



ORCHARD

Community Energy

SHARE OFFER

Become a shareholder in
Orchard Community Energy Limited
and help fund
Orchard Farm Solar Array, Iwade

EIS 30% tax relief and SEIS 50% tax relief (applied for)

www.orchard.coop

in association with Mongoose Energy

Mongoose
ENERGY

www.mongooseenergy.coop





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Share offering 2015 for membership of ORCHARD Community Energy

Orchard Community Energy Limited (OCE or 'the Society') is a Community Benefit Society set up to deliver community-owned renewable energy, low carbon energy and energy efficiency projects.

OCE is registered with the Financial Conduct Authority in England and Wales under the Co-operative and Community Benefit Societies Act 2014 (No 7217).

Share issue offer:	100,000 shares	at £10 per share
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Offer opens:	23rd October 2015	at 9.00am
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Offer closes:	6th November 2015	at 5.00pm
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Letter from the Chair



Penny Shepherd MBE

Chair

Orchard Community
Energy

I'm delighted to invite you to invest in Orchard Community Energy through the first North Kent and Medway community energy share offer.

This share offer will support our first project – a new 5MW solar array, currently under construction at Orchard Farm near Iwade, Kent. As a community-owned asset, it should provide a valuable income that can be reinvested in the local community.

In addition, the project will:

- provide local renewable energy generation that reduces the impact of climate change and improves our energy security.
- offer an attractive ethical investment opportunity – we aim to pay our members 7% interest per annum.
- enable productive use of this lower-grade farm land.

However, we must raise the necessary investment very quickly if we are to enable the maximum community benefit from current government incentives. That is why this share offer has such a tight timescale.

The project has been developed by OPDE, and has already received planning permission and a grid connection offer. In addition, an application for preliminary accreditation for Feed in Tariff has been submitted.

Withdrawable shares in Orchard Community Energy are valued at £10 each and most investors may invest between £500 and £100,000. To encourage and support very local ownership, the minimum investment for those with an address in the parishes of Iwade or Bobbing is reduced to £250.

The timing of our share offer, seeking to raise £1 million, will allow us to apply to HMRC for Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) tax relief before it is withdrawn for this type of community energy project later this year. Subject to HMRC approval, qualifying income tax payers will be able to claim tax relief of 50% under the SEIS and 30% under the EIS (please read the sections on Tax Relief and Risks carefully).

I hope that you will seriously consider this offer to become a member of Orchard Community Energy. If you invest now, you will help us to secure the long-term benefits of community ownership of this project. At a time when the Government is considering policy proposals that could halt the development of similar projects in the future, you will also demonstrate to them the strength of support for community-owned renewable energy in the UK.

I urge you to act immediately if you wish to invest and show your support.





About Orchard Community Energy

Orchard Community Energy was established in 2015 by a group of experienced Kent-based professionals with the assistance of Mongoose Energy. Its purpose is to develop community-owned renewable energy, low carbon and energy efficiency projects in the Swale and Medway districts.

OCE concentrates on projects that reduce the impact of climate change and increase our energy security, whilst at the same time generating a significant community fund. The Orchard Farm Solar Array will be a significant step towards this goal.

According to the Community Shares Programme directory (communityshares.org.uk/directory), this is the first community share offer in North Kent and Medway.

OCE is supported by Mongoose Energy which specialises in working with community groups, commercial project developers and investors to identify, develop, finance, build and manage community-owned renewable energy installations. To date, Mongoose has helped other community benefit societies to raise £26m which is invested in 6.8MW of operating solar projects with 14.1MW under construction. Mongoose Energy was spun out of the pioneering Bath & West Community Energy in 2015.

Mongoose Energy is in the process of setting up an electricity supply company with its community benefit society partners to enable local residents to buy electricity from the solar farm.

What makes Orchard Community Energy different from a normal commercial company?

Our constitution is in the form of Rules registered and approved by the Financial Conduct Authority which can also be viewed via our website. As a Community Benefit Society we are bound to act for the benefit of the community. As an example, the level of community contributions that we will generate over the life of our solar PV projects is around 20 or more times greater than would be offered by a commercial developer. Our Rules also prevent the sale of assets to commercial organisations.

We will aim for the majority of our shareholders to be local people and so, together with our community fund payments, we ensure that the majority of the income we generate is available for use in the local area.





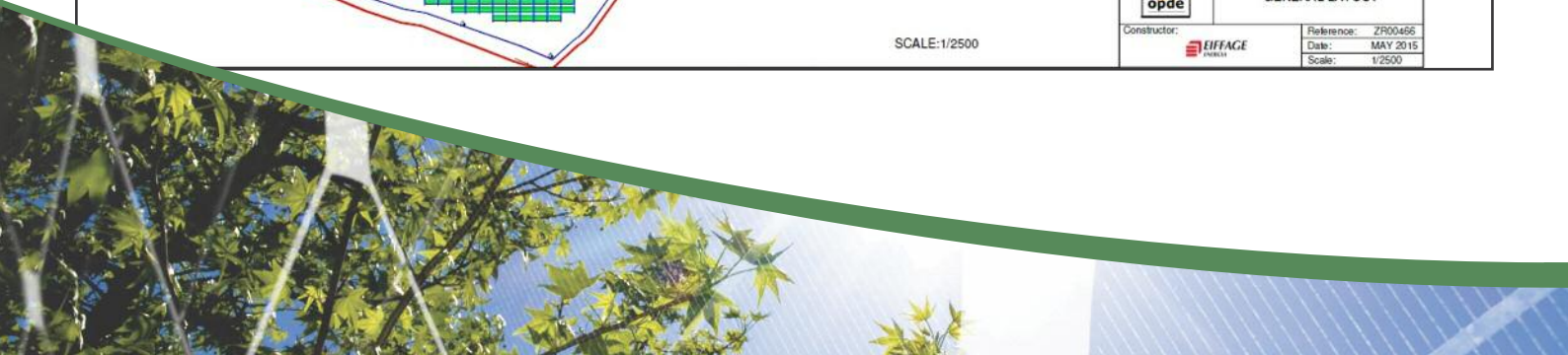
Orchard Farm Solar Array

Following this fundraise, we aim to have sufficient funds to purchase the Orchard Farm Solar Array, a 5 Mega Watt (MW) ground mounted solar array on land west of Orchard Farm, School Lane, Iwade, Kent ME9 8QG.

All necessary planning consents, leases and grid connection agreements have been obtained to build and operate this solar array. The land has been classified by an independent agricultural consultant as primarily interim Grade 3b agricultural land with around 25% Grade 3a. In the past the site was used as a source for brickearth extraction and the topsoil replaced. The land is classified as interim Grade 3b in recognition of the fact that restored land is more challenging to farm.

OCE will own the Orchard Farm Solar Array and will have a 25-year lease agreement with the landowner. OCE will receive payments under the Feed-in Tariff (FIT) scheme from a preferred electricity supplier and income from the export of electricity to the national grid.

The projected annual output in the first year is 5,020 Mega Watt hours (MWh) – enough to meet the equivalent annual electricity demand for around 1,250 homes.





The project has been taken through the development and planning stage to construction by OPDE, an experienced Spanish solar developer. The project is already under construction by OPDE and will be commissioned at the beginning of December 2015.

OPDE has signed a contract with Mongoose Energy agreeing to sell the project to the community at a fixed price when the solar farm is commissioned. The agreement also covers the Operation and Maintenance contract to be provided to the solar farm by OPDE.

Planning permission has been granted for a 10MW project at the site. Due to Feed in Tariff regulations, the project has been split into two separate projects which will share a grid connection but will be owned and operated separately. The projects are electrically, legally and financially independent of each other. Once the

Orchard Farm 5MW Solar Array is completed in December the second 5MW project at the site will start construction and will be owned by a different Community Benefit Society.

A draft Grid Sharing agreement and an Interface Agreement governing cooperation between the owners of the two solar farms are being negotiated and will be finalised before financial close of the project.

An application for 12 months' preliminary accreditation for the Feed in Tariff was submitted to the regulator Ofgem on 26th June 2015. If, as expected, this is approved, this will fix the tariff at 6.16p/kWh. This rate will increase in line with the Retail Price Index (RPI) each year for 20 years.



The projected annual output in the first year is 5,020 Mega Watt hours (MWh) – enough to meet the equivalent annual electricity demand for around 1,250 homes.





Orchard Farm Solar Array Finance

	Year 1-5 £'000s	Year 6-10 £'000s	Year 11-15 £'000s	Year 16-20 £'000s	Year 21-25 £'000s	Total £'000s
FIT revenue	1,589	1,807	1,994	2,200	72	7,661
Export revenue	1,278	1,678	2,036	2,335	2,678	10,005
Total revenue	2,867	3,485	4,030	4,535	2,750	17,666
Operating costs	781	891	999	889	1,107	4,668
Net revenues	2,086	2,594	3,031	3,645	1,643	12,999
Loan interest payments	1,146	976	657	187	0	2,966
Loan capital payments	602	968	1,947	1,512	0	5,029
Member interest payments	278	333	258	127	0	997
Member capital payments	18	257	114	612	0	1,000
Community fund payments	51	59	55	1,208	1,643	3,026

The total investment required for the solar installation including project acquisition and fund raising costs is £6 million. This share issue is aiming to raise £1 million. We have an indicative offer for a £3.33 million loan from Triodos Bank. Approval of this loan is subject to clearance by the bank's Credit Committee and due diligence by the bank. OPDE have agreed to provide support to the project by providing finance which will fill the gap between the money raised in the share offer and the bank debt.

The table above shows projected income and expenditure over the life of the full project once built. The income comprises income from the Feed in Tariff and from sale of exported electricity. The costs comprise

operations and maintenance (land rent, business rates, servicing), insurance, management charges, interest on the bank loan and repayment of the bank loan. Each year we will pay into a reserve account to put away funds for parts replacement. The Feed in Tariff income is for a period of 20 years. In years 21 to 25 the income stream is from exported electricity.

Since the financial projections above and the assumptions on which they are based relate to the future, and may therefore be affected by unforeseen events, the actual results reported in future may not correspond to these projections.

The cash available after costs, including members' interest, to repay members' capital and to make contributions to the community fund will depend on the overall business performance.

KEY ASSUMPTIONS

- The solar array is forecast to generate 5,020MWh in its first full year of operation.
- Total investment costs to build the project are £6 million, including construction, acquisition and fund raising costs.
- The project is commissioned by June 2016 and secures a Feed in Tariff of 6.16p/kWh.
- Feed in Tariff income and all costs increase in line with inflation which is assumed to be 2.5% each year.
- Electricity export prices are in line with industry expert projections.
- Degradation in solar panel performance is at 0.5% per year, in line with performance warranties.



Triodos Bank Loan

Mongoose Energy has received an indicative term sheet from Triodos Bank for a loan to the Orchard Farm project.

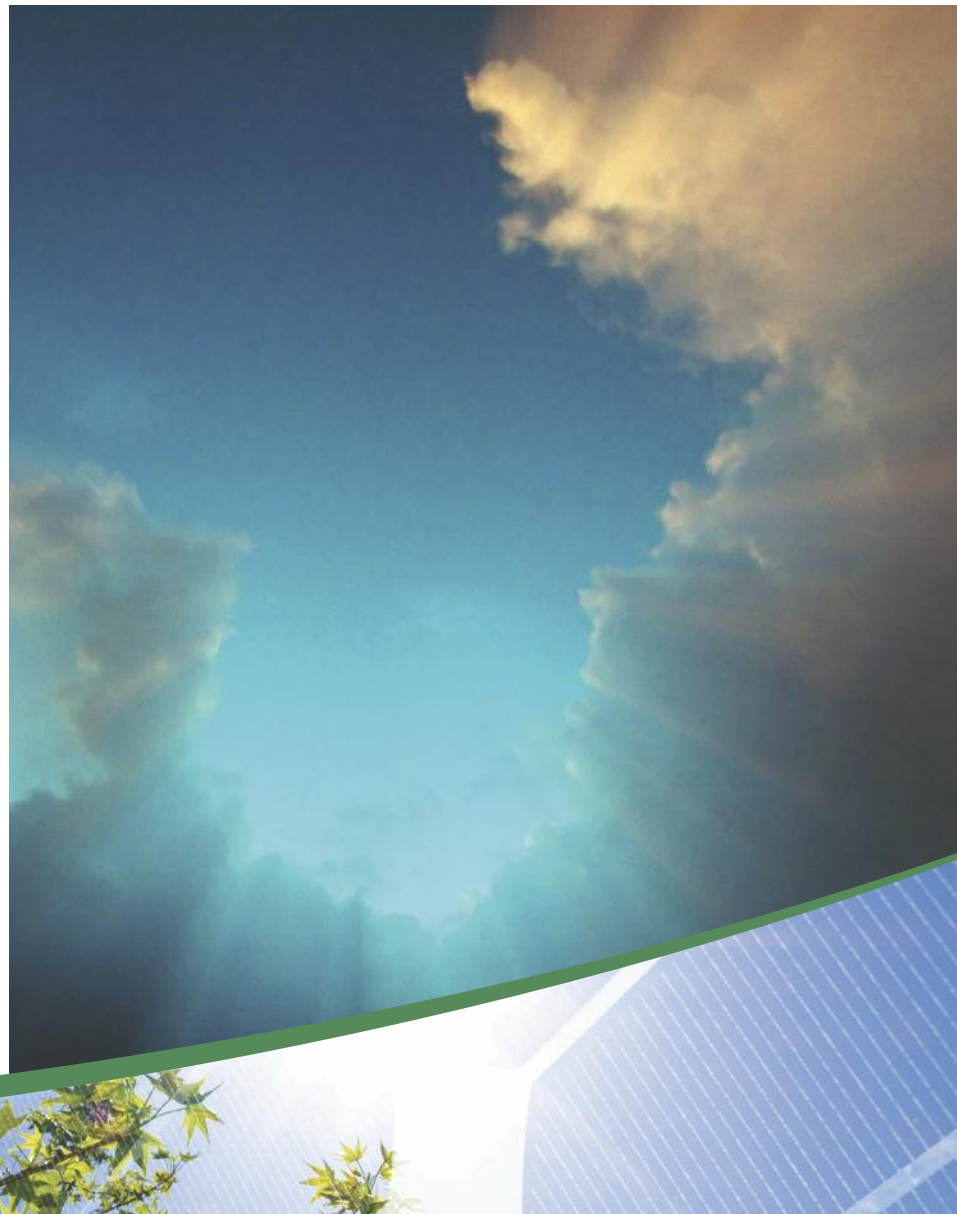
Triodos Bank is one of the world's leading sustainable banks with a mission to make money work for positive social, environmental and cultural change. Triodos Bank is actively involved in funding renewable energy projects across the UK and has a commitment to community energy. Triodos has provided loans to two previous projects developed by Mongoose Energy.

The £3.3 million loan would cover approximately 60% of project costs, would be provided for 17 years with the interest rate fixed for 10 years and would be secured against the project assets. The financial model in this document incorporates a loan on the terms specified in the indicative term sheets. It is the board's intention to finalise these indicative terms with Triodos prior to acceptance of a formal offer, at which point formal due diligence will begin.

The board reserves the right to secure alternative debt finance should this be in the best interests of Orchard Community Energy.

OPDE Support

This community share offer is not seeking to raise the entire amount of capital needed to complete the financing of the Orchard project. In addition to the £1 million sought in this share issue, Orchard Community Energy would still need to raise a further £1.7 million to complete the financing. OPDE have agreed to a delayed payment of funds outstanding. Once this share offer is completed, it is the intention of the board to seek further funding, either debt or equity, to complete the financing as soon as possible.





Projected Member Returns

A main objective of OCE is the successful development of renewable energy resources for the benefit of the community. As a Community Benefit Society, OCE can pay interest to members on their shareholdings at a rate sufficient to obtain and retain the capital required to carry out the Society's objects.

We aim to pay members a real return in excess of long-term Retail Price Index (RPI) averages. We are projecting an annual return of about 7.0% assuming the long-term RPI averages 2.5% per annum (the average for the last 15 years is 3%). If long-term RPI drops below 2.5% we may need to reduce interest payments. Please note that the return to investors is not guaranteed – we would recommend that you review the risks on pages 16 & 17.

Your investment is in OCE, and while the funds raised will be invested in the Orchard Farm project, the returns on your investment will also depend on future OCE projects.

Any interest payments made on investments as part of this fundraise will be calculated from the date shares for this fundraise are issued, see page 19.

If projects perform above forecast we will pay excess surplus into the community fund rather than pay more than 7% to members, in line with our rules as a Community Benefit Society. We will also be able to repay members' capital more quickly if required.

Based on the assumptions on page 8, the solar farm will generate £18 million over its lifetime, sufficient to pay the members' interest, return members' capital and to provide a projected £3 million community fund.

As a Community Benefit Society, each member of OCE has one vote and has the opportunity to vote at the AGM. This includes voting on the payment of members' interest and the allocation of monies to the community fund.





Tax Relief

OCE has applied to HMRC for Advance Assurance that the Shares are eligible for tax relief under the Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS). Mongoose Energy has already successfully achieved SEIS and EIS for several community benefit society share offers.

If the shares are granted SEIS and EIS status then tax relief of 50% for SEIS and 30% for EIS investments will be available to qualifying UK income tax payers. For instance, a taxpayer investing £10,000 in this scheme would be entitled to tax relief of £5,000 (for SEIS) or £3,000 (for EIS) which can be claimed against either the 2015-16 or the 2014-15 tax year.

We propose to raise up to £150k of SEIS funds to be used for project development costs including fund raising and legal and technical due diligence. By their nature these costs are required at an earlier stage of the project cycle and are thus at greater risk. The risk is reflected in the level of tax relief provided. If this share offer does not subsequently proceed to the acquisition of the solar farm then these SEIS funds may already have been spent and an SEIS investor would need to understand that funds would be at risk of not being returned.

EIS funds are primarily intended for the acquisition of the solar farm when it is completed by OPDE. If the project reaches financial close but the acquisition does not proceed to completion then the board plan to return funds to EIS investors.

If OCE cannot raise sufficient funds and financial close is not achieved then EIS funds will be returned to investors.

Both EIS and SEIS shares will also be exempt from Inheritance Tax providing that they are held for more than two years, making an investment in OCE very attractive for long-term savings.

Please use the nomination form on page 22 if you wish to nominate a recipient for the value of your shares in the event of your death (also see page 19).

For more information on Tax Relief please consult the following websites or a financial advisor

www.gov.uk/government/publications/the-enterprise-investment-scheme-introduction

or

www.gov.uk/guidance/seed-enterprise-investment-scheme-background





Community Benefits

The provision of significant local community benefits is central to OCE's vision.

We will recycle 100% of surplus profits into local communities in the Swale and Medway districts through a community fund.



A school in Bath where community energy funds have enabled solar panels to be installed on a primary school.

The Fund will derive its income from the surpluses generated as indicated in the table on page 8. We estimate that the Orchard Farm Solar Array will provide at least £10k per annum during the early years. This amount will increase in the later stages of the project. Over 25 years this could result in £3 million being available for distribution to local communities via the community fund. Acceptance of this amount will be subject

to a members' vote at OCE's AGM. The monies will then be donated to the community fund and will be allocated to projects brought forward by communities in the districts of Swale and Medway.

Criteria for eligible projects supported through the community fund are likely to include wildlife conservation, climate change mitigation, carbon reduction (including local food, transport, waste projects etc) and reduction of fuel poverty.





Our Team

We have an experienced and diverse team that have been working closely together for this project.

Our team has:

- A successful track record in the delivery of community renewable energy projects
- Entrepreneurial zeal
- Business experience
- Accounting and financial expertise
- History of working on community projects
- Expertise in renewable energy and energy efficiency projects



Penny Shepherd MBE – Chair

Penny was formerly Chief Executive of London Sustainability Exchange and of the UK Sustainable Investment and Finance Association and spent 20 years working in information technology. She was awarded an MBE for services to sustainable economic development and socially responsible investment and is a Freeman of the City of London. She also chairs the external sustainability panel of a major building materials company and is involved with various initiatives supporting sustainable living in East Kent. Penny lives in Kent.



Julie Salmon – Company Secretary

Julie, who is a member of the Chartered Institute of Taxation, started her training as a corporate tax adviser with Ernst & Young. She has over 25 years' experience working for a number of multinational companies. In all of these roles she has been closely involved in corporate governance and compliance. She has a Diploma in Environmental Policy from the Open University and a Post Graduate Diploma in Renewable Energy in the Built Environment from the Centre for Alternative Technology in Wales. Julie lives in Kent.





Our Team (continued)



Stephanie Karpetas

Stephanie is the Founder and Director of Sustainability Connections CIC and a Director of Community Energy South. She specialises in project design and delivery, community engagement, training and facilitation. Over the past two years, Stephanie has been training isolated unemployed women in East Kent to be energy champions. Stephanie brings more than 20 years' experience in the field of sustainability including Environment Manager at British Airways Plc and working with SMEs, charities, social enterprises, business support organisations and local government. Stephanie lives in Kent.



John Lancaster

Having studied physics and then Environmental Technology, John has pursued a 20-year career in renewable energy consultancy and project development. Over the past 5 years he has focused on community ownership and was a founder director of Bath and West Community Energy. Since then John has helped set up several Community Benefit Societies, bringing experience of community engagement plus technical, financial, legal and regulatory knowledge of renewable energy projects. John is also a manager for Mongoose Energy and a director of Nottinghamshire Community Energy.



Francis Mahon

After studying physics and petroleum engineering Francis worked for over 25 years in the upstream sector of the oil and gas industry, in the technical design and operational management of exploration and production wells around the world. During the past four years Francis has steered his career into consultancy promoting high efficiency and renewable energy technologies. Francis lives in Kent.



David Bunker

David is a chartered accountant and member of the Academy of Experts with over 20 years' experience in public practice. He has a long-standing interest in sustainability issues, serving for many years as a trustee of the Centre for Sustainable Energy and is currently a director of Windcluster 2000 Ltd, a wind farm complex in Cumbria, and Mongoose Energy Ltd. David is also a Director of Bath & West Community Energy and a number of other community benefit societies.





Our Partners

Mongoose Energy

We plan to work closely with Mongoose Energy throughout the process of this share offer. Mongoose Energy was established by Bath and West Community Energy Limited (BWCE) to take over the professional development and asset management services which it provides to a number of community energy companies. The majority of the management team from BWCE has transferred to Mongoose Energy. This team has been responsible, to date, for raising over £26m through 10 community share offers. BWCE has paid 7% to its members in each of the last four years since its first share offer. It was this work and their work with the community that helped BWCE to win the 'Community Energy Company of the Year' award in 2014.

Mongoose Energy is a limited company operating under cooperative model rules. It is jointly owned by its member Community Benefit Societies and its own staff and investors. OCE plans to draw on the considerable knowledge and track record of Mongoose personnel to help deliver the Orchard Farm solar project. It is our joint intention to work together on more projects as opportunities arise in the future.

Mongoose has 6MW of solar PV already under management, which will shortly be joined by 15MW of projects under construction. There is an additional pipeline of 40MW of solar due before June 2016.

Management

OCE and Mongoose plan to work together on the following basis, (subject to agreement of a service contract under negotiation):

- Mongoose would fund the due diligence and fund raising costs for the Orchard Farm Solar Array at their own risk. Mongoose recover their costs once the project is acquired.
- Mongoose would continue to work for OCE on other projects with a similar arrangement under which Mongoose take the risk of project development and are paid only on success.
- Mongoose would provide the day-to-day management and operation of the Orchard Farm Solar Array for an annual fee to include performance monitoring, liaison with energy purchaser and regulatory bodies, troubleshooting, contractor negotiation and management, bookkeeping, interest payments to members, management of the share register, company secretary functions and provision of management information to the board, to allow operational performance to be reviewed quarterly.

OPDE

Established in 2005, OPDE Group is one of the pioneering corporations that has helped develop the photovoltaic industry in Spain and beyond. The group focuses mainly on the design, construction and operation of renewable energy solutions.

In the UK OPDE has built or has under construction seven solar farm projects totaling 54.7MW. In Spain and Italy it has built a further 156MW. OPDE is also providing operation and maintenance services for 128 MW of solar.



OCE plans to draw on the considerable knowledge and track record of Mongoose personnel to help deliver the Orchard Farm solar project





Risk Assessment

If you are considering buying shares in Orchard Community Energy, it is important that you are aware of the element of risk. We have outlined the major risks below. This may not be an exhaustive list or explanation of all the risk factors involved and it is worth noting that OCE's future performance might be affected by changes in market or economic conditions and changes in legal, regulatory and tax requirements.

It is important to consider the risks carefully before you decide to invest. Make sure you can afford to be without the money you will use to pay for your shares. If you are in any doubt about the information in this document, you should consult an independent financial adviser authorised by the Financial Conduct Authority, or get advice from a solicitor or accountant.

This investment should be considered as medium to long term. If your circumstances change, your shares may not be readily convertible into cash. Should OCE get into financial difficulties, then:

- We may have to restrict your ability to withdraw your shares.
- We may have to write down the value of your shares.
- You may lose all the money you have paid for your shares.

REGULATORY MATTERS

OCE is a Community Benefit Society and, in offering withdrawable shares, it is exempt from the requirement to be regulated under the Financial Services and Markets Act 2000 (FSMA) and subsidiary regulations. Accordingly, this offer document is not required to be approved as a share offering by the Financial Conduct Authority, nor has it been.

The shares are not specified investments for the purposes of section 22 of FSMA (which specifies which activities are regulated by the Act) pursuant to paragraph 76 of FSMA

(Regulated Activities) Order 2001. Therefore you do not have the level of protection that you might otherwise be offered by FSMA. The issue of withdrawable shares, which are not transferable, exempts this share offering from the requirements of an approved share offering required by section 85(1) of FSMA. The money that you pay for your shares is not safeguarded by the Financial Services Compensation Scheme or dispute resolution scheme and investors have no right to complain to the Financial Ombudsman Service.

RISK FACTORS

Economic Risks

- OCE may be unable to raise the £1m target as part of the fundraise.
- If OCE goes into administration members will lose their investment, see terms and conditions below.
- Existing and future OCE projects may not perform well.
- OFGEM may not approve the registration of the project at a Feed in Tariff of 6.16p/kWh.
- Operational costs may rise faster than anticipated.
- Bank debt repayment takes priority over payments to members.

Mitigation: OCE has a strong business strategy and team in place that has proven its ability to deliver successful projects and generate target returns to members. OCE is well linked into the wider sector both nationally and regionally and is well placed to adapt its business strategy in the light of changes that might occur in the future. Our financial modelling shows that there is sufficient headroom to pay member returns.

If OCE doesn't raise the £1 million as part of this fundraise, the board will source alternative loan funds from individuals and/or third parties. If required, alternate loan funds may reduce the level of community fund generated in the early years.

If OCE cannot raise alternate funds, we will return EIS funds to subscribers in full, without payment of interest. However, SEIS funds are at risk of not being returned to subscribers.





If commissioning is delayed beyond 26 June 2016, or the preliminary accreditation is refused, the project would receive a lower Feed-in Tariff. In this case OCE would seek to renegotiate the project purchase price to a level which made the project financially viable. If this is not possible the board will return members' EIS investment. However, the project is already under construction with a commissioning date in December 2015. Also, OCE has put in place the necessary measures to meet OFGEM requirements for preliminary accreditation, so we expect to secure the stated Feed-in Tariff.

OCE will not invest in new projects if they compromise the returns to members and community fund contributions targeted here.

Operational costs are based on fixed price contracts.

Regulatory Risks

- Changes in Government legislation may affect the profitability of future renewable energy projects undertaken by OCE.

Mitigation: OCE has applied for preliminary accreditation for the Orchard Farm Solar Array which will fix the Feed-in Tariff for 20 years. So this risk would only relate to future investments. OCE will only make investments in the future if they meet its own financial performance criteria.

Other Risks

- The system underperforms resulting in lower than expected income.
- The construction of the project may be delayed by technical or legal matters.
- There may be interruptions to the generation of electricity caused by technical, financial or legal matters and mechanical or electrical failure of equipment, although these risks are covered by contractual maintenance agreements and insurance.
- A service contract with Mongoose is not agreed.
- Any agreements subject to conditions could encounter unforeseen delays or problems.

Mitigation: We plan that the contract with the constructor will specify the level of performance expected and will impose financial damages on the constructor if they underperform.

The estimated yield of the system is based on well understood models of solar radiation and whilst this can be lower than predicted in some years, long-term radiation levels are reliable.

The Directors of OCE will seek to protect against foreseeable risks through appropriate insurance and prudent management practices. Losses due to electrical, mechanical or other technical interruptions to generation or export would be recovered through contractual maintenance agreements and insurances. The Board will draw on its experience of renewable energy project management and plan to be supported by a service contract with Mongoose Energy.

OCE and Mongoose Energy have been working closely and effectively together to develop this project opportunity to this stage and have confidence that a service contract will be agreed.

Tax Risks

- OCE may not qualify for or may cease to qualify for EIS or SEIS relief. If this were to happen within three years of your investment, it could result in you having to repay any income tax relief you have received.

Mitigation: OCE will ensure it abides by the rules governing EIS and SEIS eligibility. If the initial application for EIS or SEIS is unsuccessful then funds will be returned to subscribers.

Split Site Risks

- The other solar farm on the same grid connection ceases operation.
- The other solar farm contravenes planning conditions.

Mitigation: The two projects are legally and electrically separate so Orchard Solar farm will be able to continue operating even if the other stops trading. We plan to put in place a Grid Sharing Agreement and an Interface Agreement with the owner of the neighbouring solar farm on the same site. This would include provisions to ensure that both parties comply with the planning conditions and would enable OCE, as a last resort, to rectify matters on the other solar farm if it has failed to rectify matters itself.





The Share Offer

This investment opportunity is an open share offer.

- There is a single class of shares in this share offer with a nominal value of £10.
- The minimum investment is £500 (50 shares). If you have a postcode within Iwade or Bobbing Parishes the minimum investment is £250 (25 shares).
- The maximum investment is £100,000 (10,000 shares), unless the investor is another Community Benefit Society.
- All members of OCE have one vote regardless of how many shares they hold.
- Members may hold shares for children under the age of 16. Please use the form provided on page 22.
- Investors may withdraw their share capital after a period

of three years from the date of share issue subject to Board approval.

- Shares are purchased in OCE. Interest will be paid based on the performance of the whole organization, not on any one particular project.
- Shares under this offer are not transferable to third parties.

We will keep members up to date on developments through our website, emails and emailed newsletters (where you have given us permission), the Annual Report, the Annual General Meeting and any general member meetings that may be deemed necessary or of interest to members.





Terms & Conditions for the Share Application

OFFER TIMETABLE & CONDITIONS

The offer period is from 23rd October 2015 to 6th November 2015 but will be closed early if fully subscribed.

Share certificates will be issued as soon as they are approved by directors to support the SEIS and EIS tax relief application. The Directors may extend the share offer by a maximum of 3 months and may choose to accept additional finance. This includes increased levels of debt.

The Directors may choose to accept more than the targeted amount in order to reduce the debt levels. The Directors will only do this if it does not jeopardise the targeted returns and overall community fund contributions.

SALE OR WITHDRAWAL OF SHARES

Shares in OCE cannot be sold to a third party or traded and there is no prospect of them ever being worth more than their nominal value of £10.

You may seek to withdraw your shares after three years from the date of issue giving 90 days' notice. Such a withdrawal is at the discretion of the directors of OCE. The directors of OCE have the right to change the notice period for withdrawals, or to suspend withdrawals. OCE will not repay you more than you paid for the shares.

Although shares in OCE are withdrawable at the discretion of the directors, you may not be able to withdraw the full price you pay for them if OCE does not have sufficient funds available at the time you want to withdraw your shares. In the case of joint investors, all investors concerned must agree to the withdrawal. In some circumstances the directors may be compelled to write down the value of your shares. Should you then wish to withdraw your shares you will receive only their written down value.

NOMINATION OPTION

The application form at the end of this document offers the option for you to nominate a recipient for the value of your shares in the event of your death.

YOUR APPLICATION

You cannot withdraw your application for shares after we receive your application form. Any amounts to be invested are payable in full on application. The directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reasons for their decision. Neither OCE nor any of its directors or agents can provide investment advice, tax advice or recommendations to investors.





Terms & Conditions (continued)

YOUR PAYMENT

OCE will hold your money in trust for you until the directors consider your application. The directors will return your money to you (within 28 days of the close of the share offer) if they decide not to issue shares to you. If they decide to issue fewer shares to you than you applied for, they will return the balance to you (within 28 days of the close of the share offer).

The money will belong to OCE (and the directors will no longer hold it on trust for you) as soon as the directors issue shares to you (to the extent that they take it as payment for shares).

The Society will not pay you interest on any money it returns to you.

YOUR PROMISE TO THE SOCIETY

You promise that:

- Your cheque will be honoured on presentation.
- You as an individual are at least 16 years of age.
- You have the authority to sign the application form. If you are signing it for another person, you will provide the directors with evidence of your authority to sign if they ask to see it. The directors will be unable to issue your shares until they see this evidence.

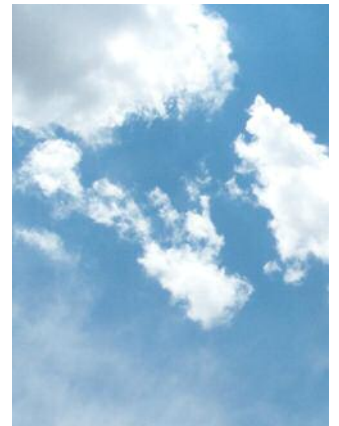
- You will give proof of your identity and address if the directors ask for it. They may need to do this for anti-money laundering purposes. The directors may have to hold your shares until they see this.

DISSOLUTION

Your attention is drawn to rule 104 of the rules governing OCE (see www.orchard.coop), which requires members to give up any personal financial benefit from the conversion, transfer, dissolution or winding-up of the Society. On dissolution or winding-up of the Society, any surplus assets (after payment of any liabilities) will not be distributed to any members but will be transferred to some other non-profit body or bodies nominated by the members, which is or are subject to the same degree of restriction on the distribution of surpluses and assets as the Society. On a conversion, amalgamation and/or business transfer, the society or company into which the society converts, amalgamates or transfers its business must have objects similar to those of the Society.

MISCELLANEOUS

This Offer and any agreement entered into for the purchase and sale of shares in the Society is governed by the law of England and Wales. The courts of England and Wales have exclusive jurisdiction. You will be bound by the rules of OCE if the directors issue shares to you.



Amount to invest

You may invest no less than £500 (or £250 if you have an address in the Parishes of Iwade or Bobbing) and no more than £100,000

I/We wish to invest a total amount of £ _____ In Orchard Community Energy under the Terms and Conditions of the Share Offer

Applicant details

Title (Mr/Mrs/Ms/other): _____ Forenames _____

Surname: _____ Company name (if appropriate): _____

Address: _____

Town: _____ County: _____ Postcode: _____

If you have lived at this address for less than 3 years please also provide your previous address [on a separate sheet].

Please provide a daytime phone number in case of queries relating to this application: _____

Please provide your email address: _____

If you are applying for the £250 minimum investment please tick this box to confirm that you have an address in the Parishes of Iwade or Bobbing

To keep costs to a minimum and save resources we will communicate with you mainly by email. Please tick this box if you are happy for us to do so

SEIS or EIS

If you wish your investment to be eligible for Enterprise Investment Scheme (EIS) 30% tax relief, please tick this box

If you wish your investment to be eligible for Seed Enterprise Investment Scheme (SEIS) 50% tax relief, please tick this box (the risk is reflected in the level of tax relief provided)

[Please tick both boxes if you wish your funds to transfer to an EIS application if the SEIS maximum fundraise of £150k has already been reached at the time of your application]

Declaration

I/We confirm my/our understanding that:

- This application, if and when accepted by OCE, forms a contract subject to English law on the Terms and Conditions of the Offer Document; and that
- If insufficient funds are raised by the Offer, Application Monies will be returned.

I/We confirm that:

- I/We have read the share offering, including the risk factors.
- To the extent that I am an individual, I am over 16.
- I/We am/are not making an application that would result in an aggregate holding of more than £100,000 of shares.
- I/We will give proof of my/our identity and address if the Directors ask for it. They may need to do this for anti-money laundering purposes. The Directors may have to hold my/our shares until they see this.
- I/We am/are not relying on any information which is not included in the share offering.

SIGNATURE: _____ DATE: _____

You can choose to:

- Hold shares on behalf of children and/or
 - Nominate a person to whom you wish your shares to be transferred on your death.
- Please fill in the relevant sections below.

Holding shares on behalf of children:

If you wish to hold shares on behalf of someone else who is under 16, please fill in that person's details below.

Forenames: _____ Surname: _____

Date of birth: _____ Address: _____

_____ Town/city: _____ Postcode: _____

Nomination of shares on your death:

You can nominate a person to whom you wish your shares to be transferred to on your death. Trustees will need to be appointed for a nominee under 16 years old.

Orchard Community Energy will respect your wish in so far as the law and our Rules permit.

If you are a joint shareholder, your holding will pass to other joint shareholder(s) on your death, unless you complete the form below.

Personal details of your nominee:

Forenames: _____ Surname: _____

Date of birth: _____ Address: _____

_____ Town/city: _____ Postcode: _____

I understand that it may not be possible for Orchard Community Energy to action this request and I and my heirs will not hold the Society responsible for its actions. I understand that these instructions can only be revoked or amended if I give clear written instructions to the Secretary of Orchard Community Energy at its Registered Office. I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Signed as a deed: _____ Date: _____

Name in print: _____

Signature of Witness: _____ Date: _____

Name in print: _____

For Corporate Membership:

Please attach on a separate sheet the Company Registration number, registered office address (if different from applicant details) name address and date of birth of each Director/Trustee.

Name to appear on the share certificate: _____



Information

IMPORTANT

You can find a copy of our Society Rules on **www.orchard.coop**

Before completing the application form you must:

- Read this Share Offer document.
- Pay special attention to the risk factors set out on pages 16 and 17 of the share offering.
- Consider taking financial or other advice in relation to the terms and conditions of this share offer.
- Read the rules of OCE at the weblink above where additional information about OCE can also be found.

HOW TO BUY SHARES

To buy shares and become a member, please either:

- Complete the Share Application Form and return it with a cheque made out to BWCE Registry Services Limited, to: **BWCE Registry, 13/14 Orchard Street, Bristol, BS1 5EH.**
- To pay by bank transfer please complete the Share Application Form, post or email it to **registry@bwce.coop**, and then transfer the money to the account detailed below. Please quote the surname of the applicant as the reference when making payment. This will help us to match your payment to your application.

Co-operative Bank
BWCE Registry Services Ltd
Account number: 69682919
Sort code: 08-92-99

For questions about OCE, the share offer or how to apply for shares in OCE call **01225 484472** or email **peter.andrews@mongooseenergy.coop**

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Take a share in your local energy



This share offering has been prepared by Orchard Community Energy Limited (OCE) and its Directors, who are responsible for the contents. The Directors have taken all reasonable care to ensure that every statement of fact or opinion included in this share offering is true and not misleading. It has been issued to raise investment of £1 million towards the £6 million required to enable OCE to buy the Orchard Farm Solar Array.

This offer is unregulated and not covered by any form of compensation scheme. Please consider carefully the section on risk factors and membership before investing. Any decisions to invest should be based upon consideration of the entire share offering and, where considered necessary, having consulted an independent financial adviser authorised by the Financial Conduct Authority or a solicitor or accountant.