Community Share Offer
2017

You are invited to invest

We are raising from £120,000 to £340,000

You may invest from £500 to £40,000

Offer opens: 3rd April 2017  Offer closes: 12th June 2017

Interest payable on shares: up to 3% p.a.
You are invited to invest in, and become a member of, the Ecological Land Co-operative. In the following pages you will learn about our work, our reasons for seeking investment at this time, and the terms of this share offer.

The Ecological Land Co-operative develops affordable, low impact, smallholdings for ecological agriculture. The high costs of land and rural housing make it near impossible for new entrants to farming to establish a farm business. By providing affordable and secure smallholdings, we are helping to address this crisis.

Determined to turn good ideas into reality, to have a positive influence and to give hope to those choosing to live sustainably, we have designed a model for creating affordable, ecological smallholdings, have successfully developed our first cluster of farms in north Devon, and begun work on our second site in East Sussex.

We show that small-scale ecological farming can work in today’s economy. Sustainably managed smallholdings provide low-impact livelihoods, regenerate marginal land and produce good food for local communities, increasing sustainability and resilience, and improving ecology and biodiversity for future generations.

Please read on and 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!
An Invitation to Invest

This is an exciting opportunity to invest in the development of ecological smallholdings in England. Our key aim is to widen access to land for sustainable use through the creation of affordable low-impact smallholdings. We’d love you to join us in making this possible.

Based on the success of our first cluster of small farms at Greenham Reach, Devon, we planned to create around twenty new ecological smallholdings between 2015 and 2020. Our successful share offer in 2015 allowed us to purchase and begin development of the second cluster of smallholdings at Arlington, East Sussex. This 2017 share offer is raising funding for the development of two more clusters of small farms which we want to deliver over the next two to three years, bringing our total to four sites with twelve smallholdings. We are looking to raise from £120,000 to £340,000 in community shares to carry out this work.

If we are successful in raising the share offer minimum of £120,000 this will be used to cover development costs for sites three and four in 2017/18 and we will draw on an existing loan funding commitment from a charitable foundation to purchase the land. We will look for grants and other sources of social funding to support infrastructure costs to maintain affordability for our smallholders.

If we are successful in raising the maximum of £340,000 this will give us enough funds to purchase land for sites three and four, increasing our potential to negotiate on price as cash buyers and at auction. The ability to move quickly can make a considerable difference to the price paid for land. We will also have enough funds to cover the costs of developing sites three and four and will be able to use equity as match funding for grants to support infrastructure development.

We would love you to be part of our work, and we hope that you choose to join us. We need your help to make our vision a reality; to widen access to land and support new entrants to farming to produce local, sustainable food.

Our work centres on the development of ecological smallholdings, but the impacts of our work reach much wider than this. Our creation of ecological holdings also:

- **Demonstrates a model of collective ownership** that can protect and enhance the land, based not only on ideas of conservation, but on producing 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 impetus, 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 which should be embraced and legislated for.

Please read this document carefully in full before making a decision to subscribe for shares. This Share Offer opens on 3rd April 2017 and closes on 12th June 2017, unless closed earlier or extended by the Board of Directors.
About this Share Offer

The purpose of this Share Offer is to raise from £120,000 to £340,000 in community shares to fund the acquisition and development of two new sites for affordable, low-impact, ecological smallholdings. You can read more about how we do this below and in our 2017 – 2020 Business Plan, available from our website: www.ecologicalland.coop

The share offer opens on 3rd April 2017 and closes on 12th June 2017. 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 online share offer page:

www.ethex.org.uk/ecologicalland

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 Co-operative. If you require any assistance please contact sonia@ecologicalland.coop or call Sonia on 01273 766 672.

Chickens and anenomes at Elder Farm

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

Returns

The Co-operative 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 equity 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 Co-operative’s projected income and expenditure calculated over the period 2017-2020 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 2017, following the decision on the rate of interest made at the 2017 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.

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 Co-operative carries with it a social dividend: you are investing to enable the Co-operative to continue with its valuable mission, to enable affordable access to land for sustainable uses through the creation of low-impact smallholdings. By doing so, the Co-operative can continue the development of sustainable small-scale farms in England.

ELECTING TO RECEIVE INTEREST

Members can elect 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 elect to have yearly interest payments donated to the Ecological Land Trust (see below). This would support the work of the Trust.

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

ECOLOGICAL LAND TRUST

Our subsidiary charity, the Ecological Land Trust (ELT), was set up to take forward the charitable work that we were delivering alongside our core work: providing advice, research materials and information to support the UK low-impact and agro-ecological community; and coordinating land work days, open days and school visits.

The ELT has been founded to meet this need: its primary beneficiaries include ecological food producers and land managers, and low-income and landless agricultural workers. Members may elect have their interest paid to the ELT or make a donation to its charitable work.
Frequently Asked Questions (FAQs)

Who can invest?
Membership of the Ecological Land Co-operative 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 Co-operative 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 Co-operative 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 Co-operative’s Rules (which are available on our website, www.ecologicalland.coop).

Who are the people organising this Offer? Can I trust them, and do they have a personal interest?
The Board of the Ecological Land Co-operative is making this Share Offer: they believe passionately in the work that the Co-operative 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 co-operative 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 co-operative, 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 co-operative or community benefit society. The only way to recover their value is to apply to withdraw your shares from the co-operative itself.

A handful of vegetables, Steepholding
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 maximum of 10% of the combined share capital held by the Co-operative 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.

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 Business Plan (available from our website) and if we achieve the targets we have set then the investors can be assured of receiving the predicted annual interest payments and being able to withdraw their shares within a reasonable period.

Our Investor Members have received interest payments in 2015 and 2016: Interest has been paid at 3% in both 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 in this document to fully understand the detail of this Share Offer.

For further information about this Share Offer and/or the work of the Ecological Land Co-operative please visit our website: www.ecologicalland.coop.

“Love what ELC is doing – helping smallholders, securing the soil, and bringing to vibrant life the principles of sustainable food production.”
Jonathon Porritt, Founder Director, Forum for the Future
Terms and Conditions

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 Co-operative is Unit B04, Brighton Eco-Centre, 39 – 41 Surrey Street, Brighton, BN1 3PB.

The fundraising target for this Share Offer is £340,000. 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 Co-operative 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 3rd April 2017 to Monday 12th June 2017.

On investing, you become a member of the Co-operative. 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 Co-operative 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 Co-operative 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 Co-operative’s work.

The Co-operative 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 to, in exceptional circumstances, write down the value of shares in order to protect the financial stability of the Co-operative.

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 Co-operative. 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, 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 Co-operative 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).

**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 £340,000 - 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 Co-operative to develop further sites for ecologically managed smallholding clusters.

**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/ecologicalland](http://www.ethex.org.uk/ecologicalland)

You can also 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 25 and 26 and make your application by post.

**Your money will be held** with Ethex until the Share Offer closes on 12th June 2017. 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 Co-operative board will review all applications for shares and share certificates will be sent to all successful applicants.

[www.ethex.org.uk/ecologicalland](http://www.ethex.org.uk/ecologicalland)

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.

Please use the Ethex online platform to make your investment [www.ethex.org.uk/ecologicalland](http://www.ethex.org.uk/ecologicalland) 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 use the relevant forms on page 25 or 26 of this document and return 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.
Vision and Objectives

The Ecological Land Co-operative was set up to address the lack of affordable smallholding sites for ecological land-based livelihoods in England. There is an enormous disconnect between the combined cost of land and rural housing and the income that is usually derived from sustainable rural livelihoods.

Sustainable rural livelihoods – such as small-scale ecological food production – protect the environment and reduce greenhouse gas emissions by reducing fossil fuel use. Such businesses help build a vibrant, living countryside in which people flourish alongside our cherished landscapes and natural biodiversity, and have an important role to play in ensuring food and energy security. They also provide employment, access to local food and crafts, and educational opportunities for urban visitors, helping to maintain rural skills and to improve ecological literacy. Our mission is to increase access to affordable land for such livelihoods.

Our solution and core business is the creation of small clusters of three or more affordable residential smallholdings. As well as land, we provide smallholders with permission to build their own sustainable home, and with off grid utilities and road access. Our model allows us to keep costs low, both through buying larger sites at a lower price per acre, and through distributing the cost of infrastructure, planning applications and subsequent site monitoring across a number of smallholdings. The model allows the smallholders to work and learn together and to provide mutual support. Our Co-operative retains the freehold on each smallholding in order to protect it for affordable agricultural and ecological use in perpetuity.

Beyond this, our vision is one where land is valued and used as a means to enhance our collective good. At present land in the UK is the target of financial speculation; in contrast, our model champions a collective, ecological and co-operative vision of land ownership and land use.

"We support models of land use that make land work for people and the environment. Unfortunately we repeatedly see new entrants to farming struggle to secure access to land, planning permission, or start-up finance. The Ecological Land Co-op have an excellent strategy for helping new entrants overcome all of these. Their model will get more land into productive, ecological management."

Kate Swade, Director and Tom Kenny, Research & Policy Officer, Shared Assets

"It’s not easy getting into farming for the first time, or making it profitable whilst caring for the land in both a productive and ecologically sensitive way. Land is expensive, affordable rural housing is scarce and many landowners offer only short term tenancies pushing for maximum returns from tenants. ELC is tackling these problems enabling farmers to access land and make good long term decisions about how to farm for the future. They are at the forefront of revitalising the rural economy from the roots up. If you want your money to have a lasting legacy this is one of the best places to put it!"

Ben Raskin, Head of Horticulture, Soil Association
The Model

Our Co-operative purchases agricultural land with a view to subdividing it into a number of ecologically managed residential smallholdings. Drawing on the advice of organic horticulturalists and farmers, ecologists, soil experts, transport advisors, planners, prospective customers, the local community, and those with local knowledge, we then establish a new smallholding 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 Co-operative sells (150 year lease) or rents the smallholdings to new entrants to ecological agriculture at an affordable rate and monitors the holdings’ performance against the detailed whole-site ecological management plan.

At our first site, Greenham Reach, in addition to their greenfield holding of between five and nine acres of land, the three smallholder families received the following support and legal and infrastructure benefits:

- No 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 Co-operative;
- Ongoing support and advice regarding business planning, grant applications and planning conditions/permission;
- Opportunities for mutual support and collaboration through our cluster model; and
- Brand association, trust and credibility.

“As a society we face numerous immediate and longer term challenges with regards to food security, energy and climate change. A genuinely sustainable response relies on more small farmers in low impact developments, providing good food, experimental data, and contributing to rural regeneration. The Ecological Land Co-operative does just that — putting in place today the foundations for the food production of tomorrow”

Caroline Lucas MP, Green Party

Apple trees at Steepholding
CASE STUDY
Greenham Reach

Our Co-operative’s first project is a cluster of three affordable smallholdings for new entrants to ecological agriculture. It is in the parish of Holcombe Rogus, Mid Devon.

A 5-year temporary planning permission was granted for the project on 18th April 2013. The permission allows 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 (i.e. one dwelling for each smallholding).

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

The smallholdings were offered with the infrastructure listed above plus a package of support which has so far included: a year of advice from a farm mentor; quarterly work weekends where our Co-operative’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 preparation kitchen. The holdings were sold for £72,000 with two now purchased outright and one under a rent-to-buy agreement; on this plot the smallholders needed just £14,400 as a down payment, buying the remaining portion, with interest, incrementally over 25 years.

The Co-operative will apply for permanent planning permission when the current temporary permission expires in 2018.

“We have been trying to do this for years, but there are a lot of hurdles. Thanks to the ELC’s help in removing and negotiating some of these, we are now here doing it...

Living on the land means that the work of growing food, looking after our livestock and managing the land is integrated with our lives, and our children’s lives, making it more sustainable, enjoyable and possible. It is hard work but we love doing it. Despite relevant training, skills and experience, without the ELC, financially and legally we might never have managed to access land to farm and live in the low impact way that we now are.”

Ruth O’Brien, Greenham Reach Smallholder

Tenure options
Our tenure options are an outcome of the desire to create sustainability for the business whilst making our smallholdings as affordable as possible. We have developed three options, which we intend to offer in combination:

• Initial premium
• 25 year investment scheme
• Ongoing monthly charge

A more detailed description of our tenure options is included in our Business Plan, available from our website.
Cost to Smallholders

The cost to smallholders breaks down into the following:

* **The upfront cost of lease:** 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.

More information regarding these costs is available in our Business Plan.

Below are the actual costs for smallholders at our first site set against projected costs for subsequent sites. All prices are projected to be higher than at Greenham Reach. This reflects increasing land costs and a recognition that we undercharged for our first smallholdings.

Protecting Smallholdings

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

* Affordability is protected through the use of a resale formula in the leasehold agreement. At the point of sale, the 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.

* This approach ensures that smallholders 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 smallholding household has at least one full time equivalent working on their holding. Holdings cannot be sublet.

* The smallholders are bound by both the lease and planning conditions to a comprehensive and rigorous whole-site management plan which requires, amongst other things, that the smallholdings are managed ecologically. Performance against this plan is monitored annually. Years 1,2 and 3 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 Co-operative will work with them to get back on track. If the smallholder is not willing or able to address the breach, the Co-operative has the ultimate recourse of requiring the smallholder to sell the smallholding back to the Co-operative, to be used by another.

<table>
<thead>
<tr>
<th>Costs per smallholding</th>
<th>Costs for Greenham Reach</th>
<th>Projected new site costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Premium</strong></td>
<td>£72,000 (outright leasehold sale price) or £14,400 (rent-to-buy deposit)</td>
<td>£110,000 (outright leasehold sale price) or £22,000 (rent-to-buy deposit)</td>
</tr>
<tr>
<td><strong>Ongoing costs</strong></td>
<td>£293 PCM (rent-to-buy rental payment*)</td>
<td>£430 PCM (rent-to-buy rental payment*) or £400 PCM (monthly payment for rental plots)</td>
</tr>
<tr>
<td><strong>Site monitoring costs</strong></td>
<td>£400 PA (2014 base year)</td>
<td>£400 PA plus inflation</td>
</tr>
<tr>
<td><strong>Smallholder support costs</strong></td>
<td>N/A</td>
<td>£650 PA decreasing to £0 over 10 years</td>
</tr>
</tbody>
</table>

*Initial rental payment in first 5 years of lease, i.e. before start of capital payments.*
Site Selection and Acquisition

We have successfully purchased our second site of 18.5 acres for developing into ecologically managed smallholdings in Arlington, East Sussex. We are now seeking planning permission to develop the site into a new cluster of three smallholdings. As we go to press we have also identified a number of potential sites for our third purchase as we create twenty ecological smallholdings between now and 2020.

We select sites based on a set of criteria relating to: aspect; water; soil; visual amenity; access; markets; local context; local amenities and transport links; cost of land; and size of site. The work of acquiring our first site, and connections with those purchasing land for smallholdings means we now have a fair understanding of the land purchase market. Our current area of focus is in the south of England, but future projects could potentially be located anywhere in England. This geographical catchment gives us scope to select from a large pool of possible land to secure the most suitable sites. We look for land through: local contacts; land agents; estate agents; and auctioneers. We are familiar with the national planning policy context; local planning policy extremely rarely strays far from national policy and the policies of other planning authorities. We are also keen to seek out subsidised or donated land and will make this part of our work going forward.

Arlington, East Sussex

Our second site is an 18.5 acre field on the southern edge of the East Sussex village of Arlington in the Weald. Previously rented for maize production, we are proposing that the field be used for three ecological horticultural or mixed holdings. The site is well positioned to markets, with three local weekly farmers’ markets and a host of local tourist businesses to supply into. It is just over 2 miles from the A27, connecting the site to Lewes, Brighton and Eastbourne.

We have held two community meetings to talk with local residents about our proposed development. We have been met with both support and naturally, concerns. Concerns so far have predominantly been about the visual impact of the residents’ temporary accommodation. We were invited into discussions with Arlington Parish Council who have asked us for some additions and changes to our plans, most of which we’re happy to say we’ve been able to accommodate.

We have now submitted our planning application and are awaiting the outcome of the decision making process. More information about this process and updates on our progress can be found on our website:

www.ecologicalland.coop

A map of the field south of Copyhold Cottages, Arlington

“Nothing would transform Britain’s and the world’s fortunes more – very much for the better! – than land reform; use of land for the public good, and the good of the biosphere; transfer of ownership and control from corporates and far-flung landowners, to communities.

Above all, this would allow us to re-create a form of farming – “Enlightened Agriculture” – designed expressly to provide us all with good food, without cruelty or injustice or destroying wildlife; farming that requires a reversion – in modern form! – primarily to small, mixed, low-input farms, answerable to local people. This requires a whole new generation of farmers who think like farmers, and don’t treat farming simply as big business. The social, nutritional, gastronomic, environmental - and in the end financial - advantages would be huge. 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, March 2017
Organisational Structure

Legal Structure and Membership

Our Co-operative is a membership organisation: on joining, members become part of the group of people who collectively own the Co-operative 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 Co-operative is registered with the FCA (Financial Conduct Authority) as a community benefit society (registered number: 30770R).

Ours is a multi-stakeholder Co-operative. We have three types of membership each of which share a proportion of voting rights:

* **Investor Members** have invested money in the Co-operative, share 25% of voting rights and receive returns on their investment. We currently have 119 Investor Members holding £338,312 in shares.

* **Worker Members** are those people that work for the Co-operative. 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 but often do not the time to both run their smallholding and serve on the Board of Directors. This category of membership was designed principally for the Co-operative’s smallholders but can be applied for by qualified ecological land users who do not farm one of our smallholdings. We currently have 22 Steward Members.

We have a high level of member involvement and participation. AGM turnouts are typically good, with 20% of members attending in 2016.

Members have historically been involved in producing our annual social accounts, and practical involvement is encouraged through our popular programme of volunteer workdays. We keep members up to date with work progress through the distribution of regular e-newsletters and through social media.

We have a strong team of directors and staff. You will find out more about them in the following pages.

The Co-operative uses contractors for financial examinations, ecological surveys and footprinting, and to provide advice to smallholders. We are also supported by volunteers, including researchers who maintain the agro-ecology resources on our website.

Living Lightly

At £13.29 per hour the Co-operative pays all staff over the living wage. All staff are paid at the same rate, and wherever possible, we seek consultants who are willing to work at this 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 co-operatives and organisations who have high standards in social and environmental responsibility. We produce annual social accounts which can be found on our website:

www.ecologicaland.coop
Directors and Staff

Skill, Experience and Passion

Our Co-operative devolves the day to day running of the organisation to the board of directors and the workers. This team has a wealth of talent, experience and commitment relevant to the work of the Co-operative.

Executive Board Members

Zoe Wangler  
**Director - Planning**
Zoe’s work focuses on the key business development function of making planning applications, taking in all aspects of the process from community consultation to understanding the nuances of planning law relating to low impact developments. Zoe’s groundbreaking work for the Co-operative has been commended by many. Zoe has previously worked as a freelance environmental researcher with clients including Friends of the Earth, the Food Commission and the National Consumer Council.

Oliver Rodker  
**Director – Site Development**
Oli’s spend much of his time looking for suitable land for low impact developments. Oli is embedded in the UK land movement and is a key member of the Landworkers’ Alliance. Over the last twenty years Oli has worked on a variety of projects and environmental campaigns. He co-founded Equinox Housing Co-op in Manchester and Landmatters Co-op, a 42 acre permaculture community in Devon. He is a director of Knott Wood Coppicers, a workers’ co-op specializing in woodland management and tree planting.

Cate Chapman  
**Director – Outreach**
Cate’s works to build and maintain our relationships with a range of organisations to ensure we are connected to others who can inform and support our work. Cate has previously worked in the student union movement and brings a wealth of experience from her freelance work as a copy writer and editor. Cate has had her own writing published in several books and anthologies.

Non-Executive Board Members

Alex Lawrie  
**Director - Smallholder Liaison**
Alex is a cooperative development worker for Somerset Co-operative Services CIC. Before joining SCS he co-founded Stepping Stones and Cornerstone Housing co-ops, Footprint Workers’ Co-op and Somerset Co-op CLT. He is the author of *Empowering the Earth* and *Simply Finance*.

Holger Westphely  
**Treasurer**
Holger is one of the co-founders of Eastside Consulting, and works at the Charities Aid Foundation where he has advised hundreds of social organisations over the last 10 years on finance, strategy and business planning. More recently Holger has focused on social investment and impact measurement, helping clients demonstrate their impact to investors and commissioners.

Dave Darby  
**Chair**
Dave is director of Lowimpact.org. He is passionate about living lightly on the earth and brings a long term vision of the potential to create lasting change in the way we live.

The Finance Committee

The Co-operative’s governance also includes a Finance Committee, with primary responsibility for accounting decisions and financial monitoring. Zoe Wangler, Holger Westphely, Cate Chapman currently sit on the Finance Committee.
The Staff Team

Working alongside our directors, we have a talented group of part-time staff supported by a full-time operations manager. Together we make a strong team with the skills and experience needed to carry out the work of the Co-operative and to prepare the ground for growth, partnership and success in the future.

Sonia Sinanan
Operations Manager
Sonia is responsible for the day to day running of the Co-operative. She has over 25 years of experience in operations, administration, financial and project management, communications and IT in the not-for-profit sector, and has worked at a senior management level for the last 15 years. She has worked collectively in a number of organisations, has co-founded a successful charity where she was director of operations for 10 years, a trustee and board chair. Sonia has also worked at Comic Relief, and was deputy CEO at the Association of Charitable Foundations.

David Saunders
Arlington Site Manager
David is an experienced land manager and timber building enthusiast, working in Sussex. He works closely with Zoe to progress work at our Arlington site. David has pioneered many small woodland initiatives in his time and is well connected with landowners, contractors and builders with an interest in sustainable development, both in the UK, and elsewhere in Europe. As well as owning and managing 20 acres of woodland near Lewes, David also lectures at Plumpton College, University of Brighton.

“...I think it’s a very good model. I think it’s worked in the Devon example, Greenham Reach... and thanks to the efforts of the ELC team... that’s another thing that impressed me about ELC is how competent and good the team are. And I was impressed with their professionalism, their drive and their vision.”
From an interview with Paul Lovatt Smith, Smallholder and ELC Investor

Johnny Denis
Funding Support Coordinator
Johnny has about 30 years’ experience in starting and supporting co-ops, social enterprises, projects and programmes in the community and public sectors. Johnny is a 2016 Fellow of the Finance Innovation Lab and Board Member and Manager of The Fuel Co-op.

Lauren Simpson
Communications
Social media enthusiast and documentary film producer, Lauren produced the acclaimed independent cinematic documentary Just Do It - a tale of modern-day outlaws released in 2011. As well as her role with the Co-operative she works as the Office Manager for The Bureau of Investigative Journalism and as Production Manager at Dartmouth Films in London.

Phil Moore
Communications
Phil is passionate about communications. A former staffer at the Ecologist Magazine, he has written for many publications including Permaculture Magazine UK. A documentary filmmaker, Phil has also worked for a number of organisations including ActionAid, The Environmental Law Foundation, The Environmental Justice Foundation and the Sheffield Documentary Film Festival. Phil, alongside Lauren, produced the free to view online series, Living with the Land.

Smallholders

We have a waiting list of over 250 people who have expressed a serious interest in becoming stewards of our low impact, ecologically managed smallholdings. This makes us even more determined to fulfill our mission to provide 22 farms by 2020.
The Business Case

**Our Plan**

In 2015 we set out our plan to produce six smallholdings for outright sale, five for rent-to-buy and eleven smallholdings for rent by 2020. As we have shown, we are maintaining this direction with the consolidation of our first site at Greenham Reach and the acquisition of our second site in Arlington.

Once the Co-operative has a regular income from sixteen (or more) rental and/or rent-to-buy holdings it will be able to cover overheads without the need to produce further sites. At our projected rate of growth we should reach this target in 2021. At this point the Co-operative will be in a position to decide whether it wants to keep developing more smallholdings; whether it should maintain the existing portfolio, or review its business model.

**Our Future Work**

We are looking to raise investment in 2017, in line with the projections from our business plan, to continue our work to purchase and develop sites three and four into clusters of smallholdings.

We will also continue to seek grant funding to keep the cost of future smallholdings below £110,000, or below £22,000 for rent-to-buy properties, and to fund additional infrastructure for the sites, such as wind turbines and community buildings. In 2016, in line with our projections, we were able to raise £26,000 in grants towards the cost of infrastructure projects.

Acquisition of sites three and four will see us well on our way to fulfilling our plan to acquire six sites and to deliver twenty two smallholdings between 2015 and 2020. We hope that the learning we have achieved will greatly reduce the time taken to develop new sites, although each site brings its own challenges.

**Financial Projections**

We have updated our Business Plan for the period 2017-2020 to reflect our experience of the last two years.

We have made the following assumptions:

- Land is purchased at £8,000 per acre;
- Each smallholding has on average of 6 acres of land;
- We will be able to raise the share capital and unsecured loans that we need between now and 2020.
- We have assumed that the cost of borrowing will average 2%.
- We are offering Investor Members 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.
- At a 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 24% (although this margin is only achieved at the end of the entire 27 year payment lifetime of a site, see below).
- At £400 per month, rising annually with inflation, the first year’s rent yield from rental properties represents 5% 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. The tables below show a simplified version of these financial projections, with more detail available in our 2017 – 2020 Business Plan available from our website:

www.ecologistland.coop

### Overheads

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Capitalised Staff Costs*</td>
<td>63,268</td>
<td>63,900</td>
<td>64,539</td>
</tr>
<tr>
<td>Office Costs and Travel</td>
<td>7,500</td>
<td>7,800</td>
<td>8,100</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>6,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Loan Interest and Bank Charges</td>
<td>300</td>
<td>320</td>
<td>350</td>
</tr>
<tr>
<td>Depreciation</td>
<td>250</td>
<td>260</td>
<td>270</td>
</tr>
<tr>
<td>Non-Staff Contingency</td>
<td>600</td>
<td>700</td>
<td>700</td>
</tr>
<tr>
<td><strong>Total Overheads</strong></td>
<td><strong>77,918</strong></td>
<td><strong>75,980</strong></td>
<td><strong>76,959</strong></td>
</tr>
</tbody>
</table>

* In accordance with our accounting policies, staff time/cost is split between overhead (i.e. organisational) and site-specific costs. For further explanation, please see our 2017 – 2020 Business Plan.

Rainbow chard and the ‘no dig’ salad beds at Wild Geese Acres
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 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 and then providing ongoing support; and site infrastructure.

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>144,000</td>
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<tr>
<td>Staff Cost</td>
<td>82,448</td>
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<tr>
<td>Site Infrastructure</td>
<td>72,000</td>
</tr>
<tr>
<td>Travel and Subsistence</td>
<td>7,571</td>
</tr>
<tr>
<td>Ecological Surveys</td>
<td>4,838</td>
</tr>
<tr>
<td>Planning Fees, Architect and Surveys</td>
<td>4,900</td>
</tr>
<tr>
<td>Conveyancing</td>
<td>3,100</td>
</tr>
<tr>
<td>Overheads</td>
<td>85,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>409,857</strong></td>
</tr>
</tbody>
</table>

### Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Income</td>
<td>333,000</td>
</tr>
<tr>
<td>Rental Income (Rent-to-Buy)</td>
<td>178,221</td>
</tr>
<tr>
<td>Grants</td>
<td>37,550</td>
</tr>
<tr>
<td>Monitoring Fee</td>
<td>13,279</td>
</tr>
<tr>
<td>FiT</td>
<td>10,450</td>
</tr>
<tr>
<td>Management Fee</td>
<td>8,125</td>
</tr>
<tr>
<td>ELS</td>
<td>5,300</td>
</tr>
<tr>
<td>Bareland Rentals</td>
<td>1,350</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>584,275</strong></td>
</tr>
</tbody>
</table>

### Total Project Cost

- **Cost of borrowing at 2%**: 52,825
- **Total Project Cost**: 462,682
- **Profit/Loss with borrowing**: 121,592

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.

Our Financial Model: The Organisation as a Whole

The financial projections for the Co-operative are based on delivering the six sites described above and using the site costs and overheads given. After the smallholdings from site two are sold (in 2018) we should no longer make a loss. As the number of smallholdings increases, and with it rent payments from both rentals and rent-to-buys, we see annual profits growing. After 10 years, we forecast that we will own sufficient land for our overheads and member interest to be covered by income from rent and existing rent-to-buy land arrangements.

Full financial forecasts and accountancy policies are available in our Business Plan. Please also feel free to contact us if you’d like to discuss our financial projections in more depth.

Beyond Financial Returns: Our Social Impacts

Our Co-operative 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 impacts, as well as our financial performance, that we will measure our success in the long term. We produce annual social accounts to monitor our overall social impact, available from our website.

Our recently published monitoring report for year three at Greenham Reach shows improvement in biodiversity, soil management, grey water management, composting and the introduction of organic matter into the soil. Fossil fuel use is low as human labour is used over machinery to carry out work on the farms. Opportunities for carbon bio-sequestration are considered high due to extensive perennial plantings and good soil management.

This Share Offer will enable us to continue to grow in our role as an important part of the social and environmental recovery that will heal our land, regenerate our rural communities, and create a safe, just food system.
Managing Risk

We believe we have three principal areas of risk: planning; finances; and people.

**Planning Risks**
At our first site the planning officer recommended that we be granted planning permission. Then at planning committee our application was refused. We were granted permission by the Planning Inspectorate at appeal. Should the Planning Inspectorate have also refused to grant the project, our Co-operative 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.

“The Ecological Land Co-operative’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 MRPI, chartered planner with 30 years experience.

**Risk: Refusal of planning consent**
Including: 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 through working to reduce 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, following the high standard exemplified by our first project, our subsequent planning application documentation is strong, comprehensive and evidence-based;
* Capitalising on the success of our first project 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 our current planning solicitor and barrister, whose pro-bono support was invaluable in keeping costs to a minimum in our Greenham Reach planning appeal.

In the case that we are refused planning permission at appeal (or if applicable, the High Court), we can rent the site for grazing, education or eco-tourism, and in time make a second or third application. Planning policy does evolve and we can participate in local planning policy consultations. The risk such delays pose is that of locking capital away and this would be a problem for the Co-operative 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. 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 smallholdings.

**People Risks**

**Risk: Failing to attract potential smallholders that suit our offering**
The ability to secure permanent planning permission for sites initially granted a temporary permission relies on our evidencing the financial viability of our smallholders’ businesses. This makes selecting the right smallholders absolutely
critical to our success. We need to attract smallholders with the skills, determination and tenacity to develop their business into a viable enterprise. We also need to attract smallholders who are interested in the wider objectives of the Co-operative; the smallholders must be amenable to the required site monitoring. They also ideally wish to be host Work Days and more generally be advocates for and of the Co-operative.

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

* Through developing a rigorous smallholder selection process, including defined selection criteria and involving the input of sector experts;
* Through 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 smallholders, 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; and
* 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 Co-operative’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 this business planning process 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 allow us to far more clearly communicate the work of the Co-operative to potential staff and Board members.

We have carefully paced our projected rate of expansion to allow sufficient time for staff induction. We have also drafted a recruitment strategy aimed at facilitating a sense of ownership in new staff, and which allows us to pay Executive Board members for their work. Non- executive Board members receive reimbursement for expenses but not for time spent on Co-operative business.

**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 smallholdings could increase, potentially compromising our objective of providing affordable land. Our model can be applied anywhere in England, so we can develop clusters in the first instance in more affordable locations where there is also demand. We can also take the following steps:

* We can seek affordable bridging loans to enable us to buy larger sites at a lower cost per acre. We would then sell the unused portion and repay the loan;
* We can proactively seek land donations;
* If we need to increase the cost of smallholdings, we can support our smallholders in developing diversified business models to increase their income. We are, for example, very aware of the additional income that can be generated from educational courses or camping; and
* We can take up any opportunities for grant funding that would either contribute to the cost of establishing new sites or to ongoing costs to the smallholders.

**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, such as the A-Team Foundation and Esmee Fairbairn;

• Continuing to grow our brand presence and credibility, attracting new potential investors through our networks, press coverage and track record; and

• 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 for 2015 and 2016. We are fortunate to have a number of shareholders who have fixed their rate of interest at between 0% and 2%. We also have a committed charitable loan funder who has fixed the interest rate for their loans at 2%.

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 investor churn. This will steadily reduce the total cost of borrowing to the business.

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.

Although a failure to reach grant targets would add to the cost of smallholdings by up to £10,000 per holding, and as such is to be avoided, this eventuality would not fundamentally shake the financial viability of our model, and our smallholdings would still be priced substantially under market value.

Risks associated with this Share Offer
As with any community Share Offer, risks include:

• The Co-operative may not be in a position to pay interest;

• The Co-operative 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 Co-operative is incorporated with limited liability, each Member’s liability is limited to the amount paid for their shares. If the Co-operative 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.

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.
Our Supporters

The work of the Ecological Land Co-operative has been supported by:

- All Party Parliamentary Group on Agroecology
- Campaign for Real Farming
- Centre for Agroecology and Food Security, Coventry University
- Chapter 7
- Community Supported Agriculture Network
- Family Farmers Association
- Federation of City Farms
- Funding Enlightened Agriculture
- John Hemming MP
- Home Grown Community Owned
- Kindling Trust
- Tenant Farmers Association
- Common Cause
- Action in Rural Sussex / Sussex Community Land Trust
- Small Farm Training Group
- Professor Tim Lang, Dept of Food Policy, City University
- Low Impact Living Initiative
- Caroline Lucas MP
- Organic Lea
- Permaculture Association
- Plunkett Foundation
- Jonathon Porritt
- Scottish Crofting Federation
- Shared Assets
- Soil Association
- Professor Stephen Sterling
- Transition Network
- Sustainable Food Trust
- Pannel Organics
- Sustain
- Charles Dowding

“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

“Building vibrant local economies across the rural and urban landscapes where people produce more of what they need and emit less pollution in doing so is crucial, and the Ecological Land Co-operative’s proposal for new agricultural worker dwellings should contribute significantly [to this effort], particularly in terms of attracting young, motivated families and boosting the local economy.”

Transition Network
Application Form for Shares

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:

<table>
<thead>
<tr>
<th></th>
<th>Applicant</th>
<th>Joint Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Name</td>
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<td>Surname</td>
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<tr>
<td>Town/City</td>
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<td>If here for less than 3yrs please give previous address</td>
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</table>

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 Co-operative Ltd
☐ I agree to be bound by the Terms & Conditions included in this Share Offer document, and by the Rules of the Ecological Land Co-operative, which can be viewed at www.ecologicalland.coop
☐ I consent to receiving formal notices by email

Signed as a deed:

<table>
<thead>
<tr>
<th></th>
<th>Applicant</th>
<th>Joint Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Print name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
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</tr>
</tbody>
</table>

Please send your completed application form, plus cheque if applicable, to: Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE before 12th June 2017

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 Co-operative 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 Co-operative 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.

<table>
<thead>
<tr>
<th>Child’s full name</th>
<th>Address</th>
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</thead>
<tbody>
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<td></td>
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<tr>
<td></td>
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<tr>
<td>Town/City</td>
<td>Postcode</td>
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<td></td>
<td></td>
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<tr>
<td>Date of Birth</td>
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</tbody>
</table>

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 Co-operative 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.

<table>
<thead>
<tr>
<th>Nominee’s full name</th>
<th>Address</th>
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<td></td>
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<td>Town/City</td>
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<td></td>
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<tr>
<td>Telephone</td>
<td>Email</td>
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</table>

Agreement

- [ ] I understand that it may not be possible for the Ecological Land Co-operative 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 Co-operative 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:

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<tbody>
<tr>
<td>Applicant</td>
<td>Witness</td>
</tr>
<tr>
<td>Signature</td>
<td></td>
</tr>
<tr>
<td>Print name</td>
<td></td>
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<tr>
<td>Date</td>
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</table>

Please send your completed application form, plus cheque if applicable, to Ethex, The Old Music Hall, 106 – 108 Cowley Road, Oxford, OX4 1JE before 12th June 2017.
Ecological Land Co-operative Publications

**Small is Successful**
Our 2011 report *Small is Successful* examined the economics of eight smallholdings with ecological land-based businesses on ten acres or less. The report was extremely well received, being included in the Research Council UK’s publication ‘Big Ideas for the Future’ showcasing “UK research that will have a profound effect on our future”. It was endorsed and promoted by a number of organisations including the Soil Association and the Transition Network and attracted praise from several prominent and independent experts including Professors Tim Lang and Jules Pretty OBE. The authors were asked to give a number of presentations including to the All Party Parliamentary Group on Agroecology.

**UK Agroecology Review**
In 2015 we launched a comprehensive web resource based on a review of research into ecological agriculture in the UK, titled the *UK Agroecology Review*. The resource has been well received, with positive feedback from organisations including Funding Enlightened Agriculture (FEA), Garden Africa, OrganicLea, and the Permaculture Association, and was featured on the Food Climate Research Network (FCRN) website.

**Greenham Reach Annual Monitoring Reports**
Our 1st, 2nd and 3rd Annual Monitoring Reports assess progress against the objectives we set ourselves in our whole site Management Plan for our pilot project at Greenham Reach. The principal objectives we set are to: maintain and enhance the habitats and species diversity; maintain and enhance the landscape quality; and facilitate the provision of low-impact livelihoods and an increase in productivity, without prejudice to the first two aims. The report sets out, in detail, progress against these aims between April 2013 and November 2016.

**Ecological Land Co-operative Business Plan 2017-2020**
Our 2017-2020 Business Plan has been developed to support this year’s share offer, needed to raise the finance to continue or work to create smallholding clusters in England. This document includes more detail about our future plans, including full financial projections. It is a revision of the original 2015-2020 plan produced with the support of Holger Westphely, Eastside Primetimers and advisors from the Plunkett Foundation.

All our publications, and lots more information about our work, are available from our website:

www.ecologcialland.coop.
“It’s not easy getting into farming for the first time, or making it profitable whilst caring for the land in both a productive and ecologically sensitive way. Land is expensive, affordable rural housing is scarce and many landowners offer only short term tenancies pushing for maximum returns from tenants.

The Ecological Land Co-operative is tackling these problems enabling farmers to access land and make good long term decisions about how to farm for the future. They are at the forefront of revitalising the rural economy from the roots up. If you want your money to have a lasting legacy this is one of the best places to put it!”

Ben Raskin, Head of Horticulture, Soil Association