



**TAKE A STAKE IN  
SCOTLAND'S FUTURE**



# Heartland Community Wind **Final Share Offer 2015**

FINAL SHARE OFFER: RUNS UNTIL COMPLETE

August 2015

Dear Potential Society Member,

Most of the turbines in Scotland are owned by big companies, big landowners, or the banks.

Heartland Community Wind is your chance to directly own Scottish wind generation. We are a Community Benefit Society and our first project will own and run two 250-kilowatt wind turbines above Kenmore, in Perth & Kinross. The turbines will produce clean, low carbon energy and a local community fund.

You are invited to become a member of the Society. You can subscribe to this share offer for as little as £100. You will receive a good return on your investment – projected at 7% - along with significant tax benefits for most taxpayers.

The turbine project already has planning permission and a binding grid connection offer, deposits paid on turbines. We have raised over £1.4m to date and this final share offer will run until we have raised the total of £1.8m.

Our structure is based on other successful wind Societies across the UK, including Dingwall and Wester Derry Wind Co-ops in Scotland, supported by the same team.

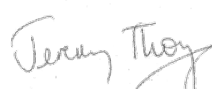
This Share Offer Document gives you the information you need to help decide if this investment is right for you. We hope you do decide to join us and become a member of Heartland Community Wind.

The Directors

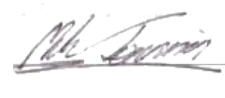
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The Directors hereby declare that the information contained in this Offer Document is to the best of our knowledge full and correct.



Jeremy Thorp



Mark Jennison



Jon Halle

## Summary of Offer

This is a summary of the offer to acquire shares in Heartland Community Wind Ltd ('the Society'). This summary should be read as an introduction only and any decision to invest should be made on the basis of the document as a whole.

### Introduction

The purpose of this share offer is to raise funds to pay for the installation of two 250kW wind turbines in the Heartland area of Scotland near Aberfeldy. The Society aims to be generating electricity by the end of 2015.

### The Society

The Society's purpose is to generate low-carbon electricity and to benefit the local community. Electricity generated by the turbine will feed directly into the local grid, producing the equivalent to the average consumption of 250 homes. It is estimated that the project will displace the equivalent of 450 tonnes of carbon dioxide every year. The Society will generate revenue from the sale of electricity and from the Feed in Tariff (FiT). The projected annual surplus will enable the Society to make interest payments to members and to endow a local Community Fund.

### The Offer

This Offer Document seeks to raise funds by the issue of Offer Shares at £1, payable in full on application. This final offer launched on 5 August 2015 and remains open until all shares are allocated.

Those applying for membership should regard these Shares as a long-term investment. They may subscribe for a minimum of 100 and a maximum of 100,000 offer shares at their £1 par value.

This share offer is designed to be eligible for EIS tax relief giving income tax relief of 30% of the value of shares subscribed for. Advanced Assurance of reliefs has been received from HMRC but neither

the Society's nor the Members' eligibility for EIS tax relief can be guaranteed.

Returns to Members are calculated using the assumptions stated in this Offer Document. The projected return over the expected life of the Project equates to an internal rate of return (IRR) of 7% over a 20-year project period. Any benefit of tax relief is in addition to this.

Shares will not be traded on a recognised stock exchange and are not transferable. Members may apply to withdraw shares after the end of the third year of operation. Share withdrawal is at the discretion of the board. The Society intends to repay members' share capital over a 20-year period, subject to financial performance and available funds.

Each shareholder, whatever the relevant stake, automatically becomes an equal member of the Society 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. This share offer is not covered by the Financial Ombudsman Service or the Financial Services Compensation Scheme.**



## Business Overview

### Renewable Energy Societies

The first renewable energy Society in the UK was Baywind in Cumbria, established in 1997. There are now renewable energy Societies across the UK and across the technologies. Scotland has several successful wind Societies including the Dingwall and Wester Derry Wind Co-operatives, which have been developed by members of the same team as this Society and utilise the same model of turbine.

Community Benefit Societies such as Heartland Community Wind are democratic structures with the 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 enterprise. Societies are registered with the Financial Conduct Authority (FCA).

### The Project

**The Urlar Estate** is an upland estate situated on the hills to the South of the Tay valley near Kenmore and Aberfeldy. The landowner applied for and obtained planning permission for these wind turbines in 2011 with the help of RM Energy, a Perth-based medium-scale wind turbine specialist.

**Sharenergy** is a Shrewsbury-based co-operative that helps community groups to establish community-owned renewable energy Societies. Sharenergy started as a spin-off from Energy4All, a not-for-profit company that in turn owes its origin to the Baywind community wind co-operative in Cumbria. Sharenergy has an excellent track record in supporting successful community renewable energy projects in Scotland and beyond.

Sharenergy and the landowners were introduced through RM Energy and began working on development of the Society in 2014.

### Heartland Community Wind

Heartland Community Wind Limited was incorporated and registered with the UK Financial Conduct Authority as a Community Benefit Society number 7067 on 19 January 2015. The Society is completely independent of Urlar Estate, Sharenergy and RM Energy.

The Society was set up with 3 founding Directors. Directors will in future be elected from among the membership. Following 2 share offers, the Society has 196 members. Heartland Community Wind is currently focused on the establishment of the first two turbines but will continue to seek opportunities to open ownership of wind turbines to the wider community in this area of Scotland.





## The Site

The turbines will be situated on the saddle between two hills Meall Greigh and Meall a' Choire Chreagaich in an exposed site at 530m (1740ft) above sea level. The site is a heather-covered grouse moor some 1600m (1 mile) from the nearest dwelling and well sited to avoid visibility from Loch Tay, Kenmore or Taymouth Castle. The turbines have full current planning permission from Perth & Kinross Council.

## The Wind Resource

The figures in this document are based on a Wind Resource Assessment carried out by Digital Engineering. This uses a best-of-breed digital model to estimate wind conditions on the site, yielding a predicted 20-year average yield of 995 MWh/yr. This figure is an energy output prediction, which takes account of losses in the system.

## The Turbines

The Society will be installing two WTN 250kW turbines. The turbines have a hub height of 30m and a blade length of 15m, giving a tip height of 45m.

WTN have been manufacturing turbines since 1986 and there are over 200 WTN machines of this model currently working worldwide, with over 80 operational in the UK. The turbines are made by a family firm in Northern Germany to a well-established design that has been proven over more than 20 years operation. More documents regarding the turbine are available on the project website.

The turbine uses solid and well-proven technology. This is reflected in high uptime figures across the turbine fleet. The turbine system is supplied and installed with a 5-year product warranty from WTN. The warranty is validated with a commitment to a 5-year Service and Maintenance contract, which in turn introduces a 5 year 95% operational uptime guarantee from WTN. Penalty payments are made on the basis of lost Feed-in Tariff and export income. Non-

consumable parts are replaced at the owners expense at the end of the 5- year warranty.

## Electricity Sales

The electricity produced by the turbines will all be exported into the local network. The Society will seek to maximize income by obtaining quotes from the leading buyers of renewable electricity for power purchase. In addition the Society will receive the Feed-in Tariff. Preliminary accreditation for the Feed-in Tariff was obtained in December 2014 in order to assure that the rate of Feed-in Tariff then in force will apply for this project. Preliminary Accreditation holds the current rate for 12 months and the turbine must be generating before the end of 2015 in order to receive this rate.

## Project Timeline

This is an indicative timeline showing planned progress of the Project from this point onwards:

April 2015	Main share offer
Summer 2015	End of main share offer. Groundworks start on site.
Autumn 2015	Completion and commissioning of turbines.
Spring 2016	First Society AGM
Spring 2017	Second AGM. First payments to Members and Community Fund.

A grid connection has been secured from the Distribution Network Operator. This connection has been paid for and is a binding commitment. The turbines are currently being built in Germany following the payment of deposits funded by the earlier Pioneer share offer.

## Community Fund

The Society will create a Community Fund, set at a minimum of £5000/yr, which is twice the commercial 'best practice' level. This Fund will increase with turbine performance. The Fund will aim to fund activities not currently within the remit of other commercial Wind funds in the area.

From 2017 the fund will be used to assist young people from the Aberfeldy area with their further and higher education. The fund will be used to enable five Bursaries at Perth UHI College of £1,000 each to be used towards studying costs. Only students who live in the Aberfeldy area will be eligible for the bursaries, and they will be awarded based on merit and across subject areas. The decision on who will receive the bursaries will be made annually by the college jointly with the Directors of the Society. After three years the bursaries will be reviewed to ensure they are meeting

their purpose of boosting young people's employment prospects.

## Legal Agreements

A binding Option has been signed committing the Society and Landlord to the terms of a Lease. These documents form the legal basis on which the Society will occupy and rent the land on which the turbine will be constructed, as well as the arrangements for access to the site and grid connection. The Society will take up a 21-year lease on the site, which allows time for construction and 20 years of operation. The Lease provides for a 10% base rent to the Landowner plus additional rent in the case of good turbine performance. The additional rent is 33% of the extra income over £200,000 a year. The Lease also provides for a lower rental rate of 8% in the case of income under £200,000 a year. This protects the Community Fund and member returns.



## Financial Projections

The anticipated total cost for the turbines, associated installation and project costs is £1,816,000. Heartland Community Wind will be liable for all ongoing operating costs associated with the installation and will negotiate the sale of electricity and benefit from the Feed-in Tariff and any other current or future incentives.

Financial Projections prepared and approved by the Board are summarised here. The figures are based on contracts entered into and estimates received by the Society. The Projections began at the point when electricity and FiT revenues commence. The projected finance model includes the return of members' capital over a 20-year period.

At the end of its working life the Society may choose to replace the turbine or not, and to continue in business or wind up, according to the business of the Society at that time. The projections are based on a default position where the turbine is decommissioned at the end of 20 years operation.

### EIS Tax Relief

The Society intends to apply for Enterprise Investment Scheme (EIS) tax relief for this share offer. This can be a significant benefit to taxpayers, irrespective of the amount of shares subscribed for or the rate at which Income Tax is paid.

Income Tax relief is a single payment of 30% of the value of shares subscribed for. Qualifying Members can claim this back against income tax for the financial year in which the shares were issued (or the previous year). Shares qualifying for EIS must then be held for 3 years.

If shares lose value then members can set this loss (minus the initial relief) against income for tax purposes in that year (or

the previous year). Funds invested in an EIS scheme can also provide hold-over relief of Capital Gains Tax if you have recently sold an asset.

The Board will endeavour to ensure that this Share Offer qualifies for EIS tax relief. Advanced Assurance of eligibility has been received from HMRC. However, the Directors are not in a position to absolutely guarantee eligibility. Investors should take their own advice as to whether they are eligible for EIS tax relief.

### EIS tax relief example

Mary is a qualifying taxpayer who invests £10,000 in EIS qualifying shares. The EIS relief available is £3,000 (£10,000 at 30%). If her income tax liability for the year (before EIS relief) was, for example, £8,000, she could reduce it to £5,000 as a result of her investment.

See <http://www.hmrc.gov.uk/eis>



# Financial Tables

## 20 year income and expenditure projections

Profit and Loss and cashflow (£000)	£000	£000	£000	£000	£000	£000	£000	£000
Year	yr 1	yr 2	yr 3	yr 4	yr 5	ysrs 6-10	ysrs 11-20	all yrs 1-20
Operating income	193	198	204	210	216	1,173	2,896	5,090
<u>Expenses</u>								
Operating Expenses	44	45	46	47	49	263	698	1,193
Depreciation	91	91	91	91	91	454	908	1,816
Operating Surplus before distributions	58	63	67	71	76	455	1,290	2,081
Add interest on cash in bank	-	2	5	7	6	26	22	68
Total Surplus before distributions	58	65	71	78	83	481	1,312	2,149
<u>Distributions</u>								
Community fund	5	5	5	5	5	25	70	120
Member interest	53	60	66	73	78	456	1,242	2,029
<b>Cashflow</b>								
Operating cashflow	91	91	91	91	91	454	908	1,816
Less capital repaid to members	-	-	-	107	107	534	1,068	1,816
Opening cash	-	91	182	272	256	240	160	-
Closing cash	91	182	272	256	240	160	-	-

Members Projected return (IRR)	No EIS	EIS	SEIS
	7.0%	10.6%	13.9%

Example of members return (£)								
	yr 1	yr 2	yr 3	yr 4	yr 5	ysrs 6-10	ysrs 11-20	all yrs 1-20
A £1000 (EIS) Shareholder gets								
Interest on investment	29	33	37	40	43	251	684	1,117
Capital repayment	-	-	-	59	59	294	588	1,000
Tax refund	300	-	-	-	-	-	-	300
Total	329	33	37	99	102	545	1,272	2,417
Cumulative	329	362	399	498	600	1,145	2,417	-



## Notes on the Financial Projections

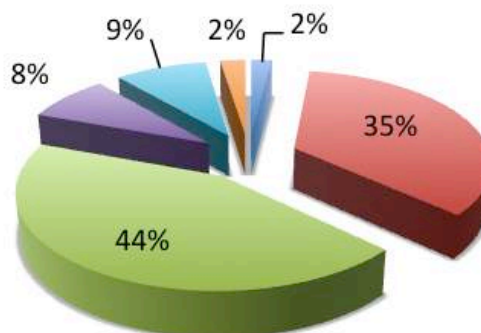
1. The projections in this offer document are based on work carried out by the landowners, RM Energy, Sharenergy and the Board.
2. Inflation (RPI) is projected at 2.5% per annum over the 20-year period.
3. The value of electricity sold is projected to increase by 3.5% per annum, reflecting the strong trend for electricity prices to outstrip RPI over the last decade.
4. Income is based on the combined value of the Feed-in Tariff, electricity sales, and other benefits being 19.4p/kWh, reflecting relevant FiT and current electricity pricing.
5. Depreciation of equipment is straight-line over the 20-year period and creates a fund to pay back Members' capital. Capital is here modelled as being returned to Members annually after year 3 subject to the maintenance of a contingency reserve within the Society.
6. Business rates are projected at nil due to reliefs available for renewable energy technologies.
7. Insurance costs are projected at £2,500/year – this is based on a quote from a reputable broker.
8. Administration costs of the Society are set at £5,000/year. This is as quoted by Sharenergy for their service which covers book-keeping, production of annual accounts, maintenance of membership database, phone, email and postal support of members, preparation of AGM papers and annual return, FCA and other regulatory fees. The Society will produce annual accounts and as a small business will apply for the exemption from audit.
9. Bank interest on Society deposits is projected at 2.5% (most deposits are held long-term).
10. All profits are allocated to depreciation charge or paid as interest to Members or gifted to the Community Fund 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.
11. Normal monthly cash expenditure is expected to be small and will be amply covered by the generation and FIT income. The Projections anticipate that the Society will be cash positive each year from the commencement of operations.
12. Projections are based on a 20-year FiT period, which corresponds to the approximate working life of the turbine.
13. Please note that the removal of Levy Exemption Certificates announced since the main share offer was created may reduce member returns by some 0.3% in the short to medium term, although the longterm effect of this measure alongside related measures is not known.

Breakdown of capital costs	
Capital cost (including turbines, balance of plant, grid, contingency)	£1,646,000
Repayment of project costs to date	£130,000
Cost of establishing Society, Share Offer costs and legal documents	£40,000
<b>Total</b>	<b>£1,816,000</b>

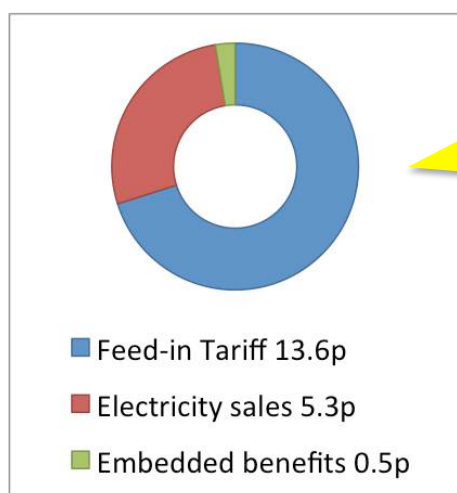
The majority of the spend is on the installation itself – we’ve managed to keep development costs to a minimum.

## Capital costs

■ Electrical plant    ■ Grid    ■ Turbines  
■ Installation & PM    ■ Civil works    ■ Contingency



After the turbines, the biggest cost is grid connection – we’re a long way from the connection point and we’ve had to pay for line upgrades. It’s worth it to connect to a site with good windspeeds though.



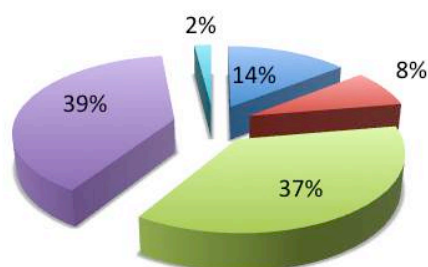
The Society’s income comes from electricity sales, Feed-in tariff and ‘Embedded benefits’ – payments made by the grid for generating at certain times (this figures also includes levy exemption certificates or LECs). These figures are pence per kWh. Unfortunately we can’t sell direct to the public due to the UK’s restrictive licencing regulations – we’re working on that one!

Income in typical year	
Output	995 MWh
Feed-in Tariff	£173,712
Electricity Sales	£67,673
Embedded Benefits etc.	£6,384
<b>Total</b>	<b>£247,708</b>

We've picked year 10 as a typical year. The output is based on the wind resource model.

### Expenditure in typical year

■ Operating Expenses    ■ Rental    ■ Member capital return  
■ Member interest    ■ Community Fund



Most of the income goes back to members in the form of interest or capital return. We've kept running costs low and the basic land rental is at or below market rates for turbines of this size- if the turbine does better than modelled, the landowner gets a higher rent but the majority of the uplift goes to the community fund.



## Risk Factors

As with any project there are risks to be set against the social and environmental benefits. The key risks identified by the Board are:

### 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. However throughout the operation of the FiT and previous similar schemes, successive governments have kept the commitment to maintain project tariffs at the levels the project obtained on registration. FiT is also index linked to RPI.

New technology might make our technology obsolete. However, wind turbines are a stable technology and the chosen turbine has a high level of efficiency so large advances are unlikely.

Long-term changes to weather patterns could result in lower levels of production. However, there is no evidence that the Society is aware of that this will affect energy production at this site.

Operational costs may rise faster than anticipated during the life of the Project. The Society has agreed 5yr contracts for operation, maintenance and administration to reduce this risk as far as practicable.

### Risks specific to the Society

The projections are based on the predicted wind yield. If the wind yield were to be lower on average over the project period then members' return would reduce. In the case of income under £200,000 yr the landowners rent reduces under the Lease commitment, to minimise the impact on members. The wind study gives a P90 figure – the yield which is 90% likely to be exceeded. If the turbines performed only to this level (a 19% reduction in yield) then members return would reduce to a predicted 5% (ignoring the positive effect of any tax reliefs)

Equipment failure due to exceptional circumstances would increase maintenance costs and this would impact on Society 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.

Any changes to the FiT that occur before the turbine is commissioned could result in a change to projections, or in the worst case, non-viability of the project. However the Society has obtained Preliminary Accreditation to ensure that the modelled FiT level is available (allowing 3 months for delays in construction). If commissioning were to be delayed such that this FiT was not available, members' predicted return would reduce.



## The Board

The current board is a transitional board, for the purposes of setting up the Society, running the share issues and overseeing the installation of the turbines. Board elections from the new membership will be held at the first AGM following the Share Offer.

### Jeremy Thorp – Director



Jeremy is an energy expert working with Sharenergy on community renewable energy projects across the UK including Chase Community Solar, Ludlow Hydro and many others.

He started in the sector by leading on a community project in Newtown Powys to develop a 100kW hydro generator. Jeremy previously worked as an energy advisor with Marches Energy Agency and the Household Energy Service. Prior to this, Jeremy spent several years working in the electricity industry, mainly on computer modelling of the transmission system. His qualifications include a degree in mathematics from Cambridge University, followed by modules in energy sustainability and environmental science through the Open University, and qualifications in domestic energy assessment through the NAEA. Jeremy's voluntary work was recognised in 2010 when he was awarded "Green Volunteer of the Year" by the WCVA. He is also a keen electric cyclist and built his own energy efficient house. He is a councillor on Newtown Town Council.

### Mark Jennison – Director



Mark is RM Energy's Operations Director and a professional renewables specialist having spent the last 15 years working in various areas of the industry

throughout Scotland and the UK. This has included working on both sides of the regulatory fence, and as both a project developer and providing development support services and advice. Mark's experience has a focus on both community renewables and FiT scale wind projects, particularly in the development stages up to and including planning and financial close. Mark previously worked for both Energy4All and Highland and Islands Enterprise on community energy projects.

### Jon Halle - Director and Company Secretary

Jon is a founder Director of Sharenergy



Co-operative. A lifelong environmentalist, he has worked setting up renewable energy Societies for the last 10 years, beginning with

Goldenfuels in Oxfordshire and subsequently with Energy4All in the West Midlands, before co-founding Sharenergy in 2011. He has been instrumental in the establishment of many renewable energy Societies including Dingwall Wind Co-op, Scotland's first 100% co-operatively-owned turbine.

# The Society

## Current and intended shareholdings of Directors

The total intended shareholdings of Directors and their direct family members amounts to £30,000.

## Disclosure

None of the directors of Heartland Community Wind have, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies or receiverships, 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

Mark Jennison is a Director of RM Energy, which will provide installation services to the Society.

Jon Halle and Jeremy Thorp are staff members of Sharenergy Co-operative, which provides development and ongoing admin services to the Society.

## Remuneration

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

## Board Practices

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

As a Community Benefit Society, Heartland Community Wind complies with statutory requirements and those of the Financial Conduct Authority. As the Shares will not be listed, Heartland Community Wind is not obliged to comply with The Combined Code on Corporate Governance.

## Development handover

The landowners will be reimbursed for development costs incurred before and in relation to the Offer, and for the risk taken in developing the project from its earliest stage. Following this reimbursement the landowners will relinquish all ownership of the project to the Society. The Society will then pay an annual land rent under the Lease.

## Administration

Sharenergy will provide an ongoing administration service for the Society for an annual fee, which is set at £5,000, rising with RPI as a fixed contract for 5 yrs.

## Accounts

Heartland Community Wind was incorporated on 19 January 2015. Its financial year-end is 31st December. At the time of this share issue, 1,069,719 shares are in issue to 196 Members.

## Interest Policy

Members' Shares will attract a payment of interest annually in arrears. Interest rates will vary according to financial performance.

## Legal Proceedings

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

## Rules of the Society

Community Benefit Societies are governed by Rules approved by the Financial Conduct Authority. A copy of the Rules is available from the Society.

## Further information

Other documents mentioned in this Offer are available from the Society.

General information sourced from third parties in this Offer Document has been accurately reproduced. 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:

Heartland Community Wind and its Members are able to generate renewable energy and benefit the local community, both financially and through the generation of low-carbon electricity.

The Society can raise the funds required to complete the acquisition and building of the Installation

Members may benefit from Heartland Community Wind owning the Wind Installation.

Members may be as far as possible drawn from the local community.

## Offer Shares

£370,000 (Three Hundred and Seventy Thousand) ordinary Shares of £1 are offered at par and payable in full on acceptance of an application on the Terms and Conditions of this Offer Document. The Shares, which will not be traded on any stock exchange, have been created under the Co-operative and Community Benefit Societies Act 2014.

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 the Society, at The Pump House, Coton Hill, Shrewsbury, SY1 2DP, or any successor business address. Each person or organisation issued with Shares becomes a Member of the Society, 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 surplus).

The right to the return of the original investment at the end of the life of the Installation (subject to available surplus assets and any new business of the Society).

As a Member, eligibility for election to the Board.

## Share allocation and tax reliefs

Shares will be allocated on a first come first served basis. Applicants are asked on the application form if they would like to be allocated shares that attract EIS tax relief.

For the avoidance of doubt there are no separate share classes – all shares whenever issued are equivalent Member Shares carrying exactly the

same rights. Similarly, all Members of the Society have equal status.

## Interest payments

Interest will be paid on the balance of each Member's account at rates reflecting annual financial performance. The date of Member interest payments will be announced each year. Interest payments are restricted to that rate which in the opinion of the Directors is required to obtain and retain the capital required by the Society. No special procedures have been established for non-resident holders.

## Voting rights

Each Member has one vote, regardless of the number of Shares held.

## 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 comes to the end of its life Members may choose to liquidate the Society, in which case assets will be realised and the net proceeds applied in repaying Members' share capital. Any surplus will not be paid to Members but will be transferred to another body with similar aims as required by the Society's Rules.

## 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 Society has the power to permit Shares in the Society 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 UK 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 the Society's Rules, on the death of a member of the Society, their personal representative can apply for withdrawal of the share capital. Return of share capital under this provision will be prioritised by the Board over any other return of Members' capital.

# Terms and Conditions

## Eligibility

The Offer is open to any person (over 16 yrs old) or organisation meeting membership requirements.

## Application procedure

Shares shall be applied for using the Application Form following the Guidance Notes.

By delivering an Application Form an Applicant offers to subscribe, on these Terms and Conditions, for the number of Shares specified, or such lesser number as may be allocated.

An Applicant who receives Shares agrees to automatic membership of Heartland Community Wind and to be bound by its Rules.

An application once made cannot be withdrawn.

Multiple subscriptions will be admitted providing that they do not result in a Member holding more than the maximum amount.

## The Offer timetable

The Offer will remain open until complete. None of the Society, its Directors or advisors will be responsible for loss of interest or any other benefit suffered by Applicants during the period the monies are held by the Society.

## Procedures on application receipt

Offer cheques/bankers' drafts will be presented on receipt and may be rejected if they do not clear.

Surplus Application Monies may be retained pending clearance of cheques.

Applications may be rejected in whole, or in part, or be scaled down.

Monies in respect of any rejected or scaled-down Applications shall be returned no later than one month after the end of the Offer.

No interest is payable on submitted Application Monies which become returnable.

Incomplete or inaccurate Application Forms may be accepted as if complete and accurate.

The Society reserves the right not to enter into correspondence with Applicants pending the issue of share certificates or the return of monies.

Results of the Offer will be published on the Project website within one month after the Offer has been closed.

In case of oversubscription, Directors' applications will be met in full and Directors shall, at their discretion, determine the allocation of Shares

Share certificates will be issued to successful Applicants within one month after the end of the Offer Period.

## Pricing, trading and dealing arrangements

Shares are offered at their par value of £1. The underlying asset value of each Share is likely to remain at £1 and any Share redemption will take place at par.

## Applying for Shares

Before completing the Application Form you should consider taking appropriate financial and other advice. 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.** By completing the Application Form you will make an irrevocable offer, which may be accepted by Heartland Wind Society.

**The Rules of Heartland Wind Society.** In buying Offer Shares you will become a Member of the Society and will be bound by the Rules.

## Amount to invest

The price of each share is £1. The minimum number is 100. The maximum is 100,000. Annual interest payments will be based on the number of Shares you hold, but you will only have one vote, regardless of the number of Shares you hold.

## Allocation

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.

## Declaration

In signing the Application Form you are making an irrevocable offer to enter into a contract with the Society. 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. 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 Society.

## 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'. You may also pay by bank transfer.



# Application Form

Before completing this Application Form you should:

- 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
- Read the Rules of Heartland Community Wind available from the Society

**Please use capitals and black ink and complete both pages of the form**

I wish/my organisation wishes to invest a total amount of £       . 00 in Heartland Community Wind on the Terms and Conditions of the Offer Document at the price of £1.00 per Share. You may invest not less than £100 and not more than £100,000.

If you wish to be allocated shares qualifying for EIS tax relief please tick here. ☐

## Individual Applicant details

Title (Mr/Mrs/Ms/other):

Forenames:

Surname:

Address:

Post code:

Day-time Telephone:

Email:

Please provide your email address if possible to keep admin costs down.

If you would like payments from the Society to be paid by bank transfer and not by cheque, please provide bank details

Name on account:

Sort code:

Account number:

**If the Applicant is an organisation please fill in the contact details above and also**

Organisation name:

Organisation address:

Type of organisation:

Registration number:

Position of authorised signatory:

**Please continue to and sign the Declaration overleaf**



# 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 the Society forms a contract in 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 reaches its target early it is possible that an otherwise eligible Application will not be accepted in part or in whole.

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 the Society.
- I am over 16 and the Applicant meets the Offer eligibility criteria.
- The Society is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application.
- The Applicant is not relying on any information or representation in relation to the Offer Shares or the Society that is not included in the Offer Document.
- The Applicant shall provide all additional information and documentation requested by the Society 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 any cheque supporting this application will be presented for payment upon receipt and I warrant that it will be paid on first presentation.

<b>Signature</b> (Applicant/on behalf of Applicant organisation as applicable):	<b>Date:</b>
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## Payment

I wish to pay by      cheque: ☐      transfer: ☐      (tick as appropriate)

Cheque	Transfer
Please attach a single cheque or banker's draft for the amount shown above, payable to Heartland Community Wind Limited and crossed a/c Payee.	Please transfer to the following account: Heartland Community Wind Limited Sort code: 16-33-17 Account no.: 10816111 Please use the Applicant name as the reference attached to the transfer.

Send your completed Application Form and payment to:

Heartland Community Wind Limited, c/o Sharenergy, The Pump House, Coton Hill, Shrewsbury, SY1 2DP or sign, scan and email to [info@heartlandwind.org.uk](mailto:info@heartlandwind.org.uk)

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 applying to join Heartland Community Wind.**

## Glossary

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

**Application Form** The form in this Offer Document that must be completed 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 Heartland Community Wind.

**Climate Change** The phrase widely used to describe changing weather patterns as a direct result of global warming.

**Community Fund** A fund endowed by the Society, which is to be distributed to local organisations.

**Directors** The directors of Heartland Community Wind.

**FiT (Feed in Tariff)** Incentive for electricity generation introduced by HM Government on 1st April 2010 under powers from the Energy Act 2008.

**Heartland Community Wind (or the Society)** Heartland Community Wind Ltd. A Community Benefit Society Registered with the FCA No. 7067

**Heartland Community Wind Shares** Ordinary shares of £1 in Heartland Community Wind.

**Installation** in this Offer Document refers to the Wind turbine, civil works and ancillary equipment of the Project.

**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.

**MWh (megawatt hour)** A unit that measures energy and is equal to the energy that can provide the power of 1 MW for the period of one hour.

**m/s** A unit used to measure windspeed – one metre per second.

**Offer** The Offer of Shares in the Society contained in this Offer Document.

**Offer Costs** The expenses incurred by or on behalf of the Society 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 the Society, offered at par on the Terms and Conditions and payable in full on application.

**PPA** Power Purchase Agreement for the sale of electricity.

**Project** The proposed ownership and operation by the Society of a Wind Installation

**Projections** The financial projections for the Society set out in this document.

**Rules** The Rules of the Society, available on demand.

**Sharenergy** Sharenergy Co-operative Limited. A Registered Society (registered no. 31237R)

**Site** the location of the proposed Wind Installation.

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

For enquiries relating to this share offer contact Jon Halle at Sharenergy:

01743 277119

**info@heartlandwind.org.uk**

Sharenergy, The Pump House, Coton Hill, Shrewsbury, SY1 2DP

The project website with further documents is available at:

**www.heartlandwind.org.uk**

This Society has been developed in association with



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Dingwall Wind Co-op, RM Energy, WTN,  
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Heartland Community Wind Limited is a  
Community Benefit Society registered with  
the FCA (reg no. 7067 )

