

Share Offer Document

Woolhope Dome Community
Woodfuel Co-operative

Share offer extended
until 28 September 2012

WOOLHOPE
WOODHEAT

GREEN HEAT FROM
OUR LOCAL WOODLANDS

Share offer documents

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Dear Potential Investors & Co-operative Members,

Renewable energy is starting to make a real difference in the UK. But up to now, most projects have focused on electricity generation - although the majority of our domestic energy goes on heating. Woolhope Woodheat is a ground-breaking project which will bring renewable heat to local premises and restore management to local woodlands. Our co-operative has been set up to enable as many people as possible to join in creating green, locally sourced energy and reducing their collective carbon footprint. By joining and investing you will make this project possible and receive a decent return on your investment.

Many large buildings in South Herefordshire are heated with oil or with LPG. This is a costly and unsustainable situation. At the same time the woodlands of the region have been managed for centuries for timber and for woodfuel – until the middle of last century. By bringing woods back into active management we can enhance woodland productivity and biodiversity – and provide a green fuel for local heating.

As one of the very first community projects to work with the Government’s new Renewable Heat Incentive, we are proud to be trail-blazers for other areas with neglected woodlands and a heavy dependency on expensive, imported fossil fuels.

We hope you will join us to make this happen.

The Directors

Declaration

Woolhope Dome Community Woodfuel Co-operative and each of its Directors whose names are set out below hereby declare that having taken all reasonable 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.

Chris Boivin

Gareth Williams

Will Edwards



Summary of offer

Summary of offer to acquire shares in the Woolhope Dome Community Woodfuel Co-operative Ltd (WDCW or 'the Co-operative')

Introduction

The objective of WDCW is to provide low carbon, renewable heat in South Herefordshire while stimulating enhanced woodland management in the area. The purpose of this share offer is to raise the capital needed for the first phase of the WDCW business plan setting up the initial woodfuel supply chain and installing a single boiler. The co-operative aims to install a total of five to ten boilers in the area and will carry out subsequent share offers to raise capital as required.

Important Information

This document has been prepared by the Directors of the Woolhope Dome Community Woodfuel Co-operative, who are responsible for its contents. It is published in accordance with the guidelines set out by the Financial Services Authority. Full details on the legal compliance of this document and the terms of the offer and how to invest 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 invest made on the basis of the document as a whole.

The Project

The project has two interlinked aims:

- To install a number of woodchip boilers in premises with high heating costs which are currently primarily heated using fossil fuels. These boilers will be owned and operated by the co-operative under a heat supply contract with the heat users at the site
- To source the fuel for the boilers from locally-sourced woodchip, providing a new market which will stimulate improved management of woodlands in the area

The Co-operative will generate revenue from the sale of heat and receive income from the Renewable Heat Incentive (RHI), which will enable it to pay interest to members and to pay them back their original investment at the end of the investment period. It is intended that this will be 20 years based on the term of the RHI payment.

The Offer

This Offer Document seeks to raise sufficient cash by the issue of Offer Shares at £1, payable in full on application, to finance the installation of the first boiler. The sum sought from this Share Offer Document is £324,305 which is the total cost for this phase of the project.

The initial offer period is for 10 weeks. At the discretion of the Board the Offer may be extended for up to a further 12 weeks. Applicants living locally will be given priority in the event the Offer is oversubscribed, based on proximity to Old Bridge, Hereford.

Investors should regard Offer Shares as a long-term investment. They may subscribe for a minimum of 250 and a maximum of 20,000 offer Shares at their £1 par value.

Returns to Members are calculated according to projected income and expenditure during the Project Period using the assumptions stated in the Offer Document. The projected rate of return over the expected life of the Project averages 6% gross per annum on the basis of the first boiler installation. Substantial tax benefits may be available to investors, which will increase the effective return on their investment.

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 authorised at the discretion of the board. All remaining Shares will be repaid to Members in full after the 20th year. Each investor, whatever the relevant stake, automatically becomes an equal co-operative member of the Woolhope Dome Community Woodfuel Co-operative on a one member one vote basis.

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.

Background

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

Co-operatives & Renewable Energy

Co-operative ownership of renewable energy is not new. In Denmark 23% of the country's energy supply comes from 3,000 wind turbines owned by approximately 150,000 co-operative members. Since the establishment of Baywind Co-op in Cumbria in 1997, 9 more wind co-operatives have been set up in the UK with over 6000 members. This has led to communities all over the UK starting to set up other wind, hydro power and solar co-operatives along similar lines to these original wind co-ops. Woolhope Dome Community Woodfuel has benefited from this experience – it is supported by Sharenergy, a spin-off from Energy4All, the organisation that helped set up many of the UK's successful wind co-operatives.

Co-operatives 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. They are registered and regulated by the Financial Services Authority (FSA).

The introduction of Feed in Tariffs in April 2010 and the Renewable Heat Incentive in November 2011 have started to create more financially viable opportunities for communities to own a range of renewable energy installations at medium scale.

The Woolhope Dome Community Woodfuel Project

This project was originally developed as a collaboration between two not-for-profit organizations:

Fownhope Carbon Reduction Action Group (FCRAG) is a voluntary organisation formed in 2007 by village residents interested in reducing their own carbon footprints and those of the wider community.

Sharenergy is a Ludlow-based co-operative which helps community groups to establish community owned renewable energy co-ops (including the recently completed Leominster Community Solar).

Woolhope Dome Community Woodfuel Co-operative (WDCW) was formally established in Summer 2011 and has 3 founding directors. WDCW is one of several renewable energy co-operatives in the rural West Midlands being developed with support from Sharenergy.

Project timeline

May 2009	First consideration of the project following a FCRAG meeting at Fownhope
Dec 2009	Initial feasibility study brief issued. Tender was won by Carbon Control who started work in February 2010, funded by Sharenergy's Revolving Investment Fund with money from Advantage West Midlands
July 2010	Initial feasibility study completed. Technical feasibility confirmed
Dec 2010	Part-time Project Manager (2 days per week) recruited – Ben Dodd chosen from 50 applicants. Glyn Edwards of Carbon Control appointed as 2 day/month Biomass mentor. Both funded by Sharenergy's Revolving Investment Fund
During 2011	Woodland owners and potential boiler clients approached. 6 boiler sites taken forward for detailed feasibility work
Summer 2011	Following demise of Advantage West Midlands, project supporters pledge £30,000 in private loans to enable project development to continue Formation of WDCW as a formal body (IPS co-operative)
Autumn 2011	Multi-phase project business model created aiming for share offer in Spring 2012
Winter 2011	In-principle sign-up of first boiler client. WDCW receives grant funding from the Department of Energy and Climate Change's Local Energy Assessment Fund to help develop and publicise the share offer
Spring 2012	First Share offer launched – this document



Woolhope Dome Community Woodfuel Co-operative

Woolhope Dome Community Woodfuel Co-operative Limited was incorporated and registered with the UK Financial Services Authority as an Industrial and Provident Society number 31371R on 24th August 2011. It is domiciled in England, with its registered office at White House, How Caple, Hereford HR1 4SR

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 Services Authority. A copy of Woolhope Dome Community Woodfuel Co-operative's Rules is available from the project website or by application to the Co-operative (see back of this Offer document for contact details).

Woolhope Dome Community Woodfuel Co-operative Limited operates under the trading name of **Woolhope Woodheat**.

Business Overview

The planned activities of Woolhope Dome Community Woodfuel Co-operative are the ownership and management of woodfuel boilers and the establishment of a woodfuel supply chain in South Herefordshire.

Energy Supply Company

WDCW will provide heat to clients under an arrangement which is commonly known as an Energy Services Supply Company, or ESCo. The ESCo owns and operates the boilers and associated equipment, and is responsible for installation, maintenance and fuelling. The ESCo sells energy to the clients, as measured by a heat meter. Clients and ESCo agree a contract which sets out the terms on which the energy is supplied. This model is quite commonly used in the public sector, where for example a council may contract out supply of energy to a third party. This enables the council to concentrate on its core business and to simply pay for the energy it consumes.

The WDCW ESCo will operate on the same lines. The co-operative will install a woodfuel heating system on the client's premises, paying a nominal lease for use of the space the system takes up. The client agrees to use heat from the system and to pay for the heat consumed – the co-operative guarantees the client a lower price for heat than that which they would pay if using heating oil. Maintenance and fuelling are the responsibility of the co-operative. Not only does this mean that the client does not have to worry about these aspects of the heating system, it also means that the co-operative can control the quality of fuel used and make sure the equipment is well-serviced – as the client is paying for heat used rather than fuel, it is in the co-operative's interest to maximise system efficiency. The contract specifies penalties to be taken off the client's bill if the heat supplied is not up to an agreed specification. In turn, the client signs up to use heat from the system to an agreed annual minimum and for a full 20-year period. This enables the co-operative to plan for the future and carry out its plans to bring neglected woodland into management.

Phases of the business plan

Establishing a supply of good value sustainable wood cannot happen over night. Similarly, the installation of a large number of boilers takes time. Accordingly the WDCW business plan is set out in phases. The share offer in this document is being carried out to raise the necessary capital for Phase 1. Members of the co-operative will however remain members through the subsequent phases, and therefore the interest payments they receive will depend on the performance of the whole enterprise. It is envisaged that the financial performance and stability of the co-operative will improve as more boilers are installed.

The planned phases are as follows:

Phase 1

Installation of first woodchip boiler at Canon Frome Court and signing of contract for local woodchip supply. This enables us to get the co-operative up and running with the first boiler in place. In order to fuel this boiler we have signed a Memorandum of Understanding with a local woodchip supplier. This enables us to ensure that we have fuel in hand for the boiler while we build up our own woodchip supply. Note that as shown in the financial projections, the project is sustainable with a good rate of member interest paid even if this was to be the only installation ever carried out for whatever reason.

Phase 2

Installation of subsequent woodchip boilers and establishment of our own fuel supply chain. We have approached a large number of other potential clients and carried out detailed feasibility work on 6 sites. Some of these still have technical problems to solve or procurement exercises which need to be carried out in the case of sites in the public sector. Therefore we have decided to carry out a subsequent share offer when these clients are ready to proceed – there are also other potential clients in the area with whom negotiations are proceeding.

With a larger installed base of boilers it becomes cost-effective for us to begin sourcing our own woodfuel supply in earnest. We anticipate that the proportion of woodchip sourced by ourselves will increase over 4 years from the beginning of Phase 2 so that we are sourcing the vast majority of our fuel ourselves by that point.

Possible Phase 3

If there is further demand and if we believe that there is further opportunity to source woodfuel locally we may carry out another share offer in the future. The project is not designed to grow indefinitely however – there is a limit to woodfuel we can source locally and we will not use imported or unsustainable fuels (except in the isolated cases where we need to add fossil fuel boilers to provide for occasional peak loads as dictated by the system design). Instead, the project will seek to help other projects in other parts of the country to work with our model. This dissemination has already started with work in Leicestershire and Mid-Wales.

Operation of the Woodfuel Boilers

The boiler we will install at Canon Frome Court is a state-of-the-art woodchip boiler made by Herz, an Austrian company. These boilers are commercial grade with automated management and monitoring systems. They can achieve efficiencies comparable to or in some cases exceeding those of the best fossil fuel boilers. They have low emissions – in most cases much lower than the fossil fuel boilers whose use they are replacing.



Operation of the Woodfuel Boilers

The boilers draw woodchip from a chip store by means of an auger which automatically feeds fuel in as needed. The chip stores are designed to make sure that there is enough capacity to last through a severe winter period without refuelling.

Heat from the boiler is distributed by means of a district heating network – a super-insulated pipe which takes heat where it is needed.

Installation at Canon Frome Court



Canon Frome Court is an intentional community of about 50 adults and children, ranging in age from babies to mid 70s, living in a Georgian manor and outbuildings on a 40 acre organic farm in South East Herefordshire. Canon Frome Court is owned by the Windflower Housing Association, a co-ownership housing association. The house and converted stable-block are divided into 19 self-contained homes of varying size, so the community includes singletons, couples and families. Canon Frome Court is also home to the Frome Society, a charity hosting regular classes, events and exhibitions by local artists. Each home currently uses a separate heating system, with oil, coal, gas, electricity and wood stoves all in use.

The woodfuel boiler at Canon Frome Court will be installed in a building separate from the main building and close to the community's solar array. Heat from the boiler will be distributed to the homes in the house and stable block. The community will install a new heating system within the house to take heat from the WDCW-owned system and distribute it to the individual homes through heat exchangers.

It is estimated that the woodchip boiler will consume around 70 tonnes of wood fuel on average per year. The resulting ash is inert and valuable as a high potash plant fertiliser and will be used to fertilise the various vegetable plots within Canon Frome Court.

Installers

The installation at Canon Frome will be carried out by Rural Energy www.myriadceg.com/biomass, one of the preferred installers appointed by WDCW following a detailed tender process. Established in 2002, Rural Energy are considered to be among the leading biomass energy installers in the UK with over 300 heating systems commissioned.

Woodchip Supply

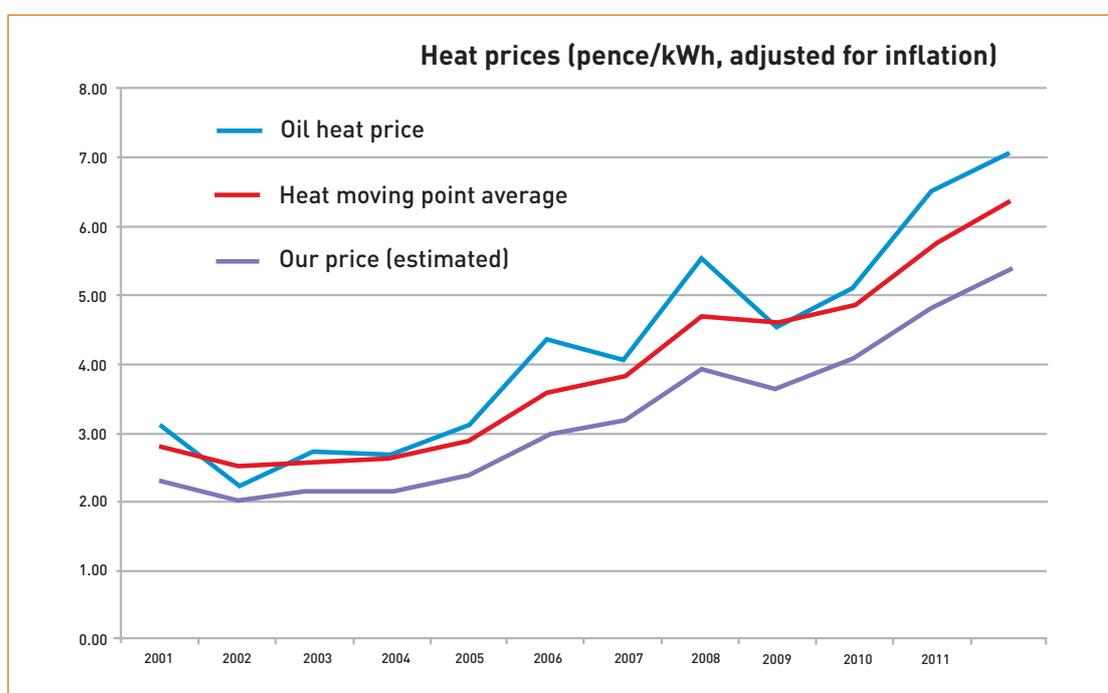
It is the intention of the co-operative to develop its own woodfuel supply operation over time. This enables us to ensure that our aim of bringing woodland back into management is fulfilled and to reduce the risks associated with buying woodfuel on the open market. In order to ensure that we have access to woodfuel for the first year of operation we have agreed a memorandum of understanding with Kingswood Forestry Limited. Kingswood Forestry is a new Herefordshire-based woodfuel supplier www.kflcontracting.co.uk. Kingswood Forestry has bought in 250 tonnes of larch for chip which is allocated for the Woolhope Woodheat project and which has been sourced from a Woodland Trust initiative to fell larch and restock Woodbury Hill (above Moccas Park) with native broadleaves. The larch is therefore local and is obtained from a green initiative. It corresponds to enough fuel to run our first boiler for around three years.

Heat sales

All the heat produced by the boiler is used on site. A heat meter records the amount of heat produced, and the co-operative will claim Renewable Heat Incentive payments on the heat supplied. The heat is sold to the site operators at a discount to fossil fuel-derived heat.

The cost of the heat we supply is set on an annual basis and will change over time. We guarantee that it will be 20% less than the cost of heating oil, based on a moving average adjusted for RPI. We use Government published figures to calculate average heating oil costs. The price of heat from 1st October 2012 to 30th September 2013 will be calculated based on the official heating oil costs published by the Government in September.

The details of pricing and contract with the client are commercial documents and it is therefore not possible to reproduce the exact details in this document. The chart below gives historical heat price for oil-based heating and shows a hindcast of what our price to a typical client would have been.



Legal agreements

We have signed a memorandum of understanding with the client and negotiations on the formal legal agreements are at an advanced stage. The Option documents will be signed during the share offer period.

Option to Lease. This sets out the terms on which we lease the land on which the woodheat installation will be situated. It commits the landowner to the terms on which the lease will be taken up.

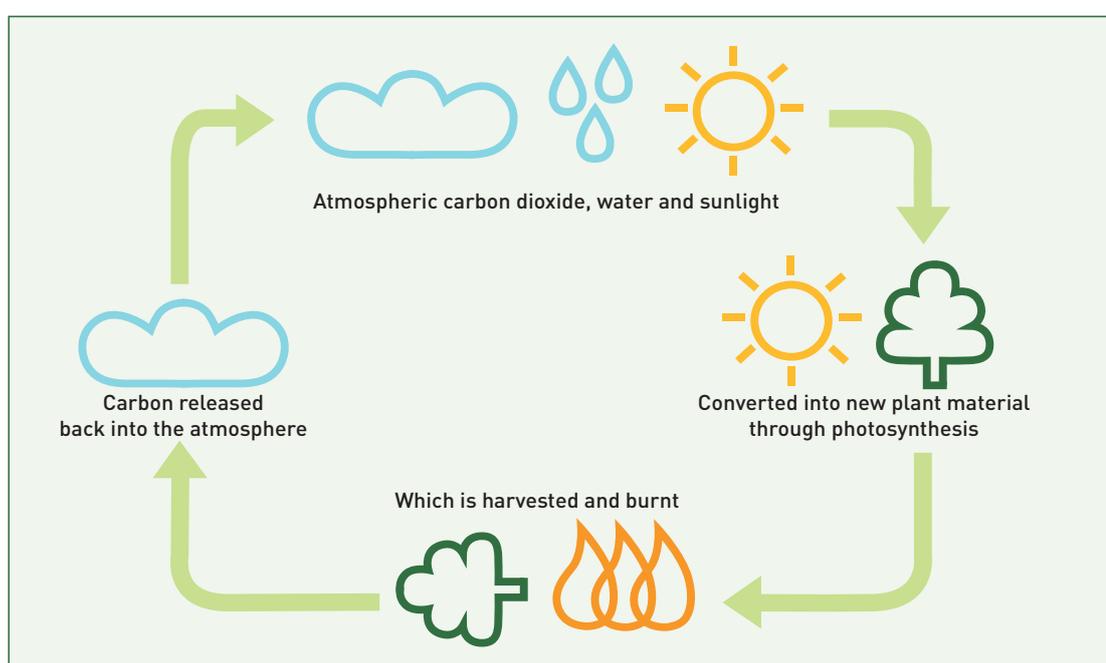
Lease. The lease is taken up at the discretion of the co-operative (following the successful share offer and establishment of any other outstanding requirements). It commits the landowner and successive landowners at the site to the terms on which the co-operative's equipment is installed on the site. It also commits the landowner to the contract.

Contract. The contract sets out the terms of heat supply. This covers the temperature and pressure of the hot water supplied, timescales for rectification of errors and penalties paid by the co-operative for any failure to provide heat within agreed parameters. It lays out the basis for the heat price calculation, and for termination clauses on either side. After 5 years the client can buy out of the contract by paying the residual value of the boiler plus a penalty. This enables us to safeguard members' capital and a basic level of interest payments.

Carbon emissions

The sun is the primary source of energy contained within wood fuel - its energy is captured and stored via the process of photosynthesis. This energy can be released and used (e.g. by combustion). When this occurs, CO₂ and other by-products of combustion are also released. However, the CO₂ released is largely offset by that which was absorbed in the original growth of the wood, or which will be captured in the growth of new wood to replace the wood being used as fuel.

Wood fuel is considered to be a low carbon technology if the wood is derived from sustainable sources. In contrast, when fossil fuels are combusted, they release CO₂ that was captured by photosynthesis millions of years ago, and it is the release of this 'fossil' CO₂, as opposed to contemporary 'biogenic' CO₂, that is the major contributor to global climate change.



The vast majority of broadleaf woodland forests such as those on Woolhope Dome have been managed by coppicing for the production of firewood over the past thousand years. Management of such woodland went into rapid decline as coal became available in the 19th Century and virtually ceased by the early 1940s. As such, many of the forests have become more mature. The growth rate of trees slows as they age and the amount of rotting increases. As such the rate of net fixation of CO₂ has significantly declined as the woodlands mature and approach a steady state.

The only way to increase net fixation of older forest is to remove material and prevent it rotting. Removal of such material also creates space and allows young trees to grow rapidly, increasing CO₂ fixation. By providing a financial incentive for management of neglected woodlands the co-operative is working to make its fuel source as sustainable as possible and maximize carbon reduction. More detail on this is available on our website www.woolhopewoodheat.org.uk

Financial projections

The anticipated total cost for the Installation to be met from the proceeds of this Offer is £324,305. Woolhope Dome Community Woodfuel Co-operative will be liable for all ongoing operating costs associated with the installation and will negotiate the sale of heat and benefit from the Renewable Heat Incentive and any other current or future incentives.

Financial projections

Financial projections in tabular form prepared and approved by the board are summarised on the following page. We have provided a projection based on the initial boiler installation only as it is not practicable to predict the size and number of boilers which may be installed in future phases. As overheads reduce in relative importance we would expect members' return to increase by a modest amount as the co-operative expands its operations. The figures are based on contracts entered into and estimates received by WDCW. The Directors take responsibility for the reasonableness of the projections in this offer. Returns to members are calculated according to projected income and expenditure during the life of the woodheat installation. The annual amount available for payment as interest on members' capital is divided by the number of shares in issue to give a projected rate of return. The Projections are based on a project which initially lasts 20 years. At the end of this period the Installation, subject to the necessary consents and terms of the contract with the client, may be retained, replaced, sold for its residual value, decommissioned or otherwise at the discretion of the Co-operative Board.

Loan finance

This share offer document envisages that the project capital is all raised from co-operative shares. However, the co-operative is in discussion with a potential loan provider that may be able to offer favourable terms on a loan to cover a small percentage of the project cost. The Board will continue to explore this option while ensuring that any loan taken up will not have a negative effect on member returns.

Enterprise Investment Scheme tax relief

WDCW will apply for Enterprise Investment Scheme (EIS) tax relief for the Project

EIS tax relief is available to individuals who are taxpayers and who subscribe for a minimum of £500 in shares. The relief is 30% of the value of the shares, which you can claim back against your income tax for this financial year (or the previous year). Shares must be held for 3 years from when the co-op starts to trade. In this case this is when the installation has been commissioned and is selling heat. In the unlikely event that when you eventually withdraw your shares they are worth less than you paid for them, you can set this loss (minus the initial 30% relief) against income for tax purposes in that year (or the previous year). Please note that the 30% rate of relief is not dependent on the rate at which you pay tax.

The Board will endeavour to ensure that the project qualifies for EIS tax relief. We expect that this will be the case, as it is similar to projects that have successfully applied for EIS recently. However, the Directors are not in a position to guarantee this. Investors should take their own advice as to whether they are eligible for EIS tax relief.

Development funds

The project has received development funds from three major sources

- Sharenergy Revolving Investment Fund. This fund, established initially with support from Advantage West Midlands, provides development funding to renewable energy co-operatives on the understanding that successful co-operatives will return the funds provided to the fund for use by subsequent co-operatives. The fund has provided £40,928 to the project. In order to help WDCW, Sharenergy has agreed that this funding will not be paid back until the Phase 2 share offer (at which time it will be paid back with a 10% interest payment to reflect the long development period).
- Supporter loans. On the demise of Advantage West Midlands, the project approached supporters for personal loan pledges to keep the development effort going. These loans will be paid back with 10% interest on completion of a successful Phase 1 share offer in recognition of the considerable personal risk taken by supporters in providing funds at an early stage. The amount to be repaid is £26,850.
- Local Energy Assessment Fund (LEAF). In January 2012, the project was awarded a grant of £60,810 from the Department of Energy and Climate Change's LEAF fund. The funding came with the condition that it had to be spent by the end of March 2012. This sum has been used to pay for the production and printing of this document and attendant promotional materials, and for professional support to the project in the lead-up to this share offer and the ongoing work for Phase 2 of the project. As this is a grant, it does not need to be repaid by the project.

20 year Income Expense and Return Projections

Year	First 3 years			Next 7 years	Final 10 years	Whole project
	1	2	3	4-10	11-20	1-20
Income						
Heat sales	10,315	11,346	12,481	130,252	426,397	590,791
RHI	15,859	16,255	16,662	128,897	227,436	405,108
Sub total	26,174	27,602	29,143	259,148	653,832	995,899
Expenditure						
Service & Maintenance	3,647	3,738	3,832	29,643	52,304	93,164
Insurance (Boilers)	1,000	1,025	1,051	8,128	14,341	25,545
Depreciation	16,215	16,215	16,215	113,507	162,153	324,305
Administration of Co-op	5,000	5,125	5,253	40,639	71,706	127,723
Fuel costs	0	0	0	36,022	86,868	122,890
Sub total	25,862	26,104	26,351	227,939	387,372	693,628
Profit						
Profit before interest	311	1,498	2,792	31,210	266,460	302,271
Add bank interest	122	608	1,095	21,283	71,753	94,859
Profit available to members	433	2,106	3,887	52,492	338,212	397,130
Cashflow						
Operating profit	433	2,106	3,887	52,492	338,212	397,130
Add back depreciation	16,215	16,215	16,215	113,507	162,153	324,305
Cash generated	16,648	18,322	20,102	165,999	500,365	721,436
Share interest paid	433	2,106	3,887	52,492	338,212	397,130
Cash movement	16,215	16,215	16,215	113,507	162,153	324,305
Opening cash	0	16,215	32,432	48,646	162,153	0
Closing cash	16,215	32,431	48,646	162,153	324,305	324,305
Members return (avg over period)	0.1%	0.6%	1.2%	2.3%	10.4%	6.1%

Average members return over 20 years: 6.1%

Effective return for members claiming EIS tax relief at 30%: **8.7%**

Assumptions

The Projections are based on the following principal assumptions:

- That heat used by the client will be in line with the estimates made. In the event that the predicted energy production falls below the projected levels the revenues of the co-operative will be reduced. The co-operative is protected by a contracted minimum heat level to be paid for by the client. In the case of a technical fault, this will usually be covered by equipment warranties and/or insurance.
- Current expectations are that conditions relating to the global energy market, the UK forestry industry, UK government policy and the desirability for and promotion of heat from renewable sources, will remain reasonably consistent and reasonably favourable to the Woodheat Installation over the next 20 years, resulting in continuing demand for heat and related environmental attributes produced by the Woodheat Installation.

Assumptions

- Prices at a reasonably similar level to those currently obtainable will be achieved through the life of the Woodheat Installation. It is assumed that heating oil prices will continue to rise faster than inflation.
- Operation and maintenance costs will be incurred from the start of operations. Maintenance costs will continue to rise as the equipment gets older. It is assumed that operation and maintenance costs will rise no faster than inflation.

Any of the assumptions not being realised is likely to result in adjustments to the Projections within the overall Project plan. Projections and assumptions such as those above are inherently less reliable over longer time spans.

Notes on the Financial Projections

- The capital cost of boiler installation £243,141 is based on quotes from the installers. A contingency of 10% is added to this figure. £30,000 is set aside to pre-pay fuel costs for the first 5 years of operation. Development costs of £26,850 are repayable in respect of private loans from supporters.
- Inflation on expenditure is set at 2.5% per annum over the 20 year period to reflect RPI.
- Inflation on RHI is set at the same 2.5% RPI rate.
- Inflation on heat sales is set at 7.5% above RPI (In the last ten years the average rise in heating oil values has been 10.25% over inflation).
- Income is based on 90% of the predicted energy use at the sites. Initial heat sales are valued at initial rates as set by contracts. Renewable Heat Incentive is payable on all heat supplied and corresponds to the current rate set by Government (8.3p/kWh for the first 1315 peak load hours a year, 2.1p/kWh thereafter). Note that the Renewable Heat Incentive is guaranteed at the entry rate plus RPI for the full 20 year period.
- Depreciation of equipment is straight-line over the 20 year period and creates a fund to pay back members' capital at the end of a 20 year period from the time at which they invest.
- Maintenance costs are set at 1.5% of capital costs (accounting for supplier's maintenance quote plus contingencies).
- Insurance costs are set at £1,000 per year per boiler.
- Administration costs of the co-operative itself are set at £2,500 per year per boiler. This is the standard 'small co-ops' package from Sharenergy, which covers maintenance of membership database, phone, email and postal support of members, preparation of AGM papers and annual return, FSA and other regulatory fees. WDCW will produce annual accounts and as a small business will apply the exemption from audit.
- An additional £2,500 per year per boiler is provided for on-going management of the co-operative's operation. This is an interim provision - as the co-operative expands its activities it will appoint part-time or full-time staff as required.
- Interest on cash in bank is set at 3%.
- All profits are allocated to depreciation charge or distributed to members so the projections do not predict a liability for Corporation Tax. Note that members are likely to be liable for Income Tax on their returns from investment.
- Normal monthly cash expenditure will be well covered by the heat sales and RHI income. The Projections anticipate that Woolhope Dome Community Woodfuel Co-operative will be cash positive each year from the commencement of operations.
- Projections are based on 20 year RHI period which corresponds to the design life of the Woodfuel scheme.

Risk factors

All investment and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment 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.

Renewable energy industry risks

- Government policy towards renewable energy may change. Throughout the operation of the RHI, and current and previous similar schemes such as Feed-in Tariffs, Renewable Obligation and Non Fossil Fuel, 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 RHI period (20 years). Therefore revenue from RHI for WDCW should not be affected by any future changes to the RHI. This payment is also index linked to RPI.
- Any changes to the RHI that occur before the end of the share issue, should they change the terms on which this Offer is made, could result in WDCW returning all funds in full received from prospective members at the end of the Share Offer Period.
- 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.
- Changes to global energy markets could lead to lower than expected returns from wood fuelled heating. The project seeks to mitigate this risk by pinning heat costs to oil prices and by establishing long term woodfuel supply contracts.
- Long-term changes to weather patterns could result in lower levels of woodfuel production. However, there is no evidence that WDCW is aware of that this is occurring.
- Operational costs may rise faster than anticipated during the life of the Project. In this case returns to members could be reduced.

Risks specific to Woolhope Dome Community Woodfuel Co-operative

- Equipment failure due to exceptional circumstances would increase maintenance costs and this would impact on co-operative income. However warranties and insurance will be in place in the event of mechanical breakdown of the equipment and will cover loss of income for associated periods of business interruption. Accidental and malicious damage will also be covered under insurance and public liability insurance is provided.
- In the event that the landowner needs to undertake essential works on site during the project term, WDCW will be responsible for all costs associated with the removal and reinstallation of the Installation and associated equipment and the Landowner will not indemnify WDCW for loss of income. Insurance may or may not cover the costs incurred by WDCW 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.
- WDCW has negotiated an Option with the landowner to lease the site for the full 20 year term of the Project, so that should the current landowner sell the site, the Installation can legally remain in place. This document is in the process of being signed. Should there be an unanticipated problem which prevents the legal agreement from being signed or if the project is no longer viable as a result of any unanticipated issues the installation will not go ahead and all monies will be returned to prospective members.
- Project revenues may vary if in the future the site is unoccupied or if the occupier has a different heat use profile from the current landlords, although the contract sets a minimum fair use level to protect project revenues.
- The exact costs of insurance and liability for business rates are still being clarified and estimates have been used. Higher costs in practice would reduce net income.



Management and Administration

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

The Board

The current board is a transitional board, for the purposes of setting up the Co-operative, running the share issue and instigating trading. Board elections from the new membership will be held at the first AGM expected to be held in July 2012 as per timetable on page 20. There are three founding Directors and three co-opted members.

Director: Chris Boivin

Chris Boivin is one of the instigators of the Woolhope Dome Community Woodfuel Project, and a founding member of Fownhope CRAG.

As a consultant clinical scientist at the Queen Elizabeth Hospital Birmingham, he has managed or participated in many large projects including the recent new hospital building. He has a background in computing and medical physics, and has been on the project steering group from the outset, becoming a director of the newly-formed Cooperative.



Director: Will Edwards

Will Edwards lives on his family farm with his wife Debbie and their three sons and 260 dairy cows in Herefordshire. Will worked in Australia and America and travelled in Asia as a young man which developed his independence of thought. In 1999 Will turned the home farm in Herefordshire organic in order to provide a safer environment to bring up children and to "save the soil."

In 2004, Will completed a Nuffield Farming Scholarship, studying the health, financial and environmental benefits of grassland systems in USA, Canada and France.

In his spare time, Will reads, mostly about environmental issues at the moment, as he is intrigued to know how we should rise to the various challenges before us. Will is convinced that, together with silviculture, one solution to these issues lies in the way we farm and the amazing capacity of grazed grass to build fertility and sequester carbon.



Director: Gareth Williams

Gareth has been a farmer all his life, born and bred at Caplor Farm. Gareth has a long and deep rooted concern for the environment and this has been recognised with several awards to both him and the Caplor business.

Evolved from a building business, Gareth founded Caplor Energy in 1998, a renewable energy installation business, which supplies and designs green energy systems for domestic, community and commercial clients. He is Chair of the local parish council and a founder member of the local CRAG.



Board Member: David Straker

David has experience in social work and as an organic market gardener - an amalgam of interest in how humans live and our part in the natural world. More recently his interests have focused on how we can take practical steps to face the challenge of climate change. David joined the Fownhope Carbon Reduction Action Group and became involved in the Project steering group.

David's belief is that every individual positive action contributes to the common good. The Cooperative neatly provides an opportunity for people to join the move away from an oil economy to a more sustainable future, while supporting the biodiversity of our woodlands.



Board Member: Martin Hales

Martin Hales lives in Fownhope, Herefordshire, and is a partner in Wildways, a local ecology and countryside management business. Having moved to Herefordshire in 1986, Martin established BTCV in the county, organising community based nature conservation projects. He has managed an Ancient Woodland Project for the Herefordshire Nature Trust, and worked in the commercial woodland sector tending existing woodlands and creating new plantations.

In 1994 Martin joined Holme Lacy College in the forestry department and was Course Manager for the HND/BSc Sustainable Woodland Management degree run in partnership with the University of Worcester. Leaving full time lecturing in 2008 for a post graduate course in Environmental Policy and Management, Martin continues to provide habitat management and protected species surveys in the county.



Management and Administration

Board Member: Tim Drakeford

Tim has been interested in and involved in the issues of sustainable living since the 1960s. Currently he is retired from his life as Director and owner of a small IT business, but maintains his sustainability interest via his 12.5 acre smallholding. He describes himself as a "butterfly and hedgerow bird rancher and voluntary peasant".

Company Secretary: Jon Hallé

Jon is a founder Director of Sharenergy and lives and works in Ludlow. A lifelong environmentalist and former CTO of an internet start up, he has worked setting up renewable energy co-operatives for the last 10 years, notably with Goldenfuels in Oxfordshire and Energy4All in the West Midlands. He is also Company Secretary of the recently formed Leominster Community Solar. Jon has been involved in WDCW from the beginning. He provides co-operatives expertise to the project.



Development staff

Professional services in developing the WDCW project have been provided by our development staff.

Jon Hallé: Sharenergy Director (see above)

Dr Glyn Edwards: Wood Heat Specialist

Glyn is an independent consultant specialising in biomass. He has over 30 years' experience in the biomass sector which includes project development, operational, commercial and consultancy roles. Between 1989-2000, he was employed by Shell Renewables working on a wide range of larger-scale forest biomass power projects located predominantly in South America and Africa.

More recent experience includes engineering consultancy with Black & Veatch Ltd (2008-2010), managing Rural Energy Trust, managing East Midlands Wood Fuels Ltd, providing technical and business advice under the highly successful Lincolnshire Green Heat programme. Glyn is heavily involved in the biomass fuel supply chain advising, sourcing and negotiating on behalf of both fuel users and suppliers.



Ben Dodd: Development Manager

Ben has worked in the energy efficiency and renewable energy industry for 20 years. At Environ he developed a national network of Solar Clubs, redeveloped the environmental showhome the EcoHouse and initiated Braunstone Solar Streets - an award winning project using PV technology to tackle fuel poverty. Joining Groundwork in 2006, Ben pioneered the Green Doctor and EMAS in Schools projects developing them into national programmes. He formed his own environmental consultancy in 2010, and continues his passion for involving communities in renewable energy initiatives. Ben has been responsible for the project management, publicity, liaison with heat clients and securing funding from the Department of Energy and Climate Change.

Ben is also a member of Westmill Wind Farm Cooperative, Fenland Green Power Cooperative and Sustainable Hockerton Limited.



Rights and responsibilities of the Board

The three directors have a nominal £1 share each. The Directors intend to take up shares from this share offer to the value of £4,200. There are no stock options.

Disclosure

None of the directors of Woolhope Dome Community Woodfuel Co-operative 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 Interests

Chris Boivin is a former resident of Canon Frome Court. The directors are not aware of any other potential conflicts of interest.

Rights and responsibilities of the Board

Remuneration

No remuneration has been paid by the Woolhope Dome Community Woodfuel Co-operative to the Directors, Secretary or Advisors. When the Installation is generating heat each Director will be entitled to claim fees and/or expenses not exceeding £50 per year 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 Woolhope Dome Community Woodfuel Co-operative.

Board Practices

Directors serve in accordance with the Rules. There are no service contracts for them or the Secretary, 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 Woolhope Dome Community Woodfuel Co-operative complies with statutory requirements and the regulation of the Financial Services Authority. As the Shares will not be listed, Woolhope Dome Community Woodfuel Co-operative is not obliged to comply with The Combined Code on Corporate Governance.

Woolhope Dome Community Woodfuel Co-operative strives to promote Co-operative Values and Principles:

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

Accounts

Woolhope Dome Woodfuel Co-operative was incorporated on 24th August 2011. Its financial year-end is 31st December. At the time of this share offer, the co-operative's net assets are £4000.

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 Woolhope Dome Community Woodfuel Co-operative and none are pending or threatened which could have a significant effect on the financial position or profitability of WDCW.

Rules of the Co-operative

Industrial and Provident Societies, such as Woolhope Dome Community Woodfuel Co-operative, are governed by Rules approved by the Financial Services Authority (not by Memorandum and Articles of Association). A copy of the Rules is available from WDCW (see contact details on back page of this Offer).

Further information

Other documents mentioned in this Offer are available from the WDCW (see contact details on back page of this Offer).

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.

Share Offer

Reasons for the Offer and use of proceeds

This Offer is being made so that:

- Woolhope Dome Community Woodfuel Co-operative 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.
- A woodchip boiler can be purchased and installed at Canon Frome Court
- Members may benefit from Woolhope Dome Woodfuel Co-operatives activities
- Members may be as far as possible drawn from the local community

Offer Shares

£324,305 (Three hundred and twenty-four thousand, three hundred and five) ordinary Shares of £1 are offered at par and are 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 Sharenergy, on behalf of WDCW, at 22 Corve Street, Ludlow, SY8 1DA or any successor business address. Each person or organisation issued with Shares becomes a Member of WDCW, 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 project (subject to available surplus assets and any new business of WDCW)
- As a Member, eligibility for election to the Board

Interest payment/dividend rights

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 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 on all 10,000 shares. When the Installation or Installations come to the end of their life Members may choose to liquidate WDCW, in which case assets will be realised and the net proceeds applied in repaying Members' share capital. Any surplus will be paid to Members pro-rata in accordance with the number of Shares then in issue.

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 investors will be responsible for declaring this income on their tax returns.

Provisions on death of a Member

In accordance with WDCW 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.

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 (save for other Industrial and Provident Societies) is 20,000.

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 Woolhope Dome Community Woodfuel Co-operative 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 statutory limit of 20,000 Shares.

The Offer timetable

The Offer will remain open for a period of 10 weeks from 4 May 2012. The Board expects the following timetable to apply, although if the Offer Period is extended, other timings will extend correspondingly.

2012		
	13 July	Offer Period ends (unless extended)
	20 July	Offer results published
		Monies returned on unsuccessful or scaled-down applications, or if the Offer is unsuccessful
	27 July	Share certificates posted
		Ordering of equipment commences
	July	First Annual General Meeting. Board Elections
	Summer-Autumn	Installation and commissioning of Woodheat boiler
2013		
	July	Annual General Meeting

The Directors reserve the right to extend the Offer Period at their discretion (although the current intention is that the Offer Period will not be extended for more than 12 weeks).

Consequences if the Offer is unsuccessful

If a sum less than the Offer total is raised, application monies will be returned to Applicants as soon as is practical. None of Woolhope Dome Community Woodfuel Co-operative, its Directors or advisors will be responsible for loss suffered by Applicants through loss of interest, bank charges or any other cause 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 (unless an Industrial and Provident Society) making multiple applications for a total of more than 20,000 Shares
- Is not relying on any information or representation in relation to the Offer Shares, Woolhope Dome Community Woodfuel Co-operative, or the Woodheat Installation which is not included in this Offer Document
- Shall provide all additional information and documentation requested by Woolhope Dome Community Woodfuel Co-operative 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.

Terms and Conditions

Procedures on receipt by Woolhope Dome Woodfuel Community Co-operative 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.
- WDCW 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.woolhopewoodheat.org.uk and by press release within one month after the Offer has been closed.
- In the case of over-subscription, 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 be given to Applications from those living closest to Hereford Old Bridge by postcode (a point chosen as a symbolic centre of the county)
- Share certificates will be issued to successful Applicants two months 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 WDCW intends paying interest on Members' shares each year from 2013 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.

Offer Costs

Offer costs will be met by Shareenergy and will be repayable by the Co-operative on completion of a fully subscribed share issue, for the purpose of reinvesting in similar projects. This is included in the share capital being raised.

Governing Law

This Offer is one of a series throughout the UK being managed by the English co-operative Shareenergy and so to minimise costs this Offer Document and the Terms and Conditions of the Offer are subject to English law.



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.

Board The Board of Directors of Woolhope Dome Community Woodfuel Co-operative.

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 Woolhope Dome Community Woodfuel Co-operative.

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.

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.

Offer The Offer of Shares in Woolhope Dome Community Woodfuel Co-operative contained in this Offer Document.

Offer Costs The expenses incurred by or on behalf of Woolhope Dome Community Woodfuel Co-operative 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 Woolhope Dome Community Woodfuel Co-operative, offered at par on the Terms and Conditions and payable in full on application.

Project The proposed business activities of Woolhope Dome Community Woodfuel Co-operative.

Projections The financial projections for Woolhope Dome Community Woodfuel Co-operative set out in this document.

RHI (Renewable Heat Incentive) Incentive for renewable heat generation introduced by HM Government in November 2011.

Rules The Rules of Woolhope Dome Community Woodfuel Co-operative, available on demand by using the contact details set out on the back of this Offer document.

Shareenergy Shareenergy Co-operative Limited. An Industrial and Provident Society (registered no. 31237R) Registered at 22 Corve St, Ludlow, Shropshire SY8 1DA.

Site the location of the proposed Woodheat Installation.

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

The Woodheat Installation in this Offer Document refers to the Woodchip Boiler, civil works and ancillary equipment of the Project.

Woolhope Dome Community Woodfuel Co-operative Woolhope Dome Community Woodfuel Co-operative Ltd. Principal Office: White House, How Caple, Hereford, HR1 4SR (Registered Industrial and Provident Society number 31371R).

Woolhope Dome Community Woodfuel Co-operative Shares Ordinary shares of £1 in Woolhope Dome Community Woodfuel Co-operative.

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 Woolhope Dome Community Woodfuel Co-operative 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 Woolhope Dome Community Woodfuel Co-operative.
- The Rules of Woolhope Dome Community Woodfuel Co-operative because in buying Offer Shares you will become a Member of WDCW 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. The maximum is 20,000 (unless the body applying for membership is an Industrial and Provident Society). 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.

In accordance with our Rules, 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 £20,000 includes any shares purchased as a nominee for a child. Shares issued in these circumstances could be transferred to a child when he or she becomes 16 and the Board will endeavour to assist with that intention when confirmed at a later date. If you do wish to take the shares as a nominee or trustee of a child, please indicate that intention as shown 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 over-subscribed 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 to those living closest to Hereford Old Bridge [chosen as a nominal centre of the County].

Declaration

In signing the Application Form, as an individual, you are personally making an irrevocable offer to enter into a contract with Woolhope Dome Community Woodfuel Co-operative. 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 investors.

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.

Application form

Woolhope Dome Community Woodfuel Co-operative Ltd Share Issue, 2012

Important: before completing this Application Form you must:

- Read the accompanying Share Offer Document
- Pay special attention to the Risk Factors set out in this Offer Document
- Consider where you need to take financial advice or other advice in relation to the Terms and Conditions of the Offer contained in the Offer Document
- Read the Rules of Woolhope Dome Community Woodfuel Co-operative available on the project website at www.woolhopewoodheat.org.uk or from the Co-operative (contact details on back of this Offer)

PLEASE USE CAPITALS AND BLACK INK AND COMPLETE BOTH PAGES OF THE APPLICATION FORM

Amount to invest

I wish/my organisation wishes to invest a total amount of in Woolhope Dome Community Woodfuel Co-operative on the Terms and Conditions of the Offer Document at the price of £1.00 per Share. (You may invest not less than £250 and *(except for Industrial and Provident Societies)* not more than £20,000).

Enterprise Investment Scheme

If investing £500 or more please tick if you intend to claim EIS tax relief

Individual Applicant details

Title (Mr/Mrs/Ms/other):
 Forenames: Surname:
 Address:
Post code:
 Day-time Telephone: Date of birth:
Please provide your email address if possible to keep costs of administrating the Co-operative to a minimum.
 Email:

If Applicant is nominee for a child (noting any tax implications)

Child's name: Child's date of birth:
 Child's address (if different from above):
Post code:

If the Application is an organisation

Organisation name:
 Organisation address:

 Type of organisation:Reg number:
 Name of authorised signatory signing this application:
 Position of authorised signatory:



Declaration

I confirm my understanding that:

- This Application may be withdrawn if a supplementary Offer Document is issued, but not otherwise and if and when accepted by Woolhope Dome Community Woodfuel Co-operative forms a contract subject to English law on the Terms and Conditions of the Offer Document.
- An Applicant who/which is not UK resident is responsible for ensuring that this Application complies with any laws or regulations applicable outside the UK to which he/she/it is subject.
- If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole.
- If insufficient funds are raised by the Offer, Application Monies will be returned.

I confirm that:

- I have read the Offer Document (including the Risk Factors and the Guidance Notes to this Application Form) and the Rules of WDCW.
- I am over 16 and the Applicant meets the Offer eligibility criteria.
- Woolhope Dome Community Woodfuel Co-operative is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application.
- The Applicant is not (unless an Industrial and Provident Society) making an application or multiple applications for a total of more than 20,000 Shares.
- The Applicant is not relying on any information or representation in relation to the Offer Shares of Woolhope Dome Community Woodfuel Co-operative which is not included in the Offer Document.
- The Applicant shall provide all additional information and documentation requested by Woolhope Dome Community Woodfuel Co-operative in connection with this Application, including in connection with money laundering, taxation or other regulations.
- If signing this Application on behalf of any person/organisation I am doing so with explicit authority.

I understand that the cheque supporting this application will be presented for payment upon receipt and I warrant that it will be paid on first presentation.

Signature (Applicant/on behalf of Applicant organisation as applicable):

Date:

Payment

Please attach a single cheque or banker's draft for the amount shown above, payable to Woolhope Dome Community Woodfuel Co-operative Limited and crossed A/c Payee. Send your completed Application Form and payment to:

**Woolhope Dome Community Woodfuel Co-operative Limited, c/o Shareenergy,
22 Corve Street, Ludlow, Shropshire, SY8 1DA.**

We would be grateful if you would inform us how you first heard of this Share Offer:

This application form can be photocopied and additional application forms are available. For all enquiries use the contact details on the back of this Offer document.

Thank you for considering investing in and joining Woolhope Dome Community Woodfuel Co-operative.





Woolhope Dome Community Woodfuel Co-operative Limited is an Industrial and Provident Society registered with the UK Financial Services Authority No. 31371R on 24th August 2011. WDCW registered office: White House, How Caple, Hereford HR1 4SR

For all enquiries relating to this share offer please call

Jon Hallé at Sharenergy on  New tel 01743 277119

or email

admin@woolhopewoodheat.org.uk

For news and a DVD about the project please see our website at

www.woolhopewoodheat.org.uk

Printed with vegetable inks on recycled paper (100% post consumer waste)

WOOLHOPE
WOODHEAT

GREEN HEAT FROM
OUR LOCAL WOODLANDS

Woolhope Dome Community Woodfuel Co-operative
Share Offer Document March 2012.