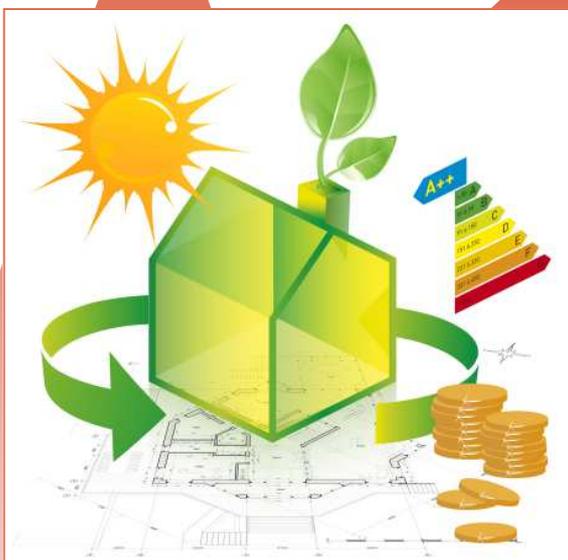


Investors Guide



Low Carbon Chilterns Co-operative

...the local member-owned & run, not-for-profit, community organisation helping the community to save energy & generate its own clean power...



The Low Carbon Chilterns Co-operative is a registered Industrial and Provident Society No 31454 R, regulated by the Financial Services Authority. The Statements made in this Guide were believed correct at the time of going to press. Updates will be available from our web site at www.lowcarbonchilterns.org Date: June 2013

CHAIRMAN'S LETTER

Dear Potential Investor,

The Low Carbon Chilterns Co-operative (LCCC) is a member owned & run, not-for-profit, community organisation set up as an Industrial and Provident Society (IPS) in 2011 by ten Founder Members from Chilterns-area Transition Towns.

The Co-operative's stated priority is to organise the installation of energy saving and generation measures on community buildings. Investments can also include installations on industrial buildings or brownfield sites. We take advantage of income streams such as the Government's Feed-in Tariff, Renewable Heat Incentive and Green Deal programmes, and mobilise individual members' investments to finance the work.

Any profits, after deducting a fair return to our investors, are re-invested in actions for energy-related community benefits. These may include low carbon living awareness campaigns and support aimed at residents in the Chilterns suffering from fuel poverty.

LCCC offers you a unique opportunity to invest in the local installation of energy saving and generation equipment in our community buildings (eg schools, churches, youth clubs and village halls) & other sites. This:

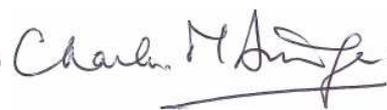
- Supports your local community buildings financially and helps make them sustainable
- Reduces energy use and generates clean power, helping tackle energy costs, energy security and climate change
- Means you receive a reasonable return on your investment, in the form of interest over the lifetime of the investment
- Potentially results in you receiving income tax relief equal to 50% of your initial investment under the Seed Enterprise Investment Scheme (SEIS) or 30% under the Enterprise Investment Scheme (EIS)

The more money we raise, the more energy improvements we can install in more buildings. As an investor you will be able to see your money in action every day in the community buildings you use - reducing operating costs and carbon emissions too. You can make a difference.

We think the co-operative structure will appeal to those of you who may not have considered this type of investment before; it also works as a long term investment which can span the generations. Parents and grandparents can invest in the LCCC now for their children and grandchildren or can invest on their own behalf now and give their investment to their children and grandchildren under their will.

I hope you will join us. Minimum investment is £50 & maximum is £20,000. This together with an annual subscription of £1 also makes you a member of the LCCC.

Yours truly



Charles Ainger - Chairman



Why invest with us?

LCCC aims to:

Provide funding for community projects which (a) help to reduce energy use and (b) increase the amount of renewable energy generated in the Chilterns area

Facilitate the need to move to cleaner, less carbon-dependent forms of energy generation

Provide a socially and environmentally beneficial investment opportunity for local people and organisations.

FAQ

How do I invest?

A share prospectus contains information about how to invest. (You can still become a member if the Share Prospectus has not been launched.)

What is the expected return on investment?

Financial projections will appear in the Prospectus but we expect returns of 3% or more per year.

What does it mean to be a "member"?

Members of the co-operative can attend and vote at general meetings of the co-operative. At the Annual General Meeting the Management Committee will be elected. They are responsible for managing the co-operative. Being a member of Low Carbon Chilterns Co-operative Limited does not require attendance at lots of meetings! Both individuals and organisations can be members, provided they buy the minimum number of shares.

How much do you want to raise?

Once we have active projects we are looking to raise £25,000 initially, though this can rise to £150,000.

What will happen to anything raised above this amount?

We will return funds to investors.

What is the length of time for which investment is sought?

You should regard this as a long term investment. If you want to receive tax relief under the Seed Enterprise Investment Scheme you can't withdraw your shares for at least 3 years.

Is the return on investment dividend or interest, i.e. am I buying shares or providing a loan?

The return is called share interest, not dividend. Like a shareholder in a company limited by shares, you are effectively a part-owner of the organisation – but this is primarily because you are a member of the co-operative, and the co-operative is controlled by its members. Unlike shares in a company limited by shares, the shares cannot be sold to someone else, only back to the co-operative. Unlike dividends on shares, the co-operative pays out share interest before it has to calculate its profits or loss for tax purposes. You must then pay tax on your share interest (assuming

your income is greater than your tax allowance).

How will I be able to get my money out?

You will need to write to us and ask to withdraw your shares. The Management Committee can also suspend the right to withdraw shares. You need to keep the minimum shareholding (currently £50) to retain your membership of the co-operative.

Why are you a co-operative?

As a co-operative Industrial and Provident Society we can raise money by a share issue and have governing rules that incorporate our social and environmental aims. Being a co-operative is also a great way to involve people in what we are doing. A co-operative is regulated by the Financial Services Authority, not Companies House. All members have one vote, regardless of the amount of money they have invested, whereas in a company limited by shares the number of votes a person has is proportional to their shareholding. Co-operatives are governed by their rules, whereas companies have Memoranda and Articles of Association.



How is decision making structured in the co-operative?

Every member has one vote at the general meetings. At the AGM the members elect the Management Committee, who then take all the day-to-day decisions about running the co-operative.

How accountable is the Society to its shareholders?

The shareholders are the members of the co-operative and the co-operative is controlled by its members, in that they elect the Management Committee.

Will my shares go up in value?

No. Also, if the company's accountants conclude that the co-operative's liabilities and share capital exceed its assets the Management Committee can write down the value of the shares.

Can I sell or transfer my shares?

No. You can only sell your shares back to Low Carbon Chilterns Co-operative Limited. You can leave the value of your shares to someone else in your will. Low Carbon Chilterns Co-operative Limited will then transfer the value of the shares to that person.

Can I buy shares jointly with my partner, or in my children's name?

Yes. If you have a joint share then you only have one vote between the people holding the share. If you hold shares on behalf of your child or any other person then you cannot also be a member yourself, because then you would have two votes.

Are there any limits on the numbers of shares an individual can own?

Yes. There is a statutory limit of £20,000 on investment by an individual or an organisation (unless that organisation is itself an industrial and provident society).

Why is £50 the minimum investment?

Although we would like lots of people to be members of Low Carbon Chilterns Co-operative Limited, the more members we have the greater our administration costs. We have therefore set £50 as the minimum investment to ensure that administration costs are not too great a proportion of our expenses.

How will the LCCC communicate with me?

We will communicate with you by e-mail and via our internet site.

Are there any tax advantages from investing in a co-operative?

Yes. If you buy shares (which are not withdrawn for 3 years after the activity your shares have paid for starts), your investment may be eligible for the Seed Enterprise Investment Scheme "SEIS". This allows you to reduce your tax liability by 50% of the amount you have invested (or 30% if EIS). To qualify, the amount you have to pay in income tax in the financial

year that you invest in, must be more than 50% of the amount you invest.

OTHER FUNDING ROUTES

Green Deal

Such simple technologies as modern LED lighting, double-glazing & cavity wall insulation are amongst options that pay for themselves. To encourage adoption, the "Green Deal" provides a framework for private firms to offer consumers energy efficiency improvements and pay for the upfront cost. The cost of the measures is recouped through a charge in instalments on the energy bill. There exists a "Golden Rule", whereby instalment payments should not exceed the energy savings on an average monthly bill.

Feed in Tariff

The Feed-in Tariff (FiT) is an incentive designed to encourage people to invest in small-scale low carbon electricity generating technologies such as solar photovoltaic, wind turbines or hydro-electricity. In return for generating renewable electricity the Government guarantees money for every kWh generated. Moreover, renewable electricity generators receive money for the electricity that is not used on site but is exported to the grid.

Renewable Heat Incentive

The Renewable Heat Incentive (RHI) is a financial incentive scheme for renewable heat generation. The RHI offers long-term tariff support for such technologies as Biomass Boilers (wood-fuelled heating) and Solar Thermal.

QUESTIONS?

We welcome your questions & feedback. Please call us on 01494 581925 or email us at hello@lowcarbonchilterns.org

www.lowcarbonchilterns.org

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