

Ecological Land Cooperative

Community Share Offer 2020

You are invited to invest in the development of small farms for new entrants to ecological farming.

Raising from £120,000 to £400,000

Investments start at £500 up to a maximum of £40,000.

Offer opens 9th March 2020 and closes on 18th May 2020.

Introduction and Contents

You are invited to invest in and become a member of the Ecological Land Cooperative (ELC).

The ELC develops affordable, low impact, small farms for new entrant farmers to ecological agriculture.

We want to see a living, working countryside where land is accessible to everyone and affordable for those who want a low impact land-based livelihood, using natural inputs to grow good, healthy local food and produce that benefits people, communities and the natural environment long into the future.

The high costs of land and rural housing make it very difficult for new entrants to farming to establish a farm business in England and Wales.

The ELC model for creating affordable, ecological small farms has been proven with permanent planning permission for agriculturally tied dwellings granted for our first cluster of small farms in Devon. New farms are being set up on our second site in East Sussex and we have three more farm clusters in development making a total of 15 small farms.

Our research has shown that small scale ecological farming can work in today's economy. Sustainably managed small farms provide low-impact livelihoods, regenerate land and produce good food for local communities, increasing resilience and improving the soil, ecology and biodiversity for future generations.

Please read on. We hope, once you have considered all the information contained in this Share Offer Document, including the terms and conditions for investors, that you join us!

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"In the UK, the high cost of land is a prohibitive barrier to land-based ecological livelihoods. The Ecological Land Cooperative is pioneering a new model to overcome this barrier."

Resurgence & Ecologist Magazine

An Invitation to Invest

in future farms for England and Wales

This is an exciting opportunity to invest in the development of ecological small farms in England and Wales. Over the last 10 years we have delivered on our aim to widen access to land for sustainable use through the creation of affordable low-impact residential small farms.

Our first cluster of small farms at Greenham Reach in Devon has now received permanent planning permission for rural workers dwellings and houses three flourishing ecological farm businesses providing a wide range of produce to the local community. We have also achieved a temporary planning permission to set up three more farms and completed a barn and infrastructure development on our second site in East Sussex. We have three more sites in Gower, Somerset and Cornwall at various stages of development, taking us to 15 small farms on just under a hundred acres of land.

All of this has been achieved with the support of our investor members whose equity provides the means to buy land and develop it ready for new entrants to ecological farming.

In this 2020 share offer we are seeking investment to take the next step up in the development of the ELC. We have no doubt that we need to create more opportunities for committed farmers to demonstrate the model of ecological agriculture that produces good local food whilst respecting and enhancing the natural environment.

Our minimum raise of £120,000 will allow us to continue working on the development of our current sites and move towards becoming self sustaining.

If we are successful in raising the maximum of £400,000 this will enable us to continue to grow the organisation and eventually double the number of small farms we develop each year so that by the end of 2023 we will be completing two sites of three farms annually.

We will use some of the funds to develop a farmstart programme giving new farmers an opportunity to test their farm business ideas in a supported environment. We will also carry out research into new services that the ELC could provide to further our mission to create a living, working countryside that is accessible to all. You can read about these ideas on the following pages of this share offer document.

We would love you to be part of our work, and we hope that you choose to join us. As a member of our cooperative you will be working to widen access to land and support new entrants to farming to produce local, sustainable food whilst caring for the natural environment.

The creation of ecological farms also:

- Demonstrates a model of collective ownership that can protect and enhance the land, based not only on ideas of conservation, but also supporting a living and working countryside.
- Contributes to, and strengthens the growing community of individuals and organisations committed to fostering the skills, knowledge and solidarity to allow the land to sustain us as we head into unpredictable times.
- Provides research and momentum, through our site monitoring, to strengthen campaigns for land reform.
- Improves planning policy by providing evidence and examples of the multiple benefits of low impact, ecological land use.

Please read this document carefully in full before making a decision to subscribe for shares.

This Share Offer opens on 9th March 2020 and closes on 18th May 2020, unless closed earlier or extended by the Board of Directors.

The Winds of Change

The need for agroecology as a farming method to repair the broken food system and the climate.



As we were writing this share offer document the UK was once again being battered by gales and widespread floods across the country...

A lot has changed in the 10 years that the Ecological Land Cooperative (ELC) has been operating. The UK government has declared a climate emergency, the nature crisis is widely acknowledged and the concept and practice of agroecology has far greater recognition and many more adherents.

The recent nod to agroecology in the 2020 Agriculture Bill shows that lobbying from civil society and groups like ELC, has not gone unnoticed. Many conventional farmers and policy makers now see the need for change.

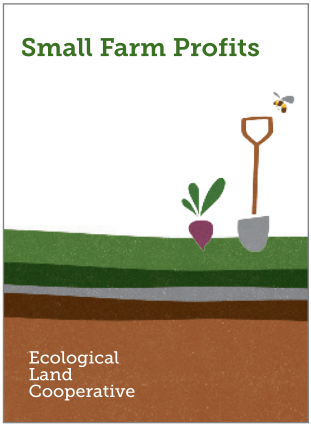
The ELC has been ahead of this curve for our whole existence. We have produced ground breaking research that demonstrates viability and the multiple benefits of small and ecological farms, and we've been shouting about the benefits of local food systems and carbon sequestration since our beginnings as well.

But our food system is still a long, long way from where it should be. We continue to lack a coherent land use strategy and the resources to rectify the problems.

We urgently need a shift towards a land use pattern that phases out dependence on fossil fuels and fits with a 'net zero' economy to build resilience to the climate crisis. This means that we need to integrate food production, wildlife habitat and a reinvigorated forestry industry with national plans for better soil care and viable local economies.

We know, and our own farms have proven, that we can have models of land use that demonstrate multiple benefits for people, nature and climate. They regenerate rural communities, provide healthy fresh food, give proper space for wildlife, sequester carbon with soil care and new woodlands, and prove that a 'low impact' living is possible.

Our model works, and we know many farmers with conventional businesses are looking for solutions to reduce their inputs and channel the produce to local economies again.



ELC's research into the viability of small farms in the UK shows that small scale ecological farming can create sustainable livelihoods growing food and produce for local communities whilst also supporting the environment.

Photo Credit: ELC

Yet still the majority of land in the UK is managed under a productivist model that uses chemicals and machinery to maximise the volume of commodity products at the expense of environmental and social issues. That is what farmers are pushed into by the prevailing global economic model.

We know there is goodwill and innovation aplenty from many businesses and individuals and we want to connect these people and resources with our knowledge and expertise.

The urgency is now accepted; the task for all of us is to bring these elements together to make the shift that is so desperately needed.

The Ecological Land Cooperative's small farm model is an important lever in the process - join us to bring about this transition and help to repair our broken food system.

Oli Rodker

Chair of the ELC Board of Directors

Our Model for Creating Access to Land

We bought our first 22 acres of marginal agricultural land in Devon in 2011 and created three thriving small farms.

Our cooperative purchases agricultural land with a view to subdividing it into a number of ecologically managed residential small farms. To date we have purchased five separate parcels of land with an average size of 20 acres.

Drawing on the advice of organic horticulturists and farmers, ecologists, soil experts, transport advisors, planners, prospective customers, the local community and those with local knowledge, we then establish a new small farm cluster, with a binding ecological management plan.

We involve stakeholders, such as those living locally and the local wildlife trust, at the earliest opportunity and present our plans to the planning authority. After reflecting on and incorporating advice and feedback, we submit our plans for planning permission.

This may be granted by the local authority, or at appeal. Once planning permission is granted, our cooperative sells (150 year lease) or rents the smallholdings to new entrants to ecological agriculture at an affordable rate and monitors the farms' performance against the detailed whole-site ecological management plan.

Before we sell the leases we develop the infrastructure on the site which will be shared between the leaseholders. Our farmers receive many benefits including:

- Low conveyancing costs;
- Permission to build a low-impact dwelling;
- A shared timber frame barn;
- Highway Authority compliant road access and internal stone track;
- Electricity via on-site renewable generation, with no ongoing charges;
- Water via rainwater harvesting, with no ongoing charges;
- One year's business mentoring from a sector expert;
- No-cost labour via volunteer work days organised by the cooperative;
- Ongoing support and advice regarding business planning, grant applications and planning conditions/permission;
- Opportunities for mutual support and collaboration through our cluster model; and
- Connection with the cooperative, offering trust and credibility.



Onions for the veg boxes at Steepholding CSA

Photo credit: ELC

Our Small Farms

We obtain temporary planning permission, develop a shared infrastructure and then sell 150 year leases.

The cooperative's first project of a cluster of three affordable smallholdings for new entrants to ecological agriculture is Greenham Reach in the parish of Holcombe Rogus, Mid Devon.

A 5 year temporary planning permission was granted for the project in April 2013.

The permission allowed us to use our 22 acre greenfield site for three farm businesses including constructing a barn, track and three temporary residential agricultural workers' dwellings, each tied to an agricultural holding of between 5.5 and 8.5 acres, one dwelling on each small farm.

We offered the small farms on long-term tenure to three ecological food and herb producers, subject to compliance with a rigorous whole-site management plan. Each smallholding operates as a separate business and the cooperative has overall responsibility for compliance with the terms of both the management plan and the planning conditions, and we work with the farmers to ensure that this is achieved.

The farmers were offered the infrastructure listed above plus a package of support which has so far included: a year of advice from a farm mentor; occasional work weekends where our cooperative's supporters and members volunteer on the smallholdings; and assistance with planning applications, farm business planning, and grant applications which have raised money to provide a bore hole to supplement the water supply, a wind turbine and a food grade preparation kitchen. The holdings were sold for £72,000 each and all three small farms' 150 year leases have now been purchased outright, although originally purchased on the rent to buy scheme.

In March 2018 we submitted a new planning application asking for the temporary nature of the original permission to be removed and we were granted permanent permission for the three residential small farms in July 2019.

On our second site in Arlington, East Sussex we were granted temporary planning permission in August 2018. Work finished on the infrastructure development in July 2019 and two leases were sold in November 2019. We are actively recruiting for a third leaseholder for the last plot at Arlington and hope to have a new tenant by Spring 2020.

The Cost to Farmers

The cost to the farmers breaks down into the following:

- The 'premium'. This is set at 20% of the full lease price for rent-to-buy and the full lease price for an outright leasehold sale.
- The ongoing costs of lease: This is the rent paid on rent-to-buy holdings and rent paid on rental properties. During the first five years, this covers interest only. After this the payment increases to allow for capital payments.
- Other ongoing costs: such as site insurance; site monitoring; site maintenance; and smallholder support.

The table below sets out the costs to smallholders for plots at our Arlington site. The plot prices reflect the size of the small farm as well as an equal distribution of the site development costs.

Arlington	West Plot	South Plot	East Plot
Acreage	3.7	4.6	8.7
150 year lease purchase price	£104,900	£109,900	£129,900
Lease premium @20%	£20,980	£21,980	£25,980
Rent to buy monthly payment interest only/repayment	£408/£593	£428/£622	£506/£735
Annual Management and monitoring fee	£450	£450	£450

Being able to offer the rent to buy and rental only finance options and also being flexible about the size of the lease premium makes ELC's new small farms more affordable.

Future Development

We are planning a farmstart project for our Gower site where new farmers can live and work to develop their growing skills.

The ELC will use a proportion of the funds raised in this share offer to plan for a farmstart project and to research potential new areas of work so that we can serve a wider group of beneficiaries.

Farmstart Project on Gower, South Wales

There are many obstacles facing new entrants to farming and not every would-be ecological farmer arrives ready to take on their own small farm. A farmstart is a training programme for new entrant farmers, where they can learn how to farm over a full growing season using shared resources such as land and tools. This provides an important opportunity for people to test their farming and growing ideas in a protected environment, whilst building the knowledge, skills, confidence and experience to progress to their own farm or market garden.

By providing access to land, markets, equipment, training and mentoring, a farmstart project allows people time to work out what kind of growing business suits them best. The Landworkers Alliance have carried out research and produced a booklet '**How to Set Up a Farmstart**' that details how to establish and run a farmstart project.

On ELC's third site on Gower, in South Wales, our first tenants, Cae Tan CSA, have expanded their community supported agriculture (CSA) vegetable box scheme on five acres. In partnership with Cae Tan, ELC plan to set up a residential farmstart project that will offer trainees the opportunity to test out their ideas and gain valuable skills and knowledge to enable them to take the necessary steps towards setting up their own ecologically managed small farm.

In order to make this possible we will create on-site accommodation and make land available to be divided into plots for the trainees where they can develop and practise their growing skills and test out their business ideas.

The farm start students will be expected to stay for one year with an option to stay on for a second year while they develop their growing businesses on their half acre plots. Some of their time might be spent working with Cae Tan on their Community Supported Agriculture Scheme.

Cae Tan will provide support to trainees as well as hands on experience on site. All of this is subject to obtaining planning permission for trainee accommodation on the site which will be part of the ELC's planning application submitted to Swansea Planning Authority.

We are seeking to use share capital for pre-development and feasibility studies for the farmstart project. We will look for additional funding through grants and loans to develop the trainees' accommodation and this would remain as an ELC asset. It is hoped that the farmstart project running costs will be self financing through a package of fees and grants. We would like this project to provide a template for ELC farmstarts across England and Wales.

Researching New Products and Services

We will use some of the funds raised through this share offer to carry out research into new areas of work that the ELC could undertake. This might be expanding the range of our sites to take in woodland and peri-urban sites, making sure our services reach everyone who might make use of them, and thinking about how best we can work with landowners to improve access to land for ecological farming and forestry.



Emily Huskins, part of the team of new farmers at Fanfield Farm on ELC's second site in Arlington, East Sussex.

Photo Credit: Danny Fitzpatrick

Protecting the Small Farms

We are entirely committed to protecting our farms for agricultural and ecological use, and as affordable in perpetuity.

Using a Farm Business Tenancy as the basis for the ELC lease, affordability is protected through the use of a resale formula in the lease agreement. The resale value of the holding is calculated by multiplying the initial premium by the Consumer Price Index, plus the value of improvements made to the holding and minus depreciation.

This can be done each year or at the point of resale to determine the value of the farm. This approach ensures that our farmers are compensated for their efforts, while maintaining the affordability of the holdings for future land workers. Agricultural use is also protected through the lease, which requires that each household has at least one full time equivalent working on their holding.

The farms cannot be sublet.

The farmers are bound by both the lease, and any planning conditions, to a whole-site management plan which requires, amongst other things, that the farms are managed ecologically. Performance against this plan is monitored annually. Greenham Reach Years 1 to 5 monitoring reports can be downloaded from our website:

www.ecologicalland.coop

If a smallholder is found in breach of the terms of their lease then fellow members of the cooperative will work with them to get back on track. If the farmer is unable to address the issues causing the breach, the cooperative has the ultimate recourse of requiring them to sell the farm back to the cooperative, to be used by another.



No dig salad and flower beds at Wild Geese Acres, Greenham Reach, Photo credit: ELC

Milestones

A timeline of the ELC's land purchase, planning permissions, ecological achievements and small farm development.

- 2011 - we purchased our first 22 acres of land in Devon.
- 2013 - we achieved five year temporary planning permission for rural workers dwellings at appeal.
- 2013 - we sold two leases for ecological small farms in Devon.
- 2014 - we sold the third lease in Devon and three thriving small farms brought the land to life.
- 2016 - we purchased our second site of 18 acres in East Sussex.
- 2017 - monitoring on our Devon site showed an improvement in soil quality and wildlife habitat.
- 2017 - we purchased our third site of 17.8 acres in Gower and leased land to a local food growing project.
- 2018 - we achieved five year temporary planning permission for our site in East Sussex with an officer delegated decision.
- 2018 - we planted 1000 trees for hedgerow at our East Sussex site.
- 2018 - we saw biodiversity improvements at our East Sussex site including silver studded blue butterflies.
- 2018 - we purchased our fourth site of 20 acres in South Somerset.
- 2019 - after five years on site we achieved permanent planning permission for our small farms in Devon with an officer delegated decision.
- 2019 - we sold two leases at our East Sussex site and two new small farms were created.
- 2020 - we purchased our fifth site of 20.4 acres for smallholding development in Cornwall.













About this Share Offer

The purpose of this Share Offer is to raise from £120,000 to £400,000 from the sale of community shares in the ELC.

This investment will fund the ELC's work developing new ecological small farms plus research into new products and services. You can read more about how we intend to do this in this document and there is more information available from our website:

www.ecologicalland.coop

The share offer opens on 9th March 2020 and closes on 18th May 2020. We are working with Ethex, the ethical investment platform, on this Share Offer and all applications to invest should be made via their website. Ethex brings together on one platform the best positive savings and investment opportunities to make it easy to make money do good.

You can follow this link to our share offer page:

www.ethex.org.uk/elc2020

Investors have the opportunity to purchase between 500 and 40,000 shares per individual or company in this offer, with shares valued at £1 each. Upon investing you become an investor member of the cooperative. If you require any assistance please call Sonia or Oliver on **01273 766 672** or email: **sonia@ecologicalland.coop**

How to Apply
To apply, please read the detailed information regarding our Share Offer's Terms and Conditions, as well as our Rules (our governing document), available on our website. **www.ecologicalland.coop/rules**

If having read these you still wish to invest, please visit our dedicated web page at **www.ethex.org.uk/elc2020** and complete the online application form.

Returns
The cooperative intends that all Investor Members will be offered a return on their investment, subject to our Terms and Conditions. We anticipate the returns on the investment invited by this offer to be 3% per year (unless investors choose a lower rate, see below).

This rate of return has been assessed according to the cooperative's projected income and expenditure using the assumptions stated in the Business Case on page 18. However, the Board retains the right to adjust this figure or suspend interest payments if the business performance does not justify paying interest. Therefore you should not invest in the expectation of certain financial return.

We anticipate the first interest payment to be accrued on shares purchased in this Share Offer on 31st December 2020, following the decision on the rate of interest made at the 2020 AGM. Any interest paid will be pro rata from the date that the allocation list is approved by the Board once the offer has closed, anticipated to be 1st June 2020.

We strongly encourage investors to view their investment as a long-term (i.e. at least three years) commitment to our work: one that should generate a regular financial benefit to you and a lifetime of environmental and social benefit to the community.

An investment in the cooperative carries with it a social dividend: you are part of a valuable mission enabling affordable access to land for sustainable uses through the creation of low-impact small farms. By doing so, the cooperative can continue the development of sustainable small- scale farms in England and Wales.

Electing to receive interest
Members can choose to receive their annual interest payment paid directly into a bank of their choice. Alternatively they can elect to have it accrued with their investment. Members may also select to have yearly interest payments donated to the Ecological Land Trust (ELT). This would support the work of the Trust (see overleaf).

Finally, Members can elect to receive no interest and therefore will be investing entirely for social returns, in order to further support the cooperative's social mission. All new shareholders will be contacted by the cooperative and given the opportunity to select their preferred rate of interest up to 3%.



Walking the field at ELC's Arlington site in 2019. Photo Credit: ELC

Over the last five years our investor members have received interest on their community shares up to a maximum of 3% calculated at the end of December each year.

Investors choose their rate of interest up to a maximum of 3%. This can be paid out annually or accrued in your share account.

Past performance is not a guarantee of future performance.

Ecological Land Trust (ELT)
Registered Charity No. 1158032

Our charity raises funds to carry out conservation work such as hedgerow management, ecology surveys and other projects that are charitable, across ELC sites.

The money raised enables us to improve habitat and biodiversity on our land and support community involvement in tree planting and open days.

Please go to Ethex online to make an investment www.ethex.org.uk/elc2020

It is easy to sign up and is a secure way to pay for your shares. If you would prefer to make a paper application, wish to purchase shares on behalf of children or nominate shares in the event of death then please complete the relevant forms on page 26 or 27 of this document and send them, with your cheque, to:
Ethex, The Old Music Hall, 106-108, Cowley Road, Oxford, OX4 1JE.
If you require further assistance then Ethex can be contacted by telephone: 01865 403304.
Cheques should be made payable to '**Ethex Investment Club Ltd**.'

Share Offer Terms and Conditions

Please read this information carefully before making a decision to invest.

You are invited to subscribe for shares in the Ecological Land Cooperative (ELC), a Community Benefit Society registered in England with the Financial Conduct Authority (no. 30770 R) under the cooperative and Community Benefit Societies Act 2014.

The registered address of the cooperative is Unit B04, Brighton Eco-Centre, 39 – 41 Surrey Street, Brighton, BN1 3PB.

The fundraising target for this Share Offer is £400,000. The minimum level of investment sought from this offer is £120,000. If we raise less than £120,000 in shares then we shall have to consider the Share Offer to have failed, and the future structure and development plans of the cooperative would need to be reviewed. In this case all monies paid by investors during this Share Offer would be returned to them in full (without interest).

The Share Offer period is from Monday 9th March 2020 to Monday 18th May 2020.

On investing, you become a member of the cooperative. Each member has one vote irrespective of the number of shares held. Shares can be purchased jointly, but jointly held share holdings still only hold a single vote.

Anyone (over the age of 16), with a UK bank account can invest with a minimum investment of £500 and a maximum of £40,000. Shares are priced at £1 each.

This Offer Document has been prepared by the Ecological Land Cooperative staff team supported by professional advice, and the Board of Directors takes responsibility for its contents. Due care has been taken to ensure that all information and opinions contained within it are fair and accurate at the time of issuing the Share Offer.

This Share Offer is exempt from the Financial Services and Markets Act 2000, or subsidiary regulations. This means you have no right of complaint to an ombudsman. The cooperative is registered with, but not authorised by, the Financial Conduct Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme.

Interest payable on shares is voted on at the annual general meeting, following a recommendation by the Board of Directors. Interest is paid gross and is taxable. It is your responsibility to declare these earnings to HMRC. Investor Members can, if they wish, choose to waive their interest return in order to further support the cooperative's work.

The cooperative anticipates paying interest on shares at 3% (or a lower rate if selected by the investor); however, a return on your investment is not guaranteed and this should be regarded primarily as a social, rather than a financial investment.

Shares are withdrawable upon application to the Board. They are not transferable (except on death or bankruptcy), so the value of shares is not subject to speculation and the shares remain at their paid- up value (i.e. £1 each, which is the purchase price). The Board of Directors has the authority, in exceptional circumstances, to write down the value of shares in order to protect the financial stability of the cooperative.

We encourage investors to view shares purchased as a long term investment of three years or more. The Board will limit total withdrawals in any one year to a maximum of 10% of the total share capital held by the cooperative. Following the closure of this Share Offer, we will establish a waiting list of prospective investors.

We will always seek to facilitate withdrawals within 6 months of any request, but please note that all withdrawals are at the Board's discretion, and the right to withdraw may be suspended by the Board at any time.

You cannot sell your shares, except back to the cooperative itself, which requires giving three months notice of your wish to withdraw your investment to the Board. Your withdrawal will be subject to the conditions outlined above.

This share offer is not eligible for Social Investment Tax Relief (SITR). This is because our work in land development is not considered eligible by HMRC.

Shares will be allocated on a first come first served basis. Those whose payments were received first will be deemed to have been first.

If this offer is oversubscribed - by which we mean the offer achieves subscriptions above £400,000 - the Board retains the right to make a policy decision on whether or not to close the offer; an over-subscription might potentially enable the cooperative to further develop our products and services.

You are able to purchase shares jointly with someone else.

Only one application per person, couple or body will be accepted and the application should be made through the Ethex ethical investment website by following this link:

www.ethex.org.uk/elc2020

You can choose to hold shares on behalf of children; you may also nominate a person to whom you wish your shares to be transferred on your death.

In these cases please use the forms on page 26 and 27 and make your application by post. Address details are on the forms.

Your money will be held in an escrow account by Ethex until the Share Offer closes on 18th May 2020. If we do not reach the minimum level of investment then all monies will be repaid to investors. In the event of a successful Share Offer, the cooperative board will review all applications for shares and share statements will be sent to all successful applicants.

We would love you to invest with us! However, please note that all applications for shares are accepted at the discretion of the Board of Directors. The Board reserves the right not to issue shares, or to allocate fewer shares than applied for. They do not have to give any reason for this decision. Ethex will return your money to you within 28 days of the Board's decision if they decide not to issue shares to you. If the Board decides to issue fewer shares than you applied for, Ethex will return the balance to you within 28 days of that decision.

Applicants will receive a final email from Ethex detailing the date on which their application was approved by the ELC Board of Directors after the Share Offer has closed. Investor Members will then receive annual statements detailing their current shareholding plus any interest accrued.

An investment of this type carries risks and you may lose the value of your investment. Before deciding to invest you may want to seek independent advice.

To keep our administration costs down all future communications with new members, including annual statements, from the Ecological Land Cooperative will be by email. Please ensure that you provide your email address when making your application for shares.



Members enjoy lunch at the AGM at our third site on Gower, Wales

Photo credit: ELC

Frequently Asked Questions

You might find the answer to your question here - please contact us if what you want to know is not covered.

Who can invest?

Membership of the Ecological Land Cooperative is open to individuals and corporate bodies (whether private sector, third sector or public sector). The only restriction on membership is that individual members must be aged 16 or over.

How much should I invest? What is the minimum and maximum I can invest?

You should only invest the amount that you feel comfortable with tying in for a lengthy period. The minimum investment in this offer is £500, and the Board of Directors has set a maximum subscription for this offer at £40,000. (The statutory maximum amount of share capital that can be invested by an individual or organisation in a cooperative society is currently £100,000.)

Can I invest in instalments?

This Share Offer requires that shares are paid up in full by the closing date of the offer.

What is my liability should I invest?

Your liability is limited to the value of your shares.

Is there more than one class of shares?

This offer by the cooperative is limited to one class of share, withdrawable shares, which may be withdrawn subject to the consent of the Board and in accordance with the cooperative's Rules which are available on our website:

www.ecologicalland.coop/rules

Who are the people organising this Offer? Can I trust them, and do they have a personal interest?

The Board of the Ecological Land Cooperative is making this Share Offer: they believe passionately in the work that the cooperative is doing. They all have extensive experience within the third sector. They do not have a personal financial interest in this project beyond the amount they have invested themselves; some members of the current Board are also Worker Members (i.e. employees) but their employment terms will not be affected by this offer.

What voting rights do I have as an investor?

All members have one vote, however many shares they have. In a cooperative society, the rule is one member, one vote. So no matter how large or small your shareholding, you have an equal voice to other investors. Because this is a multi-stakeholder cooperative, the Investor Members hold 25% of the overall voting rights. The remaining 75% of voting rights rest with the Worker Members and Steward Members. Jointly held share holdings still only have a single vote.

Can I sell my shares on?

No, these shares cannot be sold. They are a special type of share known as a community share, only available to those investing in a cooperative or community benefit society. The only way to recover their value is to apply to withdraw your shares from the cooperative itself.

How do I withdraw my shares?

To withdraw shares, members apply to the Company Secretary giving three months notice of their intention. Please note that we will allow a maximum of 10% of the combined share capital held by the cooperative to be withdrawn in any year, and withdrawals would be subject to this.

Following the closure of this Share Offer, we will establish a waiting list of prospective investors; as new members join and invest, their capital investment will enable prior investors to withdraw.

We will always seek to facilitate withdrawals at the earliest possible opportunity. However, if you already anticipate needing to withdraw your investment you should reconsider whether you should be investing at this time.



Cae Tan salad beds at Furzehill

Photo credit: Cae Tan

Will my investment increase in value?

In exceptional circumstances shares can go down in value, but they cannot increase in value above their original price. Financial return to Investor Members is in the form of annual interest paid on your investment.

Is it a good business proposition?

We believe it is. Extensive financial modelling has been carried out for the Financial Information Supplement (available from Ethex's website). If we achieve the targets that we have set ourselves, then investors should receive the predicted annual interest payments and be able to withdraw their shares within a reasonable period.

Our Investor Members have received interest payments in the last five years between 2015 and 2019 (inclusive): Interest has been paid at 3% in these years, although many of our investors have chosen to be paid a lower rate of interest.

How can I find out more?

Please make sure you've read through and understood the Terms and Conditions outlined on pages 12 and 13 in this document to fully understand the detail of this Share Offer. For further information about the work of the Ecological Land Cooperative please get in touch.

Ecological Land Cooperative

For a living, working countryside

Get in touch to find out more about our work or ask a question:

Email: sonia@ecologicalland.coop

Telephone: 01273 766 672

Web: www.ecologicalland.coop

Meet the Farmers

ELC's farmers come from very different backgrounds and share a passion for growing healthy and sustainable food.

James Dexter and Sukamala of Wild Geese Acres, Greenham Reach, Devon



In 2014, at the age of 49, James Dexter established Wild Geese Acres, a 6.5 acre farm His partner Sukamala arrived a year later to help establish the business which, six years on, is now a thriving, permanent, small-scale farm.

'My first job at 17 was on a tree survey in Epping Forest. I applied to study environmental science at 18 and they told me to go and do something interesting and come back. So I went to study on the agroecology programme at the University of California in Santa Cruz - now a prestigious qualification. Back then it was a little farm next to the university and I was apprenticed there for a year.

I've always been serious about food growing. There have been times when I've had less opportunity to grow because I've not had access to land. Food was always a big focus because I saw the power of people understanding where their food comes from, the direct therapeutic value it has for people, being outside, and the delight of pulling up a beetroot and then going and cooking it. This is what interested me more than the growing - sharing the wonder of it with other people. I worked at Freightliners Farm in Islington. The city farm got me interested in passing on knowledge about food to inner city children.

I always wanted a piece of land of my own. I'd been looking at buying some land and setting up a smallholding but I was aware that it was really complicated and our planning system wasn't friendly to sustainable farmers. I'd been looking and got discouraged because it was so difficult and expensive. Then I heard about the ELC and the plots at Greenham Reach, I applied and the rest is history...' James.

Sinead Fenton and Adam Smith of Aweside Farm, Arlington, East Sussex



Growing up in London and Essex, Sinead and Adam got green thumbs volunteering on an urban farm. Realising that the hobby had become a skill, the two eventually took over the operation and they grew an increasing variety of flowers and vegetables. The diversity of colour, plant life and increased insect population filled their hearts with joy and set their minds on getting into ecological agriculture as a profession and way of life.

'It's no secret that access into farming for new entrants is really hard in the UK. Given our backgrounds growing up in cities with no links to food and farming, the chances of us being able to pursue livelihoods in this sector were going to be slim. But the ELC has really shaken things up and created opportunities for a new generation of farmers to create the changes that are needed within agriculture. Without the ELC navigating such a tricky space, we wouldn't have been able to make our passion and dream a reality.' Sinead.

The name Aweside Farm is a nod to Loch Awe, Scotland where the couple spent time wandering amongst the trees, watching wildlife and most importantly dreaming. On their return to London they joked about leaving the city to lead a low-impact life. In November 2019, the dream they had held onto like a seed became a reality as Aweside Farm joined the ELC at Arlington in East Sussex.

You can read more about all of ELC's wonderful farmers on our website: **www.ecologicalland.coop**

Organisational Structure

The Ecological Land Cooperative is a community benefit society registered with the Financial Conduct Authority (FCA)

Legal Structure and Membership

Our cooperative is a membership organisation: on joining, members become part of the group of people who collectively own the cooperative and decide how it should be run.

Our members can stand for election to the Board of Directors, attend and vote at our AGM, elect directors, and (through the Board of Directors and decisions passed at our AGM) decide how the organisation should be run. The Ecological Land Cooperative is registered with the FCA as a community benefit society (registered number: 30770R).

The ELC is a multi-stakeholder cooperative. We have three types of membership each of which share a proportion of voting rights:

- Investor Members have invested money in the cooperative, share 25% of voting rights and receive returns on their investment. We currently have 257 Investor Members holding £805,000 in shares.

- Worker Members are those people that work for the cooperative. Like Investor Members, they also share 25% of voting rights. Worker Members are employees and volunteers that work at least 15 days each year. We currently have eight Worker Members.

- Steward Members are ecological land managers and share the remaining 50% of voting rights. Voting rights were awarded primarily to Steward Members as they are the principal beneficiaries of the ELC's work but often do not have the time to both run their smallholding and serve on the Board of Directors.

  This category of membership was designed principally for the cooperative's smallholders but can be applied for by ecological land users who farm on their own land. We currently have 24 Steward Members.

We have a high level of member involvement and participation. AGMs are held near our sites and turnout is typically good.

Members have historically been involved in producing our annual social impact report and practical involvement is encouraged through our popular programme of volunteer workdays and tree planting events. We keep members up to date with work progress with a quarterly email newsletter and through social media.

We have a strong team of directors and staff with experience from across the cooperative and ecological growing sectors. You will find out more about them on the following page.

The cooperative uses contractors for financial examinations, soil analysis, ecological surveys and footprinting, and other professional services. We work with established growers and farmers to provide advice and support to our stewards.

Living Lightly

At £14.21 per hour the cooperative pays over the living wage. Staff are all paid at the same rate and wherever possible we seek consultants who are willing to work at the equivalent hourly rate.

A practice of living lightly is embedded into our organisational culture: we seek to minimise our impact, for example through selecting train travel over private car use, and sourcing green electricity. Where possible we support other cooperatives and organisations who have high standards in social and environmental responsibility. We produce an annual social impact report found on our website:

www.ecologicalland.coop

Directors and Staff

ELC Directors provide strong strategic direction. The staff team work collectively to manage the work of the cooperative.

ELC's Board of Directors

Lynne Davis has been working in land and food system transformation for the past decade. She has a background in software, regenerative agriculture and food system policy. Lynne now works with food producers and community and regional food distribution enterprises across the country as CEO of the Open Food Network.

Alex Lawrie is a cooperative development worker for Somerset Co-operative Services CIC. He is a co-founder of many coops including the ELC. He is the author of 'Empowering the Earth' and 'Simply Finance' and has recently gained a masters degree in Strategy, Change and Leadership from Bristol University.

Oliver Rodker works on a variety of environmental projects and campaigns. He is one of the founding directors of the Landworkers' Alliance. He co-founded Landmatters Coop, a 42 acre permaculture community in Devon. Oli is also a co-founder of the ELC and works as the Site Development Manager.

Chris Smaje owns a small farm near Frome in Somerset, comprising a market garden, woodland, campsite and a small livestock operation. Having helped to steer his project from bare agricultural land to a functioning farm, he is committed to the ELC as a model for widening access to farming

Zoe Wangler co-founded the ELC and was the Managing Director from 2009-2015. Zoe led on the planning applications for the ELC's first two sites. She currently works with the Landworkers' Alliance on a two-year project to increase support from the UK governments for agroecology and agroforestry.

Holger Westphely has advised hundreds of social organisations over the last 10 years on finance, strategy and business planning. More recently Holger has focussed on social investment and impact measurement, looking at social metrics in his work at CAF Bank.

ELC's staff team are committed specialists who co-manage the cooperative's work.
Oliver Bettany - Membership and Engagement Manager
Mary Hogan - Fundraiser
Ruth Munns - Planning Manager, Applications and Campaigns
Oliver Rodker - Site Development Manager
Lauren Simpson and Phil Moore - Communications
Sonia Sinanan - Operations Manager
Amy Willoughby - Sparkford Site Manager



ELC team members at a community meeting in Parkmill, Swansea, talking with local residents about the ELC's plans for our third small farm site on Gower, South Wales

Photo credit: ELC

The Business Case

Our core business focus is on the development of ecological small farms.

Our Plan

In 2017 we updated our plan to produce 20 small farms for sale, rent to buy or rental by 2020.

Following a successful share offer in 2017, we have put in place much of the infrastructure needed to achieve this target. We now have five sites in development with seven small farms already developed and another eight to become available in the near future. We are actively searching for suitable land to move us nearer to achieving this target and have social investment finance in place to make the land purchases.

We have revised our deadlines as we encountered time delays when navigating the planning environment. This was particularly for our second site which was held in the system for 18 months before a positive decision was achieved. Now that we have three positive planning decisions including a permanent permission, we are finding it easier to talk to planners. This is paying off in the form of shorter turnaround times for our planning applications.

Our Future Work

We are looking to raise investment in 2020, in line with the projections in the Financial Information Supplement to this share offer document, to continue our work to develop agricultural land into small farm clusters.

We will also continue to seek grant funding to keep the cost of future small farms below the average of £110,000 and to fund additional infrastructure for the sites, such as wind turbines and community buildings. In 2019, in line with our projections, we were able to raise £75,000 in grants towards the cost of land and infrastructure projects.

We have set ourselves a target of creating 30 small farms by the end of 2023. We hope that the learning we have achieved will continue to reduce the time taken to develop new sites, although experience shows that each site will bring its own new challenges.

Financial Projections

When preparing our financial projections we have made the following assumptions:

- Land is purchased at an average of £8,000 per acre.
- Each smallholding has on average six acres of land.
- We will be able to raise the share capital and grants that we need between now and 2023.
- The cost of borrowing will average 2.5%.
- We are offering Investor Members up to 3% in interest on share capital annually. Some investors choose to waive their return to further support our work.
- In our business model we have allowed ourselves 24 months to go from the point of identifying a site to selling the smallholdings although we hope this will reduce over time.
- At an average sales price of £110,000 per smallholding, after overheads and interest on shares and loans, the profit margin on a site of three smallholdings is 22% (although this margin is only achieved at the end of the entire 27 year payment lifetime of a site, see below).
- At, on average, £430 per month, rising annually with inflation, the first year's rent yield from rental properties represents 4% of the total costs. Both overhead and per-site costs are fully recouped after 25 years.

Our finances are broadly split into two categories: overheads, and per-site costs which are accounted for over the full payment lifetime of a typical site. More detail is available in our 2020-2023 Financial Information Supplement found at:

www.ethex.org.uk/elc2020

Typical Site Costs:

A Cluster of Three Smallholdings

Below are the figures for a three-smallholding cluster made up of one sale and two rent-to-buy holdings. These figures represent the total costs and income over 27 years.

Expenses	
Land	150,000
Staff Cost	50,000
Site Infrastructure	85,000
Travel and Subsistence	8,000
Ecological Surveys	2,500
Professional and legal fees	10,000
Conveyancing	2,500
Overheads	60,000
Depreciation	18,000
Total	**386,000**
Income	
Sales Income	330,000
Rental Income (Rent-to-Buy)	174,162
Grants	40,000
Monitoring Fee	13,500
Other income	3,500
Management Fee	9,750
Bareland Rentals	1,350
Total	**572,262**
Cost of borrowing at 2.5% (over 27 years)	59,493
Total Project Cost	445,493
Profit/(Loss) with borrowing	**126,769**

These are the costs and income over the entire life of a site – 27 years (i.e. 2 years of development, 25 years of smallholder payments)

The most expensive items are: land purchase; the staff cost of developing the site, site infrastructure and then providing ongoing support with site monitoring.

The profit over the whole 27-year payment life of a site is healthy, but it is important to note that this profitability is long-term in nature.

Organisational Overheads

Annual overheads for the next three years are projected in the following table:

Overhead Costs	2020	2021	2022
Non-Capitalised Staff Costs*	75,210	72,941	83,400
Office Costs and Travel	15,253	18,154	21,628
Professional Fees	13,561	1,873	13,247
Depreciation	7,644	12,843	17,732
Contingency	5,000	5,000	5,000
Total Overheads	**116,668**	**110,811**	**141,007**

* In accordance with our accounting policies, staff time/ cost is split between overhead (i.e. organisational) and site-specific (capitalised) costs.

'ELC has mastered the obstacle course of starting a small farm, enabling new entrants to start a new and productive life on the land, helping them to make it pay too, the hardest part.

There are so many hurdles between finding land to farm on, obtaining planning permission, kitting out a new holding, settling into deeply rural areas and selling produce, profitably. ELC has experience of all these and has helped so many people to fulfil their dreams in an ecofriendly way. ELC are really going for it, a growing movement in every sense.'

Charles Dowding, organic and no-dig garden innovator since 1983.

Financial Progress

Successful smallholding lease sales meant a strong financial performance for ELC in 2019.

Our Financial Progress

The financial projections for the cooperative are based on growing the output of the organisation over the next three to four years so that by the end of 2023 we will have created 30 new small farms on 10 small holding sites.

In 2019 we were able to sell 2 small farm leases. Our accounts showed a profit as a result of this and good fundraising results for the year. We currently have 2 completed sites and 3 in development making a total of 15 small farms.

Our forecasts demonstrate that as the number of small farms grows we see annual income growing. We are working towards a position where overheads and member interest are covered by income from lease sale and rents..

On the following page you can see a budget forecast for the next four years. This shows that if we are successful in raising our investment target then we will be in a good position to put our plan for growth into action and maintain share interest payments for our investor members.

More detailed financial information is available in our Financial Information Supplement available from the Ethex and ELC websites:

www.ecologicalland.coop/shareoffer



The squash harvest at Steepholding. Photo credit: ELC

Please also feel free to contact us if you'd like to discuss our financial projections in more depth.

Beyond Financial Returns: Social and Environmental Impacts

Our cooperative has a viable business model, and we intend that Investor Members receive modest returns on shares purchased. However, we offer much more than this. We are a social enterprise and it is through our social and environmental impacts, as well as our financial performance, that we will measure our success in the long term. We produce an annual social impact report available from our website.
www.ecologicalland.coop/publications

Ecological Footprint Analysis

Over the last five years our monitoring reports for Greenham Reach have shown improvements in biodiversity, soil management, grey water management, composting and the introduction of organic matter into the soil.

In 2014 and again in 2017 we carried out an Ecological Footprint Analysis (EFA) at Greenham Reach to assess each households' footprint. The 2017 report showed that all three households had reduced their Ecological Footprints since moving to Greenham Reach. On average, taking the three households together, their per capita Ecological Footprint is 2.33 global hectares (gha) which is less than half of the average UK per capita Ecological Footprint.

The 'One Planet' Ecological Footprint suggests a sustainable lifestyle is around 1.7 gha. The households at Greenham Reach are much closer to achieving this goal than the average UK citizen. Although only an estimate of impact, using the EFA does allow ELC to take a wider ranging view of the sustainability of our farms and Stewards.

This share offer will enable us to grow in our role as an important part of the social and environmental recovery that will allow us to live lightly, heal our land, regenerate our rural communities, and create a safe, just food system.

ELC Budget Forecast 2020 - 2023

You can find more information about the ELC's financial model in our Financial Information Supplement: www.ethex.org.uk/elc2020

ELC Budget Projection Cashflow	2020	2021	2022	2023
Opening Balance	*384,624*	*342,881*	*36,402*	*24,876*
Smallholding sale	308,000	220,000	242,000	220,000
R2B Monthly Payments	18,830	61,560	66,720	92,520
Rent	1,575	-	-	-
Monitoring/Management fees	5,400	8,181	9,640	12,518
Donations	3,308	3,638	4,002	4,402
Secured Loans	150,000	150,000	300,000	300,000
Shares	400,000	-	-	300,000
Other income	551	579	607	638
Grants	110,000	110,000	110,000	99,000
Total Cash In	997,664	553,958	732,969	1,029,078
Land Purchase	346,000	153,000	306,000	306,000
Site Infrastructure	120,000	120,000	30,000	150,000
Staff Salaries inc. on costs (capitalised)	54,000	42,000	31,000	37,000
Staff Salaries inc. on costs	70,518	60,941	68,400	63,888
Staff Salaries: Monitoring	6,000	12,000	15,000	21,000
Accountancy and Bookkeeping	1,561	1,873	2,247	2,697
Professional / Consultancy Fees	2,000	2,400	2,880	3,456
Board Expenditure	1,000	1,050	1,103	1,158
Share Offer Costs	12,000	-	11,000	-
Site Maintenance	5,513	5,788	6,078	6,381
Planning	30,000	15,000	15,000	15,000
Communications and Events	4,692	4,927	5,173	5,432
Share Interest Paid	6,027	5,846	5,963	7,582
Share Withdrawals	60,266	58,458	59,627	75,820
Loan Interest	11,577	8,000	9,500	11,000
Loan Repayments	289,000	160,650	-	-
Loan Facility Repayment	-	186,400	150,000	150,000
Office Costs	14,253	17,104	20,525	24,630
Contingency	5,000	5,000	5,000	5,000
Total Cash Out	**1,039,406**	**860,437**	**744,495**	**886,043**
New Balance c/f	342,881	36,402	24,876	167,911

If you would like to know more about ELC's finances please get in contact with Sonia, ELC's Operations Manager, by email: **sonia@ecologicalland.coop.**

Risk Management

Our three principle areas of risk are our planning applications, people and finances:

Planning Risks

We were granted temporary planning permission for our first site by the Planning Inspectorate at appeal. Should the Planning Inspectorate have also refused to grant the project, our cooperative would have had the option to challenge the decision at the High Court.

Obtaining planning permission at the earliest stage within the process is preferred as it dramatically reduces associated staff costs. Our second planning application was determined by an officer delegated decision and we hope that this will be the case for future applications.

Risk: Refusal of planning consent

This could include: initial planning application refused, necessitating appeal process; appeal refused, necessitating recourse to High Court; possibility of total refusal of planning consent.

We plan to mitigate this risk by reducing the likelihood of adverse planning decisions at all stages of the process. This approach will govern the whole of our application process, including:

- Opening dialogue with stakeholders, local and otherwise, and with the planning authority early in the process, through personal contact and presentations;
- Addressing concerns raised by stakeholders;
- Ensuring that our planning application documentation is of high quality, linked to planning policy and evidence-based;
- Capitalising on the success of our current projects to build stakeholder trust and confidence;
- Continuing to build our brand presence and credibility through strong reporting and PR, as well as networking and co-working within the sector, to further develop stakeholder confidence; and finally,
- Through maintaining our relationships with planning consultants, solicitors and barristers, with pro-bono support to keep costs to a minimum. We now have an in house low impact planning expert on our staff team to enable us to increase the number of applications we are making at a reasonable cost.

Whilst processing our planning applications we can rent the site for grazing, education or eco-tourism to cover the costs of site maintenance.

Delays in decision making pose the risk of locking capital away and this would be a problem for the cooperative where capital is a constraint. If capital is not a constraint, holding onto agricultural land is not a problem unless the cost of the capital exceeds the increase in the value of the land.

We aim to be a part of evolving planning policy by participating in local planning policy consultations and working with planning officers to help them understand low impact development projects. Multiple planning applications would add to the costs associated with developing a site although we would seek to minimise further expenditure.

If it became clear that we would never obtain planning permission on a particular site then we would sell the land. Any money recouped from such land sales would be used to purchase and develop new sites for ecological small farms.

'The Ecological Land Cooperative's applications [are] by some way the most carefully prepared for either an agricultural and/or low-impact dwelling I have considered.'

Daniel Scharf, MA MRTPI, chartered planner

People Risks

Risk: Failing to attract potential smallholders that suit our offering

Selecting the right stewards for our farms is very important. The ability to secure permanent planning permission for sites which have initially been granted a temporary permission, relies on evidence of the financial viability of our farmers' businesses. We need to attract people with the skills, determination and tenacity to develop their business into a viable enterprise. We also need to attract those who are interested in the wider objectives of the cooperative; the farmers must be amenable to the required site monitoring. They should also be keen to host Work Days and more generally be advocates for, and of, the cooperative.

We will mitigate against the risk of attracting incompatible stewardss through the following measures:

- Developing a rigorous selection process, including defined selection criteria and involving the input of sector experts.
- Expanding of our already considerable network of contacts and supporters, ensuring that our opportunities are widely publicised within the community.
- Initiating relationships with key groups of potential new farmers, such as with Soil Association Apprentices and Kindling Trust FarmStart Growers and inviting them to work alongside us at Work Days and in the office.
- Continuing with our programme of volunteer work days, enabling us to build relationships with potential smallholders.

Risk: Failing to attract and retain suitable staff

The cooperative's success to date has been primarily due to the hard work and determination of a small team of highly committed individuals.

As we grow, it is crucial that we attract and retain staff who share our collective vision and who are similarly inspired by and committed to the project. We also need to maintain a staff and Board team with a balance of skills, experience, and availability which ensures that our business has the right leadership and operational components to be a robust and sustainable organisation. A failure to attract and retain suitable staff members and successfully share and utilise the experience gained by our current team would impair our ability to deliver to our plan.

Through our strategic planning processes we have redefined staff roles and identified necessary changes that have been made to the Board and to decision making and lines of responsibility. These changes have allowed us to recruit staff and Board members with the skills that the organisation needs to continue its growth. We have a talented staff team who are all experts in their specific area of work whilst also being part of the team that runs the operation. The Board meet regularly to work on the strategic development of the cooperative.

Risk: Coronavirus affects capacity

ELC staff work remotely and so there is less risk of an organisation wide infection from this disease. We will make staff aware of the precautions necessary to reduce the risk of infection and provide support if needed.

Financial Risks

Risk: Rising land prices

Our financial modelling assumes average land costs of £8,000 per acre, rising with inflation. If land prices rise sharply the cost of our small farms could increase, potentially compromising our objective of providing affordable land. Our model can be applied anywhere in England and Wales, so we can develop clusters in the first instance in more affordable locations where there is also demand. We have also taken the following steps:

- We have been able to secure charitable loan funding at preferential interest rates to purchase land.
- We are proactively seeking donations of land and money to buy land.
- Should it become necessary to increase the cost of smallholdings, we can support our farmers in developing diversified business activities to increase their income such as educational courses or camping.
- We apply for grant funding to contribute to the cost of developing new sites or to ongoing costs to the smallholders.

Risk: Failure to meet grant targets

We have set ourselves realistic grant targets per site, based on our performance to date. We will continue to develop this income stream through further developing our fundraising strategy, and continuing to build relationships with key potential funders. We are currently meeting our fundraising targets, having employed a dedicated fundraiser in 2018.

Risk: Failure to attract sufficient financing

Our business plan requires substantial input of shareholder funds between now and 2020. If we cannot attract those funds, the viability of our proposition would be compromised. We intend to mitigate this risk through:

- Seeking out opportunities to diversify our financing. For example, once we are granted permanent planning permission, we can apply for mortgages and release share capital for the purchase and development of new sites;
- Build long-term relationships with key potential finance partners.
- Continuing to grow our brand presence and credibility, attracting new potential investors through our networks, press coverage and track record.
- Staggering our funding drives into manageable chunks, balancing the costs of planning and implementing regular share offers with the cost of servicing shareholder funds held for long periods.

Risk: High cost of borrowing

Our business plan assumes average interest paid at 2.5% overall for share capital and 2% for debt financing. This is based on our actual figures up to 2019. We are fortunate to have a number of shareholders who have fixed their rate of interest at between 0% and 2%. We also have committed charitable loan funders who have fixed the interest rate for their loans at 2% to enable the cooperative to buy land.

We will continue to seek social investors whose primary focus is on social and environmental returns, allowing us to successfully offer relatively modest interest rates on share capital. To date, gifts of time and resources have played a significant part in enabling us to keep the cost of holdings as low as possible.

However, if necessary, we can offset any increase in cost of borrowing by commensurately increasing the cost of holdings. The extremely low projected price of our smallholdings in comparison with market value means that we have some flexibility in the level of our lease price before our affordability aims are compromised.

Over the long term, we will start to reduce the equity stake in the business through buying out shareholders who wish to exit using company profits, rather than issuing new shares. This will steadily reduce the total cost of borrowing to the business.

Risks associated with this Share Offer

As with any community Share Offer, risks include:

- The cooperative may not be in a position to pay interest.
- The cooperative may have to suspend your rights to withdraw shares.
- You may lose some or all of the money you pay for your shares.

As the cooperative is incorporated with limited liability, each Member's liability is limited to the amount paid for their shares. If the cooperative is ever wound up, its assets will first be used to meet its liabilities; next to repay members for their shares; finally any surplus remaining will be passed onto a nominated organisation with similar objectives.

The cooperative has paid a maximum of 3% interest on community share investments for the past five years, however past performance does not guarantee future performance.



Before deciding to invest in shares you should carefully consider all the information in this document, including these key risks identified by the Board of Directors.

Can you afford to be without the money you would pay for these shares?

If the answer is no, then please DO NOT invest.

Application Form for Shares Individual and Joint Applications

I wish to apply for withdrawable shares to the value of £ _____
(For this issue the minimum shareholding is £500 and the maximum is £40,000)

I wish to pay by cheque ☐

I wish to pay by BACS ☐
(Ethex will contact you to give you their bank details)

Cheques are to be made payable to **Ethex Investment Club Ltd** and should be attached this form before posting.

Name and address (PLEASE USE CAPITAL LETTERS). For more than two joint applicants, please print this form again:

	Applicant	Joint Applicant
First Name		
Surname		
DOB		
Address		
Town/City		
Postcode		
Telephone		
Email		
If here for less than 3 years please give previous address		

Agreement

☐ I have read the Share Offer document, including the risk factors pertaining to this offer
☐ I wish to become a member of the Ecological Land Cooperative Ltd
☐ I agree to be bound by the Terms & Conditions included in this Share Offer document, and by the Rules of the Ecological Land Cooperative, which can be viewed at **www.ecologicalland.coop/rules**
☐ I consent to receiving formal notices by email

Signed as a deed:

	Applicant	Joint Applicant
Signature		
Print name		
Date		

Please send your completed application form, plus cheque if applicable, to:
Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE before 4th May 2020.
Cheques should be made payable to 'Ethex Investment Club Limited'.

Data protection and money laundering: The data provided by you will be stored on a print and an electronic database. This data will be used for Ecological Land Cooperative and Ethex purposes and will not be disclosed to any third party. It is a condition of the offer to ensure compliance with the Money Laundering Regulations 2003 that the Ecological Land Cooperative Ltd or Ethex may at its absolute discretion require verification of the identity of any person wishing to invest.

Holding Shares on Behalf of Children and Nominations of Shares on Death

You can choose to:

- Hold shares on behalf of children and/or
- Nominate a person to whom you wish your shares to be transferred on your death.

Please fill in the application form above and the relevant sections of this form below and send both forms in together with your cheque made payable to **Ethex Investment Club Ltd.** Please fill in a separate form for each child for whom shares are being held.

Holding Shares on Behalf of Children

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

Child's full name	
Address	
Town/City	
Postcode	
Date of Birth	

Nomination of Shares on Your Death

You can nominate a person aged 16 or over to whom you wish your shares to be transferred on your death. Trustees will need to be appointed for a nominee under 16 years old. The Ecological Land Cooperative will respect your wish insofar as the law and our Rules permit. If you are a joint shareholder, your holding will pass to the other joint shareholder(s) on your death unless you complete the form below. The maximum amount of any transfer if £5,000.

☐ I wish to nominate a person to whom I wish my shares to be transferred on my death.

Nominee's full name	
Address	
Town/City	
Postcode	
Telephone	
Email	

Agreement

☐ I understand that it may not be possible for the Ecological Land Cooperative to action this request. I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of the Ecological Land Cooperative at its Registered Office. I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Signed as a deed:

	Applicant	Witness
Signature		
Print name		
Date		

Please send your completed application form, plus cheque if applicable, to Ethex, The Old Music Hall, 106 – 108 Cowley Road, Oxford, OX4 1JE before 4th May 2020.



'Nothing would transform Britain's and the world's fortunes for the better than land reform. Use of land for the public good, and the good of the biosphere; the transfer of ownership and control from corporates and far-flung landowners, to communities.

In Britain, the Ecological Land Cooperative is seeking, bit by bit, by democratic means, to bring about the necessary reform. Here truly is an opportunity to invest for everyone's benefit, now and – especially – for the long-term future.'

Colin Tudge, Real Farming Trust

Ecological Land Cooperative is the trading name of Ecological Land Limited, registered with the FCA under the Co-operative and Community Benefit Societies Act 2014, Reg. No 30770R.
Unit B04, The Brighton Eco-Centre, Brighton, BN1 3PB
Telephone: 01273 766 672 | Email: info@ecologicalland.coop | Web: www.ecologicalland.coop