



GO! CO-OPERATIVE

a public transport co-operative
run by passengers and employees

OFFER DOCUMENT SPRING 2010



Information for prospective investors in an offer of withdrawable shares open between 1st April 2010 and 30th June 2010.

The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Marketing Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all assets involved.

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GO!



Executive summary

This documentation is intended to inform prospective investors in Go! Co-operative Ltd. Our mission statement is "to reduce the social and environmental impacts of travel by providing mutually owned high quality inclusive public transport services that encourage people to choose more sustainable options."

We intend to do this through business operations in three areas:

- open access rail services on the national rail network
- bus and light rail 'feeder' routes to supply passengers to the stations we serve
- car pools, online resources and other measures to help more people make use of green transport options

Go! Co-operative Limited is an Industrial and Provident Society registered with the Financial Services Authority (I3097R). It's rules are those of a Multistakeholder Co-operative (Somerset Rules). The registered office is 16 Somermead, Bristol BS3 6SH. It was registered in March 2009.

We have raised over £50,000 from early stage investors, and with those funds we have carried out the research necessary to establish key routes. We are seeking a further £100,000 by June 30 this year, and we will update the offer in the summer with new information; we are confident that this will lead to a total of £250,000 being raised in the course of 2010, enabling us to complete the track access agreements with Network Rail that will allow us to run trains in 2011.

History and structure

In 2008, Somerset Co-operative Services CIC (a co-operative development body working on a range of projects both local and national), working with Transept (a public transport consultancy, and a workers co-operative) secured a grant from the Co-operative Group to carry out preliminary research into the feasibility of a co-operative enterprise providing rail services through 'open access' on the model of Hull Trains.

The work focussed on three areas: whether a co-operative could become a train operating company, where in the south and south west of England there were routes where an open access service would attract car drivers on to the rail network, and what kind of legal structure would enable sufficient finance to be raised from outside investors while preserving co-operative principles.

In 2009, a new steering group came together to incorporate the co-operative and establish the feasibility of the project. A team of experienced rail professionals came together passengers advocates and green transport activists; support for this group came from Ethos PR, Baseline Safety, and Transept. By the end of the year, the main features of the business model were in place, and the extensive examination of the market confirmed that it could operate profitably.

Smile, the Phone Co-op, Energy 4 All, Suma and many others had already established dynamic, well managed and ethical co-operative businesses, but there was still a concern that a co-operative might not be able to access capital on the scale needed to run a railway. The Financial Services Authority ruled in 2007 that co-operatives could issue shares to investors, provided that their voting rights were limited to prevent them running the business for profit alone. This drew on the experience of co-operatives in Spain and Italy, where venture capital often supports co-operative businesses.

Throughout 2008 and 2009, SCS CIC worked on Go! Co-operative's behalf to develop new model rules that would release the potential of the IPS co-operative. By spring 2009, the process was near to completion and the legal structure could be registered. The new body would be a Multistakeholder Co-operative – rather than serving either consumers or workers, the co-op would combine both groups. Passengers would have 50% of the vote in general meetings and workers 25%. The remaining 25% would be held by non-user members – that is, investors. While user members (passengers and workers) would be able to buy shares, they would be limited to withdrawable shares with capped returns; non user members could be offered a wider range of investment options.

The Business Opportunity

Mainline rail

Most trains that run on the national network are part of a franchise – for example, the collection of routes between London Waterloo and south coast destinations such as Exeter, Weymouth and Bournemouth is a single franchise. These franchises are auctioned every five years to rail operators: in the main, the operator that undertakes to pay the most to the government wins the franchise.

Since rail privatisation, provision has been made for 'open access' operations. That is, routes that use the national rail network but are not part of a franchise can be operated by a licenced rail operating company. However, they do not have access to the most attractive routes – in fact, there is a requirement for 'moderation of competition' that protects franchised operators from open access companies poaching their passengers. An open access service must prove that the new route will bring new passengers on to the network by offering something different to presently available routes.

In the early days of privatisation, a number of routes were more strongly protected. However, most of the network is now available to open access. So far it has remained the exception rather than the rule: Hull Trains was the first

established, and has been joined recently by services from Sunderland and Wrexham, but open access still accounts for a very small fraction of rail services. The recent 'Future of Rail' White Paper says:

'The Government also believes that operators should continue to be free to apply to run passenger services under open access rights. The possibility of purely commercial services supplementing those provided under franchise remains a valuable one. But the number of open access services is always likely to be small. With capacity increasingly constrained, open access opportunities will be limited, and access rights should not be granted for services which just poach passengers from other services and do not increase the overall market. Open access operators should bear a fair share of the costs of the railway through the access charges they pay. The ORR will apply these principles in considering future open access applications.'

Open access has up until now concentrated on additional routes into London. However, there are other opportunities worthy of consideration, ranging from the small scale (unused and underused branch lines) to the large scale (cross country routes that cut across existing franchises). Go! Coop's Business development team led by Chris Phillimore and including Keith Vingoe, Alex Lawrie undertook an analysis of potential route options, which used information from a variety of sources including



Department for Transport Reports, Network Rail's own Route Utilisation Strategies, Census Information, traffic counts and contributions from individuals and independent organisations. We have identified a route that links the south coast to the midlands – a known failure of the present timetable, according to the Wessex Route Utilisation Strategy published by Network Rail.

The route map here shows how we use the existing 'Wessex line' from Yeovil to Trowbridge before heading through Melksham to Swindon and then north to Oxford. This covers significant and fast growing towns like Yeovil, Frome and Dorchester which presently have few north - south rail services - Melksham has an especially thin service. It also creates opportunities for new connections which will make many journeys possible that were previously impractical by rail.

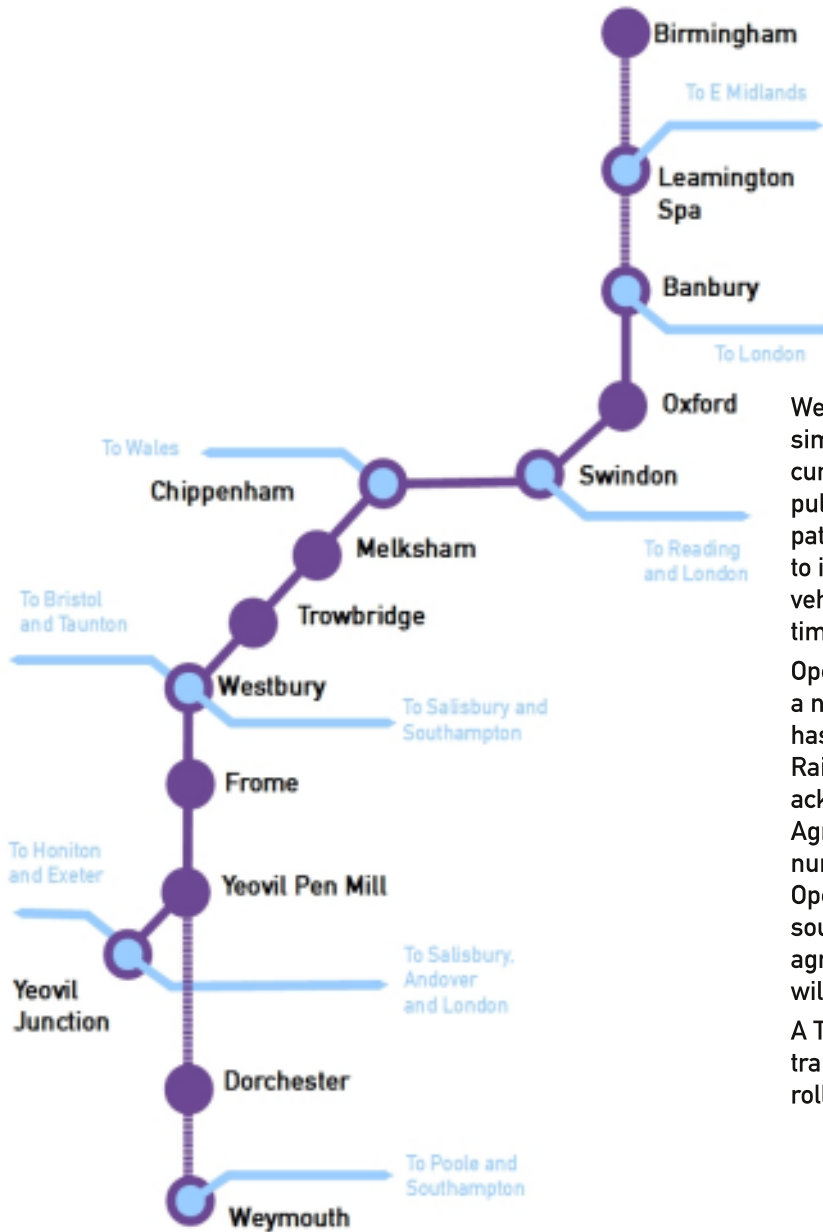
We believe this has the best potential for a new service in the south of England for the following reasons:

- i. The route connects a number of centres of population for which there is currently no direct provision.
- ii. There is a good balance between delivering social benefits to poorly served communities (such as Melksham and Frome) and significant demand between large towns (Swindon and Oxford).

- iii. The route does not require any major changes to infrastructure such as upgrading freight lines to passenger use.

We continue to explore the range of options available in terms of track capacity, and desirable in terms of profitable operation, and changes to the route are still possible. Go! has engaged the services of an external contractor Funkwerk of York to undertake timetable modelling and this has resulted in a draft timetable that will offer 4 round trips over the core Yeovil – Oxford section with 3 of these trips being extended to Birmingham Moor Street. Services to Weymouth would require an additional train set, and would be introduced after the initial service has become established.

The draft timetable envisages trains starting at Yeovil, with an early train running all the way through to Birmingham, providing long distance business travel, with a later train offering commuter time services from Westbury / Trowbridge / Melksham through to Swindon and Oxford. Mid day through services to Birmingham cater for the leisure market along the corridor, with balancing returns at the end of the day. Sunday services will offer through Birmingham – Weymouth trains from the start catering for a similar market to that provided by existing services from Bristol to Weymouth



We expect to use refurbished rolling stock and traction similar to that being used by Wrexham and Shropshire currently. This option provides good flexibility through push-pull working with high speed along the GWML to avoid pathing issues with existing HST services. We will continue to investigate the possibility of introducing new DMU vehicles during the life of the TAC (up to 7 years) but at this time no financial case can be made.

Operating a mainline service is an enormous challenge for a new enterprise. Having identified our chosen Route, Go! has opened preliminary negotiations with both Network Rail and the Office of Rail Regulation (ORR) who have acknowledged our intention to acquire a Track Access Agreement. To acquire a TAC we will have to pass a number of tests to verify our fitness to become a Train Operator, these will include verification of Go!'s financial soundness and a range of systems and technical agreements will have to be in place. We expect this process will take about another 9 months.

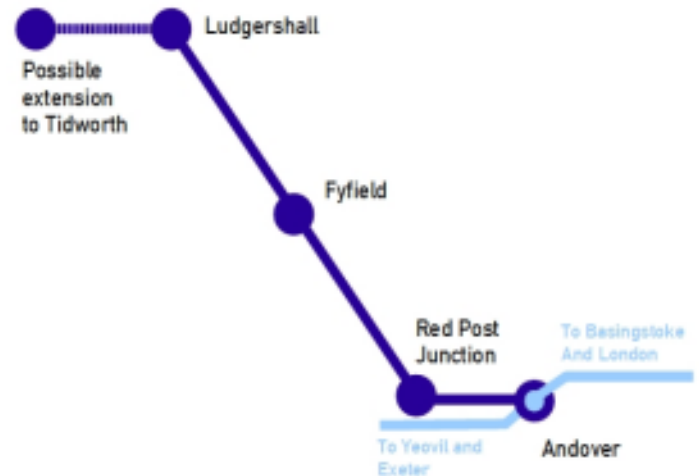
A Track access agreement gives us the authority to operate trains but we will still need to sign contracts for supply of rolling stock and some investment in physical facilities will

be required. To deliver this stage we expect to form a joint venture with an established partner / investor and discussions are on-going. This vehicle is likely to be a joint venture, similar to the agreements that have enabled some co-operatives to take control of large capital assets such as wind farms in stages. Having begun to operate the service and establish its credibility, Go! would be able to buy a progressively larger stake in the venture. It would work through the process of qualifying for a licence in its own right so that operation could be carried out directly. Our goal is to bring as much as possible of the delivery of services under co-operative control; in the interim, it will be necessary to share control with more commercial partners. Negotiations are well advanced but further progress is dependent on Go! Coop's ability to raise the additional funds as part of our contribution.

Light rail

Our original intention was to develop short lines to feed into our cross country route. Branches in Yeovil, Weymouth, Oxford and Swindon were considered, but for technical reasons they cannot quickly be turned into viable public transport routes.

A more immediate proposition may exist on the border between Wiltshire and Hampshire. There is a branch line to



the small town of Ludgershall near Andover in Hampshire, which serves a local MOD base. As movements on the line are sparse, it should be possible to operate a light railcar service, and Go! has been working closely with Lightweight Community Transport (a social enterprise providing leasing of light rail vehicles).

Pre Metro Operations (a licenced train operator specialising in ultra light rail) and the various local authorities exploring this possibility. Although early days, this is another line in excellent condition, with a population to serve, and very light existing use.

We hope to put in a track access application for this route very soon; however, there are still many barriers to overcome. The challenge is to find a solution that keeps costs and environmental impact low enough for the route to be sustainable with a relatively modest local population, while satisfying the safety requirements of a line that is occasionally required for heavy freight movements.

We continue to explore other possibilities for short line operation, in collaboration with local rail groups, local authorities and independent railways, including Medstead to Alton in Hampshire, Dudley in the West Midlands and Radstock to Kilmersdon in Somerset.

Bus services

Buses are a valuable part of the public transport mix, and one that we are keen to make use of. Our aim is to link bus services to our rail routes, bringing train passengers from towns and villages with limited public transport connections at present, and from other rail lines that would otherwise not be connected. The goal is to connect as seamlessly as possible with the rail network.

These will be longer routes than most buses operate, with longer distances between stops, but they will nonetheless be local bus services (and so eligible for grant support and concessionary fares) and will provide a level of service intermediate between traditional stopping buses and coaches.

By providing this increased level of service, we expect to attract users who do not presently see buses as meeting their needs: business travellers and town-to-town commuters, for example.

Some of the towns under consideration are Wincanton, Blandford, Devizes, Cirencester, Thame, Dorchester and Shepton Mallet.





Car clubs

Co-operatives have also featured in the growing number of car clubs (sometimes called car pools) in the UK. This arrangement – best summed up as low cost car hire by the hour, and from dispersed convenient locations – lends itself well to co-operative organisation, as it requires a membership structure and benefits from the active engagement of members. Car pools are planned for larger towns where Go! has both bus and train operations: in all probability, these will include Yeovil, Frome, and Swindon. Go! is keen to form effective partnerships with other social enterprises such as Co-Cars and Common-wheels who are already established in this field.

Co-operative car clubs are the norm in many other countries – Canada has a well developed network of co-ops – but here they remain relatively small compared to private providers such as City Car Club and Smart Cars.

Commonwheels and Co-cars are two co-ops that have tried to develop a business model that could operate across a number of locations, and there may be considerable scope for sharing resources and intertrading.

Research suggests that car clubs are a good complement for public transport – car club members report an average 60% decline in car use, with much of the shift being towards greater use of public transport. Our expectation is not so

much that there will be frequent interchange between car pool cars and our other services (though we do hope to provide for that) but rather that it will contribute to an overall change in travel habits.

Go! Co-operative has placed open access rail at the heart of its plans, but it is intended as a multi-model transport provider. In order to 'feed' stations on its main route with passengers, and in order to build a diverse base of operations, rail will be complemented by light rail, bus and car club operations.

Key Milestones

(dependent on availability of funding)

Apr 2010	Public Launch of mainline route Detailed train planning and demand forecasting work to confirm routes
Jun 2010	First Annual General Meeting
Sep 2010	Completion of regulatory approval
Sep 2010	Launch of car pool service
Feb 2011	Completion of licensing and approval procedure
Mar 2011	Launch of bus and/or light rail shuttle service;
Dec 2011	Commencement of mainline service

Financial Returns

Trains can be run profitably without subsidy. Hull Trains earned a near £2M profit on £18M turnover in 2006-07; the following year, it was £3M profit on £20M turnover. New routes that link up neglected towns could revitalise the network – not only attracting customers on to our trains, but widening the use of the whole rail network. This is not just a desirable goal, but a condition that any open access service must satisfy.

However, any open access service faces serious challenges. Network Rail will not permit operators to start running trains unless they have strong financial backing, and are in no danger of insolvency. Hull Trains first full year of operation was 2002, and yet until 2005 shareholders funds were still in deficit. In 2007, Grand Central's operations between Sunderland and London finally got underway, much delayed; they recorded losses of £4M.

This is why our share issue is so important: it enables us to meet the costs of developing the service and complying with the necessary regulations without being burdened by debt. Having done that, we can take part in timetabling conferences on equal terms with other operators.

We have to anticipate that the first three years will all show trading losses, and only by 2015 will the company's reserves be in the black. Indeed, during 2010 and much of

2011 there will be little or no turnover. This is in line with the experience of other operators, and we expect our results to be broadly in line with theirs.

Profitability can be achieved more quickly, but on a much smaller scale on short line routes and bus services. In our projections we assume one feeder service beginning in spring 2011, and two more soon after, with further services being introduced after 2014.

Car pools are not expected to directly contribute significantly to profits, but serve a valuable purpose in encouraging greater use of buses and trains. They will be launched in two locations in 2010, another in 2011 and one or two more locations in 2013 and 2014.

Analysis of current ticket prices and ticket sales data has identified that the core section from Yeovil to Oxford / Banbury will provide the best revenue per mile and the bulk of passengers. The current average ticket price for our

overall service (based on existing fares available for multiple change options) is £19 for a standard single.

It is not our intention to take passengers from existing operators but to grow the overall rail market. Because we are offering some new direct journey opportunities our ticket prices may be slightly higher than that which is currently available through current multiple change journeys.

Revenue modelling is a complicated area and we have engaged the services of AECOM to undertake a range of sophisticated demand modelling studies which will verify our own predictions. These models will be based on the MOIRA database, which is operated by ATOC. Significant modifiers will be required as the existing data will be under-represented for our route. They will also produce overall economic benefit values, which will further support our application.

2009	2010/11	2011/12	2012/13	2013/14	2014/5	2015/6	2016/7	2017/8
Profit / Loss	-616	-2,176	-3,447	738	3,346	4,686	4,781	3,802
Payments to member			154 (bonus shares)	108 (bonus shares)		1,610	1,803	1,803
Accumulated profit	-663	-2,839	-6,440	-5,810	-2,463	612	3,591	5,590



AECOM are one of the most respected firms in this area and have a strong track record of working with other Open Access operators. The costs of this work are not insignificant and will be funded by further investor funds.

We have used current ticket sales data along with surveys of numbers of passengers Entering / Exiting (E&E) at our served stations. Excluding Birmingham, the towns we serve have a total population of over 670,000 (within 2km of Station).

In period 06/07 the average number journeys per annum / head of population / station for our Route (excluding Birmingham and assuming 50% of E&E) was 9.8 against a national average of over 16 (which includes London commuting stations)

In preparing our financial forecasts Go! has taken care to identify all the known factors that could affect the financial performance of the service. The following information must be seen as a forecast which will be subject to change and evolution but represents the best estimate that we can prepare to support the offer.

We do not intend to publish detailed spreadsheets of costs and revenue due to issues of commercial confidentiality. In some respects we are bound by terms of confidentiality agreements with our potential suppliers. In compiling our cost estimates, we have adopted two separate approaches:

item by item cost accounting and review of comparable operators published accounts.

Break even is forecast to occur at around 50% of capacity for the 2 diagram service and 47% for the 3 diagram service. Published studies of new train services and 'modal shift' (changing people's travel habits from car to public transport, particularly trains) have identified a common curve of take-up of a new service. This starts flat (resistance), then passes through a period of exponential growth (modal shift) and then flattens off (maturity). From published data, current train services in the area we are operating are forecast to reach full capacity within the next 5 years. However in preparing our forecasts we have chosen to be cautious and have only estimated total demand will reach 75% of capacity offered

Go! will not own significant tangible assets; the intangible value of the Track Access Contract makes a conventional valuation highly subjective. Even so, we can reasonably expect that even with relatively limited investment prior to receipt of a TAC, the added value will significantly increase the worth of that investment.

Social Returns

This is an investment which offers significant financial returns, corresponding to both the risk and the potential profitability (see the forecasts elsewhere in this document). However, it is first and foremost a social enterprise, and will be judged most of all on its social returns. These stem principally from the mission statement:

- reduced social impacts: people using our services are less disadvantaged by their background, their ability or their economic position than they might otherwise have been.
- reduced environmental impact: carbon emissions are reduced overall, efficient use of resources is practiced throughout the organisation, marketing is responsible, and the technologies employed are among the most environmentally sensitive in our sector.

In addition, there are secondary social returns that are implicit in our mission statement and business ethos:

- the practice and promotion of workplace democracy
- adopting best practices as an employer
- contributing to community development in the areas in which we operate

- contributing to the adoption of corporate social responsibility, through co-operative and social enterprise networks

We do not expect our members or our investors to take these social returns on trust: we are committed to developing a process of independent social accounting that will measure our achievements objectively. This can be done by monitoring operational data, by surveying our customers and asking about their travel behaviour, and by working with local authorities and other bodies that are gathering relevant information.



Personnel

Chair of the committee – Tim Pearce

Tim was until recently a Director and sometime Chair of the Radstock Co-operative Society, an independent co-operative society in Somerset with a turnover of some £15m. During his time on the board he helped to turn the society from a position of managed decline to a position where it is now opening new shops. He organised a conference 'Social Enterprise and the Railways' in Swindon in 2008, which played an important part in the formation of Go!.

He became involved in the co-operative movement while an arts administrator on Tyneside in the late '70s, helping to establish the Tyneside Free Press Workshop and running a Woodcraft Folk group. He became a political organiser with the London Co-op in the early '80s and worked with various co-operative development and representative agencies in the London area. He moved to Bath in the '90s to look after Co-operative Party interests in the South West and also served as a Director of Avon CDA.

Chief Executive – Keith Vingoe

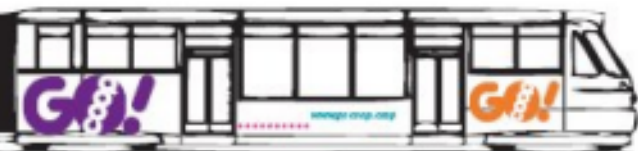
For several years the Managing Director of his own company, Learning2 Ltd which specialised in providing professional business advice and training in modern

business practices, methods and technologies. Currently the Managing Director of the Lynton & Barnstaple Railway CIC, having specific skills in railway management such as the inauguration and application of Safety Management Systems and their prerequisite documentation. The feasibility of rail operations including potential returns, passenger numbers and the importance of developing relationships with regional and national government bodies, landowners, and residents. Also served as Chairman of the Board of Trustees and whilst in that position oversaw the restructuring and total organisation of the relationship between the company and the Trust including the creation of a subsidiary CIC. This required a total redraft of the M&As of both companies as well as seeking approval for the changes from the Charity Commission, Companies House and the CIC Regulator.

Has an MA in Social Studies, a BA in Economics and a Post Graduate Diploma in Quantitative Methodologies as well as a high level of understanding of accountancy practices and company law.

Director of Safety and Infrastructure Engineering – Chris Thompson

Chris has had a very varied 30-year career in the civil engineering/ infrastructure departments in three BR



Regions, covering track technical, training and safety management in the pre-privatised rail industry, ranging from surveying for track renewals to HQ management roles. He was part of a team that invented and developed a train warning system for track staff. He holds a Degree in civil engineering from what is now the University of Northeast London, both MICE and CMIOSH and has been a member of the Permanent Way Institution since 1966.

Since 1996 he has operated independently via Baseline Safety Limited, supporting clients in construction, rail, roads and related activities. This second career has thrived, offering great variety, due recognition, and many interesting challenges. After the Hatfield Rail disaster, he returned to Network Rail in an assessor role for six years, mentoring many track patrollers to fill a wide range of important gaps in their substantive track and engineering training.

Director of Operations and Business Development – Chris Phillimore

Chris Phillimore is the Managing Director of Thirty Inch Railways Ltd, and a Director of Jurassic Coast Railways Ltd. He has worked for the last ten years in construction, managing a variety of new build and conversion property developments. More recently, he has become a specialist in the design, construction and maintenance of light and

narrow guage railways. He trained initially as an architect and has undertaken a Management Diploma in 2001/2. His responsibilities have ranged from purchasing and contracting to budgetary planning and control. He has a detailed knowledge of planning and construction practices, particularly in the area of utilities and civil engineering.

Finance Director - Sandra Aldworth

Sandra Aldworth is a Chartered Accountant (qualified in 1986), and a member of the Tax and Finance and Management Faculties of the Institute of Chartered Accountants. She worked until October 2005 as the financial controller of The Castle Hotel, Taunton, and BRAZZ plc (turnover £5 million); before that she worked as financial controller or consultant for a number of businesses. She is a founder member of SCS, and is responsible for year end accounts for over fifteen co-operatives and social enterprises, in some cases also providing payroll and quarterly management accounts.

Member Services Director - Alex Lawrie

Alex is a founder member of Stepping Stones and Cornerstone Housing Co-ops, Footprint Workers Co-operative and Chapeltown Credit Union, Yeovil Car Pool, the Ecological Land Co-operative and of UpStart Services (the

forerunner of SCS, founded in 1997). He studied politics at Leeds University, worked for Yeovil College as a lecturer in IT, has received training in Fundraising and Training Skills from the DSC, and in Planning for Real from the Neighbourhood Initiatives Foundation (he is NIF training associate). He is the author of 'Empowering the Earth' (Green Books, 2000). His role in SCS includes work on housing co-ops, LETS, car pools, secondary co-operatives and co-operative development infrastructure. Alex became SFEDI accredited as a social enterprise advisor in 2008.

Co-operative Secretary - Kate Whittle

Kate Whittle has been working with co-operatives, both in the UK and overseas, for over 20 years. She has worked as a researcher, trainer, mentor and development worker for a wide range of co-operatives and social enterprises. In 2003, along with colleagues Bob Cannell and David Dean, she set up Co-operative Business Consultants www.cbc.coop, with the aim of promoting co-operative and participative management methods and techniques. Kate is an expert in co-operative organisational development, teambuilding and facilitation. From 2003 to 2005 Kate served as a Director of the Phone Co-op. Kate achieved SFEDI accreditation in 2009, and in 2010 achieved the ILM VRQ Level 5 Certificate in Social Enterprise Advice.

Advisors to the Committee

Passenger advocacy - David Henshaw

David Henshaw has been an editor of A to B magazine (previously 'The Folder') since 1993. Has authored and co-authored a book or two on railways and cars, but has specialised in folding bikes since 1993, and electric bikes since 1999. As well as journalism for other magazines, he has been involved in cycle map surveying for Cycle-City Guides. He was formerly on the National Executive of the Railway Development Society.

Transport logistics – James Hall and Robin Pointon

James is a member of Transept, a public transport consultancy based near Reading and a workers co-operative. Over the past decade Transept have provided specialist public transport advice and supported the delivery of some major transport schemes. Robin Pointon is senior consultant for Go Travel Solutions a transport consultancy based in Leicester. Go Travel Solutions specialises in sustainable transport and works for a range of public bodies, businesses and transport operators.

INVESTMENT INFORMATION

Please read this section carefully - it sets out the details of becoming a member investor.

Membership is open to individuals, corporate bodies, voluntary organisations and public sector investors (the application form in this document is suitable for natural persons only; corporate bodies should request an alternative form).

While you may hear about this business from other sources, you should make your decision based solely on the information in this document.

This document is issued by Go! Co-operative Limited as an Industrial & Provident Society incorporated in England and Wales on the 15th January 2008 under the Industrial & Provident Societies Act 1965 (number 30451).

Shareholdings

The minimum shareholding, which you can apply for under this prospectus, is £500 (except for prospective users - see below) and the maximum is £20,000 (except for other industrial and provident societies for which there is no maximum). Larger sums can be invested in the co-operative as donations, loans or loanstock, subject to the agreement of appropriate terms.

Investors in the co-operative are members, able to participate in the co-operative on a one member one vote basis. Passengers and prospective passengers are the principal stakeholders in the co-operative, and as such have 50% of voting rights in general meetings. The other 'user members' are the employees and other workers in the business; they have 25% of voting rights. Other shareholders are 'non user members' and by law they must have limited voting rights: no more than 25% in

Share type	Date of investment	Date of exit	Initial investment	Bonus shares	EIS tax relief
Withdrawable	2010	2016	663,085	154,000	133,000
Withdrawable	2010	2017	663,085	154,000	133,000
Withdrawable	2011	2016	2,176,000	108,000	435,000
Transferable	2010	2017	663,085	154,000	133,000



general meetings, and they may not vote on certain resolutions that would change the status of the co-operative. Note that user members can receive a fair rate of interest on capital subscribed, but not windfall profits: for this reason, interest on their shares is limited to 3% above the Co-operative Bank's standard lending rate.

To be considered a prospective passenger, subscribers should live within ten miles of a railway station named in this document, or five miles of any other named location. Prospective passengers need only subscribe a minimum of £100, and this may be paid in installments.

The co-operative is able to issue both withdrawable and transferable shares. However, at this stage it is only possible to offer transferable shares to self-certified high net worth and sophisticated investors (a sophisticated investor is someone who, for instance, has already made investments in unlisted shares in the last two years). If you

wish to self certify, or have already done so, please contact us for further information. The minimum investment for transferable shares is £5,000.

Each withdrawable share in the co-operative has a nominal value of £1. From 2013, holders of withdrawable shares may request repayment. However, the committee may at any time suspend repayments if they believe it would damage the position of the co-operative. All applications are subject to the terms set out in the Rules. In the case of joint investments all concerned must agree to a withdrawal. Shares will normally be repaid at the original price, but the Directors have the right to write down the value of shares, if the liabilities of the co-operative (and its share capital) should exceed the value of its assets. Shareholders who then withdraw their shares will only receive the written down value of their shares.

In the event of the co-operative ceasing to trade, shareholders will be re-paid up to a maximum of £1 for every £1 share owned, once all creditors have been repaid in full. You may not benefit financially from your shares if we convert, or transfer our business or are wound up. The only financial benefits you may receive from your shares are the possibility of interest and the possibility of the return of the money you pay for your shares.

Dividend / interest	Value on exit	Internal rate of return
196,000	817,000	10.9%
416,000	817,000	12.6%
549,000	2,285,000	10.1%
196,000	1,037,000	15.2%

Nomination option

In the event of the death of a shareholder, the repaid value of the shares will normally be added to the estate for Probate purposes. You may (if you so wish) elect to nominate a recipient for the value of the shares (but only up to £5,000) and thus (under current legislation) remove the value of the shares (up to £5,000) from your estate for probate purposes (but not capital tax purposes).

Warning

You may lose the value of your shares. As an Industrial and Provident Society, Go! Co-operative Limited does not need to be authorised by the FSA to take deposits by issuing these withdrawable shares. It is not regulated, to the extent that it is taking deposits by issuing withdrawable shares. So, the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

All forecasts and projections in this document are dependent on market conditions and cannot be guaranteed. All returns are dependent on the degree of success enjoyed by the business, and may be reduced or suspended altogether if the Committee thinks it prudent to do so. Our withdrawable shares are not “investments” for the

purposes of the Financial Services Act 1986. So you do not have the level of protection that you might otherwise be offered by the Act. In particular, this document does not need approval (and has not been approved) by an “approved person” under Section 57 of the Financial Services Act 1986. This document is not regulated by the Prospectus Regulations 2005. Those regulations do not apply because there is a specific exemption for Industrial and Provident Societies.

Should the co-operative get into financial difficulties:

- We may have to suspend your rights to withdraw your shares
- We may have to write down the value of your shares
- You may lose all the money you pay for your shares

Can you afford to be without the money you pay for these shares? If not, do not buy them.

If you are in any doubt about the information contained in this document you should consult an Independent Financial Adviser authorised under the Financial 4 Services Act 1986. The rules of Go! Co-operative Limited are available for inspection – please email info@go-now.coop.

Terms and Conditions for applying for Shares

You cannot withdraw your application for shares after we

receive your application form. We do not have to accept your application for shares. We may decide not to issue shares to you, or to issue to you fewer shares than you apply for. We do not have to give any reason for our decision. Your application must be considered for approval at the next convenient Board of Directors meeting. These normally take place four times per year, and therefore you should not expect an immediate response.

Prospective service users may join the co-operative at any time, and invest up to the stated maximum, on request. Non user members may only invest when a share offer is open. All applicants for share capital using this document are assumed to be non-user members. The offer described in this document will expire on the 30th June 2010.

We will acknowledge receipt of your cheque and application. We may cash your cheque as soon as we receive it. But until we issue shares to you we will hold that money on trust for you.

We will return your cheque to you (within seven days of the Board of Directors meeting at which we consider your application) if we decide not to issue shares to you. If we decide to issue to you, fewer shares than you apply for, we will return the balance to you (within seven days of that Board of Directors meeting). If we raise less than £25,000, the offer will be held to have been unsuccessful and your

funds will be returned to you. If we raise more than £250,000, the offer will be held to have been oversubscribed and funds in excess of the maximum will be returned. Otherwise, the project may advance more quickly or more slowly than planned depending on the resources available.

The money will belong to us (and we no longer hold it on trust for you) as soon as we issue shares to you (to the extent that we take it as payment for shares). We will not pay you interest on any money we return to you.

The law of England applies to these terms. The courts of England and Wales have non-exclusive jurisdiction. You will be bound by our rules (as may be amended from time to time) if we issue shares to you.

Your promises to us

You promise that: your cheque will be honoured on presentation; you, as an individual, are at least 16 years of age; you have authority to sign the application form (if you are signing it for another person) and you will show us evidence of your authority if we ask to see it; you will supply us with proof of your identity and address, if we ask for it (we may need this to comply with the Money Laundering Regulations 2003, and we may have to hold back your shares until we see it); you are a British citizen or UK resident.



APPLICATION FOR INVESTMENT

To become a member requires a minimum of 500 shares, or 100 for prospective users. Each share costs £1. Each shareholding member has one vote, regardless of the size of their shareholding. The maximum permissible shareholding is £20,000. This form is for withdrawable shares held by natural persons - for corporate or transferable share, contact us.

Applications must be received at the office of GO! CO-OPERATIVE Limited, 16 Somermead, Bristol BS3 5QS on or before the 30th June 2010. Please include a cheque payable to Go! Co-operative Limited. Alternatively, you can pay with an electronic funds transfer to 08-92-99 65350423, using your postcode and the first eight letters of your surname as a reference.

I/We wish to become a member of GO! CO-OPERATIVE Limited in accordance with the rules, and apply for: shares, and enclose payment at the rate of £1 for each share.

In the case of joint applications, all applicants (up to 4 persons) must sign (please photocopy this form if there are more than 2 joint applicants).

If you wish to nominate a person to whom you wish your shares to be transferred to on your death, please tick here:

and complete a "Nominee Appointment Form".

Please indicate which type of share (see page 20) you are applying for:

User share (minimum £100, cap on returns)

Investor share (minimum £500, limited voting rights)

Agreement

I am at least 16 years old. I agree to be bound by the Terms and Conditions included in the attached offer document and the rules of the co-operative.

I understand that the Society's Board may reject my application without further explanation, and that the data provided on this form will be stored within a computerised database.

GO! CO-OPERATIVE Limited may at its absolute discretion require verification of identity from any person seeking to invest.

[Offer document v2.1]

Person 1

Person 2

Name

Address

Phone

Email

Signature

Date

Payment by installments

(prospective passengers only)

Use this form to set up a standing order, for between £5 and £50 a month. We will credit you with share capital every six months, in expectation of the subsequent six payments. If you cancel your standing order, your share balance will be adjusted to reflect payments actually made.

To (enter the name of your bank here)

My account details

Branch address:

Please make the following payments from my account, with the first payment being made immediately, and subsequent payments on the same day of the month every month thereafter, until I notify you of any change. Each payment will be (£5 to £50):

Sort code:

Account number:

[] numbers [] words

Account in the name of:

There will be a total of [] monthly payments, after which this standing order will expire (minimum of £100 in total).

Signed:

The payments shall be made to the account in the name of Go! Co-operative Limited (The Co-operative Bank plc; sort code 08 92 99; account number 65350423).

Date:

APPOINTMENT OF A NOMINEE

You can nominate a person to whom you wish your shares to be transferred on your death. We will respect those wishes (so far as the law and our Rules permit). If you are a joint holder and you do not wish your holding to pass to the other joint shareholder(s) then you must complete this form. You may nominate a person to whom you wish your joint shareholding to be transferred on your death.

I wish to appoint the person named below as my nominee, and ask GO! CO-OPERATIVE Limited to transfer all my assets in the co-operative to them in the event of my death.

I understand that it may not be possible for GO! CO-OPERATIVE Limited 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 by my giving clear written instructions to the Secretary of the Society at the registered office.

I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Name of nominee

Address

Phone

Email

Signed as a deed by the shareholder:

Signature

Date

Witnessed by

of (address)

GO! CO-OPERATIVE

Registered Office
16 Somermead
Bristol BS3 5QS

t: 0845 458 1473

e: info@go-now.coop

w: www.go-now.coop

I&PS Registered with the FSA
Reg No: 30978R

Supported by

The **co-operative** fund