



**Ecodynamic Community
Benefit Society Limited**

Croft West Wind Turbine Share Offer Prospectus



Opens 25th January - closes 30th April 2013

‘Ecodynamic will enable the biodynamic, organic, low-carbon community to generate renewable energy, and to reinvest profits in grassroots projects and land access.

This investment will provide environmental and social benefits with government backed, fair financial returns for member investors while significantly contributing to a co-operative social economy’

Robin Evans, Chair, Ecodynamic

Ecodynamic is the trading name of Ecodynamic Community Benefit Society Limited. Ecodynamic Community Benefit Society Limited is registered with the Financial Services Authority in England and Wales under the Industrial and Provident Society Act 1965, Registered number: 31937R

Ecodynamic Community Benefit Society Limited Community Share Offer

You are invited to become a founding shareholder in Ecodynamic, a community-owned enterprise, generating low carbon electricity for the benefit of the biodynamic, organic and sustainable energy supporting community.

This offer aims:

- To fund the purchase, construction and operation of a 55kW Endurance wind turbine and associated lease, feed-in tariff and supply contracts at the Croft West site, Nr Redruth, Cornwall
- To benefit the community through re-investment of surplus income to support further community initiatives, for example by supporting a biodynamic project in Cornwall
- To aid the environment and wider UK community through the generation of low carbon electricity, projected at 175MWh per annum, leading to annual CO2 savings of 75 tonnes
- To raise up to £350,000 from members in the biodynamic, organic, low-carbon community
- To pay members of the society a projected 5% per annum, within four years, 3% in years one to three, and to repay, in full, members share capital over the 20 year life of the project
- Ecodynamic has received advance assurance from HRMC under the Enterprise Investment Scheme (EIS), which will allow taxpaying investors 30% income tax relief in the first year where that investment is held for three years

If the minimum amount of £250,000 is raised from this offer, the Biodynamic Land Trust has committed up to £100,000 of capital to ensure the project acquisition is successful.

Share offer open:	25th January to 30th April 2013
Amount sought:	£350,000
Minimum investment:	£500
Maximum investment:	£20,000
Projected interest:	5%

Ecodynamic is the trading name of Ecodynamic Community Benefit Society Limited. The information contained in this Share Offer has been prepared under the supervision of the directors of Ecodynamic Community Benefit Society Limited, who take responsibility for its contents. To the best of their knowledge, all information is accurate. The Ecodynamic Community Benefit Society withdrawable, non-transferrable share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. A community benefit society is registered with but not authorised by the Financial Services Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. An investment in the shares offered in this Share Offer carries risks and you may lose the whole value of your investment. Please consider it carefully in the context of this complete share offer document and related information and, if needed, seek independent advice.



Contents

Chairman’s Letter.....	4
The Share Offer.....	5
Minimum and maximum subscription.....	5
Minimum level of applications	5
Allotment	5
Nature of shares	6
Democratic Voting rights.....	6
Right of cancellation	6
Offer limitations	6
How to invest.....	6
Offer timetable.....	6
The Project.....	7
Background	7
Site location	7
Development Schedule.....	8
Key Parties.....	8
Capture Energy.....	8
Local Energy Generation.....	8
Western Power Distribution	8
The Wind Turbine	8
The Wind Resource	9
Generation Model	9
Equipment life and warranties.....	9
Project Decommissioning.....	10
Material Documents.....	10
Our Team.....	11
Our Vision	12
Community Benefit.....	12
Indicative Returns	13
Project Financials.....	14
Operational Profit.....	14
Distribution of income.....	15
Working capital	15
Feed in Tariff	15
Risk Factors	15
Enterprise Investment Scheme and HMRC approval.....	17
Further information	17
Application Form for individuals and organisations	18

Chairman's Letter

Dear Friends,

Faced by the daunting challenges of the current environmental, financial and social crisis, many people are asking, *'How can I invest ethically and sustainably? How can I invest directly into projects that I support-rather than hand my money over to another anonymous organisation? How can I get a fair return for my savings when banks pay such low interest?'*

These challenges, combined with the genuine concern that 'the lights may go out', led the directors of Ecodynamic to look for co-operative energy solutions that will help build a sustainable, social economy one project at a time.

Ecodynamic has been established to give investors the opportunity to engage in low-carbon energy generation projects on a human scale. Having some of our savings invested in a community project, backed by a government supported sustainable energy initiative, while also having any surplus income re-invested into other community projects seems to us a potent combination.

Our founding team has in depth experience of small business management, renewable energy, banking and administration and is guided by the seven founding principles of the co-operative movement: voluntary membership, democracy, economic inclusion, independence, education, cooperation and concern for community.

Ecodynamic is seeking to raise a maximum of £350,000 through our inaugural share offer to finance a wind turbine project in Cornwall. If joining our community of concerned, proactive investors appeals to you, then please take the time to read this share offer document.

Yours Faithfully,

Robin Evans, Chair





The Share Offer

Ecodynamic is offering the opportunity for UK citizens and organisations to invest in a wind turbine project, with full planning permission, grid connection, associated lease and supply contracts agreed. The project is a 55kW Endurance Wind Turbine located at Croft West, Redruth Cornwall.

This is an invitation to subscribe for withdrawable shares in Ecodynamic CBS Limited (Ecodynamic). The society aims to raise a maximum of £350,000 to purchase and operate the 55kW wind turbine, located at Croft West near Truro, Cornwall, South West England. This will create a valuable community asset which will generate low carbon electricity and aim to provide funding for other community projects. The Croft West wind turbine is forecasted to generate 175 MWh of electricity and save circa. 75 tonnes of carbon dioxide per annum.

The Directors have been assured that qualifying, income tax paying members will have the opportunity to benefit from income tax relief under Enterprise Investment Scheme (EIS) rules. Members will be required to invest for a minimum period of three years if they intend to claim EIS relief.

The Society will take a low-risk approach to investment. This should enable the Society to preserve net asset value and pay a fair rate of interest on shares once all the funds required are invested in the project. Croft West turbine is intended to be operating by April 2013. A short lead time to generation and revenue phases will ensure an efficient use of investor-members capital.

Minimum and maximum subscription

Shares are offered at £1.00 each, with a minimum investment of £500 and a maximum of £20,000 per applicant. Applications in excess of the minimum amount may be made for any higher amount in multiples of £500, subject to availability. The maximum amount per applicant is £20,000, for an individual or company to invest in the withdrawable shares of a single Industrial and Provident Society. A husband and wife can each invest up to £20,000. The Society reserves the right to make a further offer in transferable shares, if the Offer is not fully subscribed and there are investors who wish to invest more than £20,000.

Minimum level of applications

The Society is aiming to raise maximum capital of £350,000 with this Offer. The shares will be payable in full by cheque on application, or via bank transfer, by following the application process shown at the end of this document.

The minimum capital required is £250,000 in order to proceed with the project acquisition. The maximum capital to be raised under this Offer is £350,000. If the capital raised is over the minimum requirement, the Biodynamic Land Trust (BDLT) has agreed to fund or will arrange financing to meet any capital shortfall to reach the £350,000 required, through a combination of share and loan capital. **If applicants are received in excess of the maximum subscription under the Offer, the Directors reserve the right to use their absolute discretion in the allocation of successful applications, giving priority to earliest Applicants.**

The Offer will not proceed unless valid subscriptions amounting to more than £250,000 are received by 17.00hrs on 30th April 2013 or such later date as the Directors may decide. If this minimum level of applications is not reached, application monies which have been received will be returned in full, but without interest, by cheque sent by post at the applicant's risk to the address stated on the applicant's application form, or by bank transfer to the account supplied.

Allotment

If applications are received in excess of the maximum subscription under the Offer, the Directors reserve the right to use their absolute discretion in the allocation of successful

applications, giving priority to the earliest Applicants. Applicants are encouraged to submit their application forms early to be confident that their applications will be successful.

The subscription list for the Offer will open on 25th January 2013 and may close at any time thereafter but in any event not later than 5pm on 30th April 2013. The Directors may extend the closing date at their discretion.

Nature of shares

The investment, in principle, is for 20 years and is for a minimum of three years in order to qualify for EIS relief. The society expects to build capital, which can be used to redeem a proportion of Shares every year, starting in year 7, up to a maximum of 100% of share capital over the life of the project.

The Shares in the Society under this Offer are not transferable, and the value of any shares cannot increase beyond their nominal £1 value and may be reduced if liabilities exceed assets.

Shares cannot be sold. Shares may be withdrawn by giving 3 months notice of withdrawal to the Society. Save with the consent of the Board, this cannot take effect until 3 years have elapsed from the date the Society begins trading or the date on which the Shares are issued, if later. Withdrawal will be at the discretion of the directors who will judge if the Society is trading profitably and has adequate cash reserves to fund withdrawal.

Democratic Voting rights

Each member of the Society will have one vote regardless of the size and value of their shareholding.

Right of cancellation

You have the right to cancel your application within 15 days, starting with the date of our email or letter of acknowledgement and acceptance. To cancel the application, you must give notice of your wish to cancel to: The Directors, Ecodynamic Ltd, Painswick Inn, Gloucester Street, Stroud, Gloucestershire GL5 1QG, or email contact: farimah.inglefield@ecodynamic.org.uk Your right to cancel will lapse if you do not give notice within this period.

Offer limitations

This document is only addressed to and directed at persons in the United Kingdom (relevant persons). Any person who is not a relevant person should not act or rely on this document or any of its contents.

How to invest

An application form, with details of how to invest, is attached at the end of this share offer document.

Offer timetable

Date	Event
25 January 2013	Offer period opens: Launch at Stroud Brewery
27 April 2013	Launch at Tablehurst Farm, Presentation of the Project and the Share Offer.
30 April 2013	Offer period ends (unless extended further)
4 May 2013	Monies returned on unsuccessful or scaled-down applications, or if the Share Offer does not raise the minimum capital required.
20 May 2013	Share certificates posted within 20 days of offer closing
01 August 2013	Formal application for EIS tax relief made (following trading for at least three months)
01 March 2014	End of financial year for Ecodynamic Limited
31 March 2014	Financial accounts prepared
01 July 2014	AGM – share interest payment to follow
Each year thereafter: 31 March	Financial accounts prepared
July 2014 and then every year	AGM – share interest payment to follow



The Project

The project is a 55kW Endurance E3120 Wind Turbine, projected to generate approx. 175MWh of low carbon electricity per annum, equivalent supply to 53 households¹ per year.

Background

Ecodynamic is proposing to purchase one of a pair of Endurance E3120 55kW wind turbines. The project was procured by Local Energy Generation (LEG) Ltd – a renewable energy development company. The design and construction has been contracted to Capture Energy Ltd. Capture Energy, founded in 2006, is a renewable energy contractor, specializing in the project development and installation of wind turbine, biomass and solar projects. Since 2007 Capture Energy has been involved with developing over 4MW of renewable energy capacity including 16 Endurance E3120 wind turbines.

Full planning consent was achieved on 7/09/2012 by LEG which has maintained ownership of one turbine, whilst Croft West Energy Ltd, a wholly owned subsidiary of the BDLT, has secured the second turbine on behalf of Ecodynamic to enable community participation in this venture.

The 'Croft West' wind project summary:

- A 25 year lease has been signed with the land owner
- Full planning permission received 7/09/2012
- A full grid connection agreement with Western Power Distribution
- Full turbine commissioning due: April 2013
- FiT OFGEM pre-registration number
- The Endurance turbines and associated equipment is in UK storage and ready to be installed

Site location

The site is located near Redruth, North West of Truro, Cornwall in South West England. The sites projected Annual Mean Wind Speed (AMWS) calculated from NOABL² and DECC³ predicted wind speed is 6.3m/s at 25m above ground level (a.g.l).



1 Based on 3300kWh per year - OFGEM - Typical Household Energy Consumption;
<http://www.ofgem.gov.uk/Media/FactSheets/Documents1/domestic%20energy%20consump%20fig%20FS.pdf>

2 Numerical Objective Analysis of Boundary Layer – Wind Speed Database

3 Department of Energy and Climate Change - Wind Speed Database
http://www.decc.gov.uk/en/content/cms/meeting_energy/wind/onshore/deploy_data/windsp_databas/windsp_databas.aspx

Development Schedule

The expected schedule for project development is as follows:

Development Task	Duration
Site Access Preparatory Work	1 - 2 days
Ground Works	5 - 8 days
Cable Trenching	3 - 5 days
Connection Upgrade	1 - 2 weeks
Turbine Erection	3 - 6 days
Final Commissioning and Testing	1 - 2 days

The Ground works are expected to start in April.

Key Parties

Capture Energy



Capture Energy is the principle contractor responsible for the site design, project build and annual operation and maintenance of the turbines – for an initial contract period of 5 years. Capture

Energy is an independent renewable energy specialist installer, supplier and project designer covering wind, solar PV, biomass and heat pump technologies. They have worked closely with the Ecodynamic management team to ensure that Ecodynamic's foundation project is a success. Capture Energy are responsible for the construction and reliable operation of the Croft West turbine.

Local Energy Generation

Local Energy Generation (LEG) is a project developer and procurement company focussing on small to medium wind projects, with a current focus on developments in the South West of England and Wales. LEG was responsible for negotiating land lease contracts and achieving all required permissions for the site development. LEG will retain joint ownership of the second Endurance turbine at the Croft West site with a UK authorised Endurance importer.

Western Power Distribution



Western Power Distribution (WPD) is the electricity distribution network operator for the Midlands, South Wales and the South West. They deliver electricity to over 7.7 million customers over a 55,300 sq kms service area. Their network consists of

216,000 kms of overhead lines and underground cables, and 184,000 substations. WPD are responsible for connecting and commissioning Croft West to the electricity network and ensuring a reliable power network for the area.

The Wind Turbine

The wind turbine is a 55kW Endurance E3120, this turbine model has been deployed in over 300 installations across the UK and across the Endurance fleet has over 2 million operational hours.

Project summary:

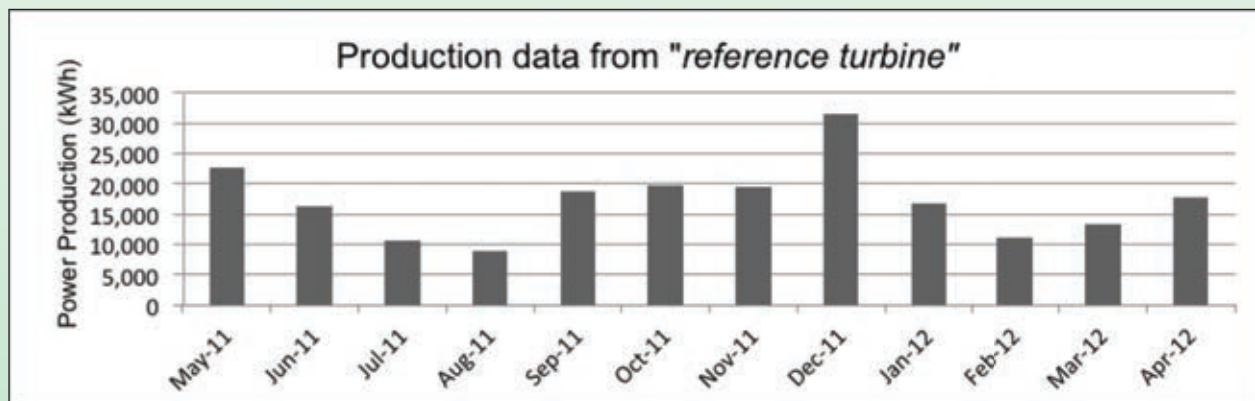
- Hub height: 24m
- Rotor diameter: 19.2m
- Annual downtime correction factor: 5.0%⁴
- Projected generation: 175,237 kWh

⁴ Capture Energy's conservative downtime correction factor

The Wind Resource

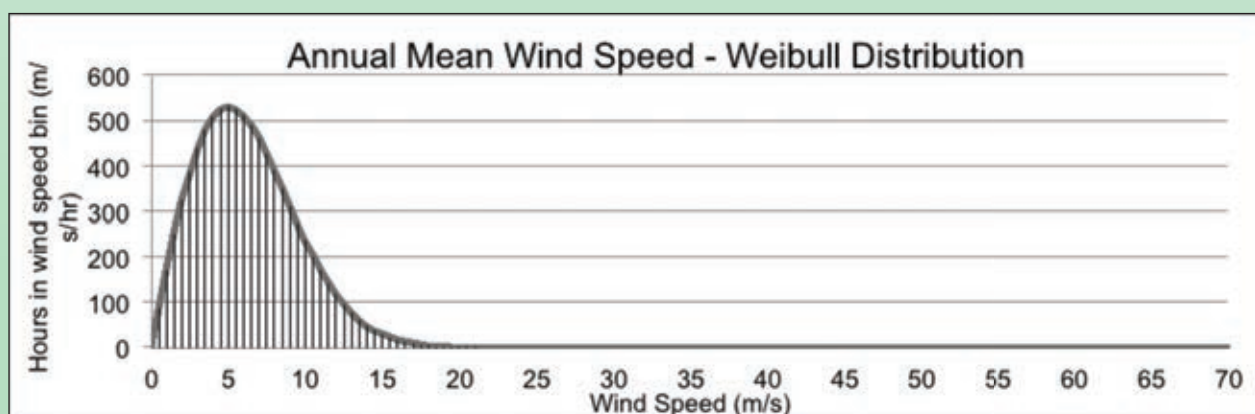
The project revenues are dependent on the annual wind speed of the site location, hence the amount of electricity which is generated and exported to the grid. It is therefore important for prospective investors to understand the underlying wind regime of the site area.

Production data from an Endurance E3120 turbine, located approximately 3km away from the Croft West site, has been analysed. The data is commercially confidential, so will be identified as "reference turbine". The data is from April 2011 to April 2012. The data shows that the reference turbine produced 215,078 kWh over the year period. This level of production correlates to an indicative wind speed of 6.9m/s at hub height. The Croft West site elevation, topography and local surface conditions have been assessed. Subsequently, the projected generation at the Croft West site is 18.5% less than the reference site's historical production level. Due to the close proximity and identical wind turbine, the directors feel this data provides a level of confidence in projecting the annual generation figures for the Croft West turbine, forecasted at 175,237kWh per annum.



Generation Model

A Weibull distribution model has been used to calculate the projected annual wind speed distribution over the course of an annual period. The Weibull distribution, is used in conjunction with the wind turbine power curve to forecast the annual power production. The Weibull distribution graph is shown below.



Equipment life and warranties

The Directors have confirmation that primary equipment on the Project has all been specified to suit the anticipated 20-year project life. Turbine components may need partial or full replacement during this period, and an allowance has been made for this in the financial projections, as the maintenance fund.

Warranties for all components making up the Project have been provided by each of the equipment suppliers. These are in favour of Ecodynamic and provide protection against manufacturing defects. The main warranties are:

- Turbine manufacturers – 5 years
- Construction workmanship – 2 years

In addition to the principal warranties, the Society will put in place insurance covering damage from weather incidents, such as lightning, and business interruption that might arise. Insurance will also cover lost earnings through down-time, triggered after five days.

There can be no guarantee however that these provisions provide complete protection against all potential risks.

Project Decommissioning

The Society has liabilities for decommissioning the equipment after the 20-year equipment life span expires. The scrap value for the turbine is projected to exceed the decommissioning costs.

Material Documents

The following documents are considered material to this Offer and can be made available, in person, on request at our registered office:

- Society Registered Rules*
- Summary Business Plan*
- Risk Assessment*
- Project Operational Insurance
- Land Lease Agreement
- Equipment Warranty
- Western Power Distribution Connection Offer
- Planning Permission
- Power Purchase Agreement
- FiT Pre Registration

*available to view on website





Our Team

The Ecodynamic management team are motivated to build and support community benefit projects. The team has significant experience covering community project development, co-ops, business development, renewable energy, investment banking and business accountancy. The founding directors are:

Robin Evans is a financial risk manager for an international investment bank. Prior to this he managed a wide range of portfolios across multiple asset classes for German, Swiss and US financial institutions. Robin studied Biodynamic Agriculture at Emerson College in 2008. He is a director of the Biodynamic Land Trust and the Treasurer of Tablehurst and Plaw Hatch Community Farm Cooperative. Robin lives on a farm in East Sussex where he and his partner have established the International Foundation for Equine Assisted Learning.

Martin Large is a director of Stroud Common Wealth Ltd, founded in 1999 to develop co-operatives, small businesses and community land trusts. He provided technical assistance to the Fordhall Farm community buyout in 2005-6, helped set up Gloucestershire Land for People CLT, and was the chair of the CLT National Demonstration Project 2007-9. Martin is also a Director/founder of Stroud Woodlands Co-op, a director of Stockwood Community Benefit Society Ltd and a founding director of the Biodynamic Land Trust. Martin is a founder publisher/director of Hawthorn Press Ltd, and is a visiting lecturer at the University of Kent.

James Mansfield holds a first class, M.Eng Renewable Energy from Exeter University. He founded the Green Exchange Network (GEN) in 2010 to focus on alternative financing models for low carbon community energy projects. He has conducted commercial research and feasibility studies for clean power generation across the UK and worked on utility wind farm operations. James is a Co-founder and director of Gen Community, a low carbon, social impact Community Benefit Society.

Farimah Englefield, Ecodynamic Society Secretary, is AAT qualified and has a BSc Mathematics. She is financial administrator for Hawthorn Press and Hon. Treasurer for Minchinhampton Charitable Trust.

Accountant:

Denise Pickering, PCA, 10 Oxford Street, Malmesbury Gloucestershire



Our Vision

Ecodynamic Community Benefit Society's vision is one of cooperative, profitable investment for renewable energy generation and the re-investment of any surplus into community projects. Through the principle of one-member-one-vote we have established a cooperative venture to attract responsible, ethical investors looking for real financial and environmental returns on a human scale.

Ecodynamic will enable the biodynamic, organic, low-carbon community to generate renewable energy, and to reinvest any surplus in grassroots energy, land access and food projects. Ecodynamic will manage a portfolio of renewable energy projects, help build a co-operative social economy and pioneer an innovative model of how communities can invest in themselves for long-term environmental and social benefits.

Community Benefit

Ecodynamic will reinvest surplus profits back into biodynamic, organic and sustainable community initiatives. The society will empower our communities to promote and develop sustainable, viable practices within the core themes of:

- Energy
- Food
- Water
- Land access

In addition, through the acquisition and operation of renewable energy assets, Ecodynamic will create long term, skilled, low carbon employment. The society will work with and donate a proportion of surpluses to biodynamic and organic initiatives in a close proximity to the society's assets, as well as supporting wider national schemes.

The society is committed to engaging, building awareness and educating the local and wider community about sustainable practices within our core themes.

Cornwall Connections

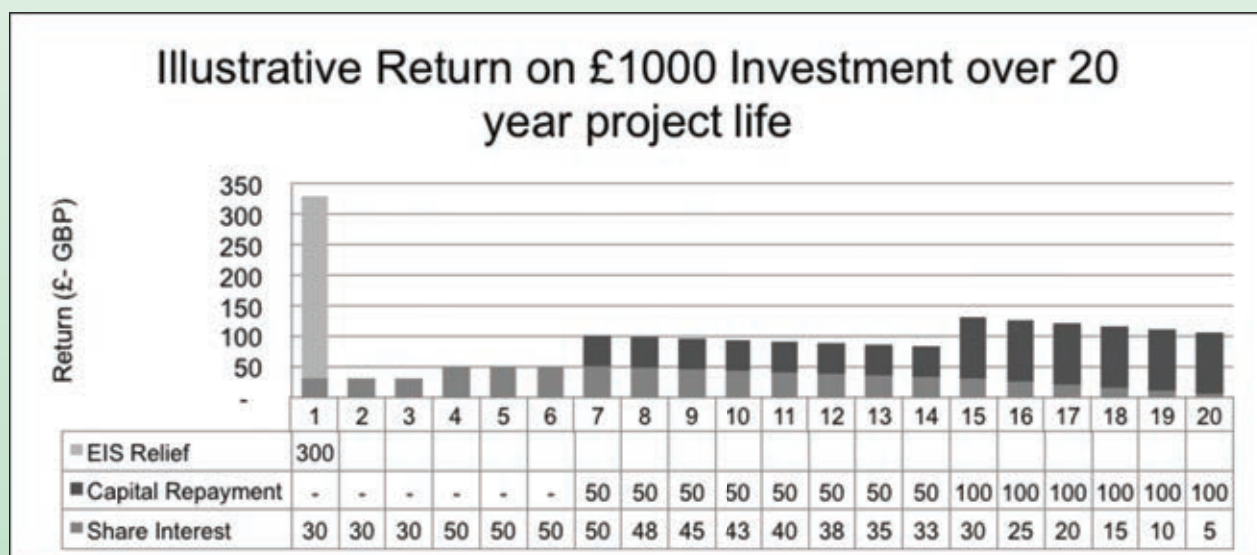
Our first project, Croft West wind turbine, is located in Cornwall, so Ecodynamic particularly welcomes Cornish investors from the local Redruth and Truro community. We have also been contacted by a Cornish biodynamic community project, and look forward to supporting this as a way of helping develop the local social economy.



Indicative Returns

Purchasing Shares in Ecodynamic entitles members to receive interest on capital invested where there are sufficient funds available. In addition to paying interest, the Society intends to buy back members withdrawable share capital over the life of the project, currently projected at up to 100% of the total capital invested as this is considered an efficient use of the society's funds.

- Interest paid on Shares held by the society is projected to rise to 5% per annum by year four, starting at 3% per annum in years one to three.
- The actual rate will be determined each year and voted on by members at the AGM
- The projected internal rate of return with Enterprise Investment Scheme Tax Relief is 7.7%
- The graph below represents an illustration of interest and capital repayments over the project life, with no RPI link



By investing, you become a member of the Society. Each member has one vote. That way you can be actively involved in the Society and in particular help to determine the way in which any surpluses are used.

Shareholders have no entitlement to receive a share in any surplus of the Society's assets on dissolution following the repayment to members of the value attributable to their Shares. If the Society were to be wound up, the recipient of any excess assets, after withdrawable share capital has been repaid, is the Biodynamic Land Trust.

Investments in shares of a community benefit society are not like deposits at a bank. Neither the Financial Services Compensation Scheme, which applies to bank accounts, nor the Financial Ombudsman Service apply, nor is the Society subject to prudential supervision by the Financial Services Authority.

Project Financials

The financial statements in this Offer Document are based on financial modeling incorporating best estimates of a range of variable, changeable and uncertain factors, having due regard to historic evidence and the experience gained by the Board including electricity prices, local wind regime, operational costs, the reliability of the equipment installed and replacement and repair costs. Revenue figures are expected to alter as Feed in Tariff and Export Rate payments change with Indexation. Indexation has been projected at 3% per annum over life of the project. The project will export 100% of its generation. Summary of first year revenue:

Estimated Generation	184,000kWh/annum	
	“Forecasted Downtime” Scenario	“Low Downtime” Scenario
Annual downtime allowance	5%	2%
Typical estimated generation (Modelled after downtime)	175,237kWh/annum	180,771kWh/annum
FiT Rate (post 01.12.2012)	21p/kWh	
Export Rate (post 01.12.2012)	5p/kWh (4.5p/kWh export, 0.5p/kWh LEC)	
First Year projected turbine revenue index linked (post 01.12.2012)	£45,562	£47,001

Operational Profit

Operational profit has been forecasted with revenue and operational expenditure increasing in line with RPI forecasts, projected at 3% per annum.

Year end	2014	2015	2016	2017
Revenue				
Generation	36,800	37,904	39,041	40,212
Export	8,762	9,025	9,295	9,574
Total Revenue	45,562	46,929	48,336	49,787
Operating costs				
Land rental	5,000	5,150	5,305	5,464
Annual maintenance	2,500	2,575	2,652	2,732
Insurance	1,150	1,185	1,220	1,257
Maintenance fund contribution	2,000	2,060	2,122	2,185
Turbine energy consumption	250	258	265	273
Export Meter	400	412	424	437
Management & Administration	7,010	7,220	7,437	7,660
Share interest payments	6,000	6,000	6,000	10,000
Loan interest payments	13,500	13,500	13,500	13,500
Total Costs	37,810	38,359	38,925	43,508
Operating Profit	7,752	8,569	9,411	6,279



Distribution of income

The Society aims to give members in the Society a fair return on their investment, which is no more than is sufficient to obtain and retain enough capital for the Society's business requirements. The Society expects to pay interest annually in arrears on the balance of each member's shareholding reflecting financial performance in the previous year.

The Society expects to be able to pay interest on capital held by the society. The interest is paid gross and not subject to a retained income tax credit. In years of poor performance, the interest may fall below the forecasted rate illustrated in the Indicative Returns. The Society intends to use operating profits to buy back members share capital over the life of the project, in years of low wind, operating profits will be less and share capital buybacks maybe deferred.

Whilst Ecodynamic Ltd intends to be prudent with regard to its liabilities, investors should give careful consideration to all the information provided in this prospectus and the risks attached to their investment, as these risks could result in a fall in value of your investment or loss of return. Although significant tax benefits are expected to be available to qualifying members, all investment and commercial activities carry risk. Members should take appropriate advice and make their own risk assessment and take into account the financial, social and environmental aspects of investing in the Society.

Working capital

The Society believes that, subject to achieving the minimum level of applications, the working capital available to it is sufficient for a period of twelve months after the share offer closing date.

Feed in Tariff

Under the UK government's Feed in Tariff (FiT) scheme, a generator of renewable energy receives a payment for every kilowatt-hour generated, whether this energy is consumed locally or exported to the grid.

To qualify for FiT payments, the energy generating installation needs to be accredited and be installed by a recognised installer. (Capture Energy MCS registration number: MCS1163)

The FiT payment for a particular installation is determined when the installation is registered with OFGEM, this can happen up to 12 months before commissioning for wind energy projects - locking a project into a particular tariff rate. This project was pre-registered on 21st January 2013 and the tariff will be affective from 1st April 2013.

The FiT price per kilowatt-hour (21p/kWh) is taken from the current tariff table; payments are guaranteed for 20 years post commissioning and adjusted for inflation (RPI linked) annually.

Risk Factors

The directors consider the risks associated with this project have been minimised to the best of their ability and they note that the primary source of income for the scheme is a government legislated tariff scheme. However, no investment is without risks and we list here a number of factors that you may wish to consider:

- the levels of electricity generation forecast for the installation may not be achieved
- the wind resource maybe lower than anticipated, resulting in lower generation levels
- although the manufacturer, Endurance has strong current and historical financial performance, there is no guarantee that they will continue to trade for the life of the turbines operation, hence may not be able to deliver the operation and maintenance contract
- the project may be delayed for technical, legal or financial reasons

- the decommissioning costs may exceed the turbine scrap value
- there may be legislative changes which affect the payment of the FiT, although on commissioning of the systems they will be guaranteed by the government for 20 years
- although the systems will be fully insured, the usual 'Acts of God' exceptions apply.

In particular you should appreciate that:

- the share issue may not raise sufficient capital for the offer to complete
- this investment is not suitable for those who require a guaranteed income or ready access to capital. Please note the value of your investment can go down. The share capital value of your investment will not go up.
- the Shares are not transferable so you will not be able to sell them, except back to the Society for the price you paid for them, or for less
- the initial investment is for a minimum period of three years
- an investment in Shares is an investment in a trading business not a loan or deposit
- the value of your Shares and income from them can fluctuate and the Directors have power, where advised by the Society's accountants, to apportion excess liabilities of the Society amongst the shareholders by reducing the capital value of Shares. You may not get back the amount you invested
- your Shares will not be tradable: your Shares can be withdrawn (redeemed by the Society for the price paid for them) in accordance with the Rules but your ability to withdraw Shares can be suspended by the Directors and you may not be able to withdraw them at short notice or when you wish to do so. There is no withdrawal for the first three years of investment and none budgeted before year Seven. If the Society lacks sufficient cash to enable Shares to be withdrawn then desired withdrawal may not be possible and you may not recover the sums which you paid for the Shares. Investment in the Shares should be seen as a long term ethical, social and environmental investment primarily for income.
- whilst it is intended that different risks and returns may be ring-fenced for different share issues, in the event of the insolvency of the society, risks would be shared amongst all members of the Society
- the principal source of income of the Society is from the FiT, and the Society's profitability is dependent on the FiT continuing to be paid in accordance with current regulations
- changes in legislation, especially to the value of the FiT, may affect the Society's income and with it, its ability to pay interest
- there may be loss or damage to the wind turbine or mechanical or electrical equipment failure may interrupt generation of electricity, reducing the Society's income
- interest payment is not guaranteed
- while it is the intention of the Society to seek to qualify under and then to be managed to continue to qualify under the EIS, there can be no guarantee that this status can be achieved or maintained



- equipment purchased by the Society is supported by guarantees from companies believed by the Society to be financially strong, but equipment suppliers, contractors, purchasers' of electricity or other contracting parties with the Society could fail to meet their obligations
- the target returns stated in this Offer Document are based on financial modelling incorporating best estimates of a range of variable, changeable and uncertain factors, having due regard to historic evidence and the experience gained by the Board including electricity prices, wind speed, operational costs, the reliability of the equipment installed and replacement and repair costs
- descriptions of possible returns are illustrative only, there are variable and uncertain factors associated with any low carbon project
- prospective members should also read and understand the Rules of Ecodynamic CBS Limited

This list is not necessarily comprehensive and you should read the entire offer document and supplementary documents to consider other risks which may impact upon your investment.

Enterprise Investment Scheme and HMRC approval

HMRC has given provisional confirmation that the Society qualifies for EIS relief (advance assurance has been applied for), those of its shareholders who invest £500 or more, and pay UK income tax, should, provided they meet the requirements of the Scheme, receive tax relief under the EIS, representing 30% of the sum they invested. This payment is not made by the Society, but must be claimed by the member on their annual tax return.

The Directors intend to conduct the Society's affairs in a manner that will satisfy the conditions for approval under EIS and that such approval will be maintained during the full qualifying period. To date the Society has made no EIS qualifying investments.

Further information

A PDF of this share offer document can be downloaded from our website, along with copies of the Society's rules, business plan, financial projection and supporting documents. There is also an FAQ section where prospective members may submit queries.

www.ecodynamic.org.uk

If you have further questions about this offer, please email us at the below addresses:

General enquiries:

Martin Large: martin.large@ecodynamic.org.uk

Phone: 01453 757124 or 07765 006829

Robin Evans: robin.evans@ecodynamic.org.uk

Technical enquiries:

James Mansfield: james.mansfield@ecodynamic.org.uk

Share administration enquiries:

Farimah Englefield: farimah.inglefield@ecodynamic.org.uk

Phone on: 01453 757124 - Mondays, Tuesdays and Wednesdays 9am - 1pm.

Outside of these times please leave a message about when and what number you can be contacted at.

Registered Company Address

Ecodynamic Community Benefit Society Ltd
The Painswick Inn, Gloucester Street, Stroud, GL5 1QG

Ecodynamic Community benefit Society Limited is registered with the Financial Services Authority in England and Wales under the Industrial and Provident Societies Act 1965. Registered number 31937R.

Application Form for individual and organisations

Please complete the following details and post your application to: Ecodynamic Community Benefit Society Limited, The Painswick Inn, Gloucester Street, Stroud, GL5 1QG.

Ecodynamic CBS Ltd Payment Details

Account name: Ecodynamic Community Benefit Society Limited

Account number: 20400943

Sort code: 16-58-10

I, the undersigned, wish to apply for Shares of the Ecodynamic CBS Limited

Name

Address

Postcode:

Email:

Telephone:

Organisation and registration (if not an individual):

Amount of Investment

£500 £1,000 £5,000 £10,000 other £

Please state the account interest payments should be made to:

Sort code:

Account no:

Waiver of Interest Option

I wish to donate the interest on my investment to
until further notice

I understand that:

- Shares will be in the name of the applicant
- Shares may reduce in value and are not transferable
- Ecodynamic CBS Ltd may require a valid form of identification in order to successfully complete the membership process

Form of Payment

- Cheque payable to Ecodynamic Community Benefit Society Limited
- Online bank transfer

We will only accept payment by cheque or direct bank transfer drawn on an account with the same name as that of the applicant.

For online bank transfers please use reference, generated as follows:

- First character of first name
- First three characters of surname
- Postcode
- Day and Month of birth (DD/MM)
- Followed by CW – “Croft West”

For example: JMANGL51EB2303CW

My payment reference

Please quote this reference in all correspondence.

Bank Details:

Triodos Treasurers reserve
 Account name: **Ecodynamic Community Benefit Society Limited**
 Account number: **20400943** for the share transfer
 Sort code: **16-58-10**

How did you first hear about the society?

In the Event of my Death

(It is helpful for IPS Shares to have a nominated person for the transfer of shares in the case of death of a share holder as this greatly facilitates the process)

I wish to specify who is to receive my Shares in the event of my death:

- Donate them to The Biodynamic Land Trust Ltd. Please circle **YES NO** or
- In the event of my death I wish my shares to go to:

Name and Address

Member

Witness

Signed

Signed

Address

 Post Code

Address

 Post Code

Date

Date

Money Laundering Regulations 2007

The Directors of Ecodynamic CBS Ltd may request to verify the identity of anyone wishing to invest in Ecodynamic CBS Ltd for the purposes of money laundering regulations.

If you are making a single investment of up to £10,000 then a cheque drawn or a direct bank transfer from an account in your name held with a British bank will be sufficient evidence of your identity. If you are making a larger investment (of over £10,000), or several smaller investments, then we will use electronic means to verify your identity or we will ask to see one document to confirm your identity and one document to confirm your home address. If you have any difficulty supplying any of these documents then please contact the Ecodynamic CBS Ltd office in order to discuss how we may confirm your identity and address to our satisfaction.

Confirmations

- I have read and understood the whole of the Offer Document and the Rules of the Ecodynamic CBS Limited (please tick the box)
- I agree that the Ecodynamic CBS Limited may communicate with me by electronic means, via e-mail and via its web site (please tick the box)
- I hereby confirm that all details on this form are correct to the best of my knowledge (please tick the box)
- I confirm that the Society may hold the personal data submitted in this application in accordance with the Data Protection Act (please tick the box)
- I confirm I am resident in the United Kingdom (please tick the box)
- I confirm the Society may verify my identity through electronic records

Signature of Applicant:

Date:

For Completion by Society Secretary

Date Application received:
Date Approved:
Membership Number:
Membership Certificate issued: