box. The minimum number is 250 and the maximum is 10,000. Annual interest payments will be based on the number of Shares you hold, but you will only have one vote, regardless of the number of Shares you hold.

PERSONAL DETAILS

You may apply as an individual, or as long as you are properly authorised, on behalf of an Industrial and Provident Society or other organisation.

For legal reasons persons under 16 years of age cannot become Members. If you wish to invest as a trustee or nominee on behalf of a child you may need to take advice on any tax implications, and please note that the maximum investment of £10,000 includes any shares purchased as a nominee for a child. Shares issued in these circumstances will be transferred to a child when he or she becomes 16. If you do wish to take the shares as a nominee or trustee of a child, please indicate that on the Application Form.

PRIORITY APPLICATION

The number of Offer Shares you apply for will not necessarily be the number of Shares you will receive. If the Offer is oversubscribed your application may be scaled down, or even rejected in its entirety. All applications are welcome, but in the event that the Offer is oversubscribed, the Directors will endeavour to give priority first to applications from Belchford and secondly to those living closest to the church of St Peter & St Paul, Belchford.

DECLARATION

In signing the Application Form, as an individual, you are personally making an irrevocable offer to enter into a contract with BCSC. If you are signing on behalf of an organisation or on behalf of another individual you are personally representing that this is in accordance with due explicit authorisation.

Non-UK residents must take responsibility for ensuring that there are no laws or regulations in their own country that would prevent them from investing in or receiving income from a UK co-operative. Under Money Laundering Regulations, you may be required to produce satisfactory evidence of your identity and it is a condition of the Offer that you do so as requested. You should note that if the Offer is unsuccessful, it will become necessary to return money to applicants.

PAYMENT

Please attach a cheque or bankers draft, drawn on a UK bank or building society, for the exact amount shown in the box under 'Amount to invest'. If there is a discrepancy between the two, or if the cheque is not honoured on presentation, your application may be rejected without further communication.

8. GLOSSARY

Applicant An applicant for Offer Shares through submission of an Application Form.

Application Form The form in this Offer Document which must be completed to be returned in accordance with the Terms and conditions of this Offer and the Guidance notes

Application Monies The total gross sum realised by this Offer.

Belchford Co-op Belchford Community Solar Co-op Ltd. Principal Office: Apple Thorn, Chapel Lane, Belchford, Horncastle, Lincs LN9 6LR, (Registered Industrial and Provident Society number **32246 R**).

Belchford Co-op Shares Ordinary shares of £1 in Belchford Co-op.

Board The Board of Directors of Belchford Community Solar Co-op Ltd.

Climate Change The phrase widely used to describe changing weather patterns as a direct result of global warming, including an increase in the incidence and intensity of storms and droughts.

CO₂ Carbon dioxide, a natural gas emitted during the burning of fossil fuels and regarded as the main cause of global warming.

Directors The directors of Belchford Community Solar Co-op Ltd.

Dividend (in a co-operative society) is a discretionary allocation of profit paid to members, based on the members' transactions with the co-operative and not on the amount of capital invested.

Environmental Attributes Relating to renewable energy installations, the additional benefits of reductions in carbon emissions and other pollutants that arise in addition to the electricity generation and income from this.

FIT (Feed in Tariff) Incentive for micro generation up to 5MW introduced by HM Government on 1st April 2010 under powers from the Energy Act 2008.

Glebe Farm The farm in Belchford where the solar arrays will be installed.

kW (kilowatt) A unit that measures power and is equal to 1 thousand watts.

kWh (kilowatt hour) A unit that measures energy and is equal to the energy that can provide the power of 1 kW for the period of one hour.

NFFO (Non Fossil Fuel Obligation). A scheme in the UK electricity industry, that preceded Renewable Obligation Certificates (ROCs) to encourage electricity suppliers to purchase some of their electricity from low carbon sources.

Offer The Offer of Shares in Belchford Community Solar Co-op contained in this Offer Document.

Offer Costs The expenses incurred by or on behalf of Belchford Community Solar Co-op in issuing this Offer Document.

Offer Period The period during which the Offer will remain open (including any extension) as set out in the Offer timetable in this document.

Offer Shares New shares of £1 in Belchford Community Solar Co-op Ltd, offered at par on the Terms and Conditions and payable in full on application.

Ofgem This is Britain's energy regulator whose stated priority is to make a positive difference for consumers.

Project The proposed ownership and operation by Belchford Co-op of the solar PV installations described in this document.

Projections The financial projections for Belchford Co-op set out in this document.

SAP Standard Assessment Procedure is the PV industry preferred method for calculating solar PV performance.

ROC Renewable Obligation Certificate, an alternative form of subsidy for renewable electricity generation that can be used instead of the Feed in Tariff, primarily intended for larger scale installations.

Rules The Rules of BCSC, available by visiting our website: www.belchford.coop

Site the location of the proposed solar PV installations.

Subscriber An applicant for Shares under the terms of this Offer.

Terms and Conditions The terms and conditions of the Offer contained in and constituted by this Offer Document.

The Solar PV Installations in this Offer Document refers to the solar PV panels and all ancillary equipment of the Project.