

PELICAN.COOP

INVESTOR SUMMARY

This is how to change the system

This share offer enables you to play a key role in laying the foundations of a new, democratic and sustainable economic system within the UK, based on successful co-operative models.

Once built, it will benefit communities by removing the need for payday lending and driving the creation of the solution-focused industries of the future, affordable housing and a transformation towards a more collective, sustainable and resilient way of living.

This isn't charity that leaves the root cause unchanged. We aren't trying to shift political opinions that will shift again when enough cash is put on the table. We are building democratic financial institutions to drive the development of a federation of cooperatives working together to put capital in service of society and future generations rather than society in service of accumulating capital, which today drives wealth inequality, ecological catastrophe and violent ideologies.

We are founders and experienced organisers of the largest UK climate movements of the last decade - a decade that began with the Paris Climate Agreement, marked by economic fragility, staggering wealth inequality, wars, pandemics, worsening housing and debt crises and a young generation in despair for the future left to them.

This is the perfect moment for a new, powerful economic movement. Let's do it together.

Why invest

- Change lives - end payday and high-interest loans to people on low incomes
- Kickstart a federation of sustainable, solution-focused cooperatives
- Help to create affordable cooperative housing
- Set in motion cultural changes that follow greater wealth equality and democratic resource management

How it works

Your investment helps us launch a movement of community financial mutual aid clubs supported by a powerful platform.

It allows us to employ team members to help us reach more communities and drive growth.

At the same time, we are working with partners to establish the co-operative investment fund, develop a comprehensive market analysis and begin the regulatory process for establishing a Credit Union.

Three foundational structures to link together a new, people-led economy

What are the foundations

1. The Co-operative - drives a movement and social network of money pool clubs.
2. The Secondary Co-operative Investment Fund - brings together co-operatives in a federation, the purpose of which is to drive co-operative growth and resilience.
3. The Credit Union - ensures that all the invested and deposited capital stays in the hands of the community, providing competitive loans and mortgages to members.

How is it different from a Building Society or Triodos?

Banking hasn't changed since the 19th century. The relationship between atomised individuals and banks with the power to supply or deny money is the same. This drives the impression that money is scarce, private and a status symbol rather than what it really is: a commons, a resource for developing human dignity, wellbeing and cooperation.

We plan to change this relationship for good.

- Friends saving money together
- Investing in autonomous cooperatives working together
- Reinvesting profits to speed up the development cycle
- Within one credit union owned by you

High streets are dying off. Small businesses are isolated, having to build everything from scratch while paying punishing debts, fracturing communities and driving loneliness. Linking money pools with connected cooperatives and a credit union, gives businesses direct access to their workers' and communities' capital and the network to share skills and resources, creating new businesses and jobs.

We know it works.

Balgiisa's story

Balgiisa is a founding member and Head of Law and Criminology at Northeastern University London.

Thirty years ago, her mother fled from Somalia to the UK via the Netherlands where Balgiisa was born. After growing up in Birmingham, Balgiisa wanted to study a Masters degree in Law but, despite their best efforts, the family couldn't afford the fees. So, Balgiisa's mother put the word out to her community and started a Hagbad - the Somalian version of a saving club.

By agreeing to pool money together, the Hagbad was able to send Balgiisa to law school and, what's more, everyone in the money pool benefited by the same amount. Balgiisa's success is the community's success.

Hagbad, Ayuuto, Passanaku, Susus, Pardners, or ROSCAs - there is a name for saving clubs in almost every language. They bring communities together, drive resilience and cooperation, make dreams come true and ensure no-one is left behind because the strength of one affects everyone.

Why it will work

- We are creating a higher standard of ethical finance for traditional bank 'customers'. It will shift the low benchmark currently set by co-operative banks and ESG funds.
- The same infrastructure will increasingly benefit member cooperatives and their community bases that, today, struggle to access the capital needed to transform existing industries and kickstart the sustainable industries of the future.

Since all the co-operative workers can take part in social money pools and the credit union, the profit generated by these industries grows the amount of capital under collective management, creating a dynamic economy that, eventually, would not need to depend on growth to keep living standards increasing.

For every person who uses their money pool to get through the end of the month or pay for a law degree, some will invest

their payout directly to drive co-operative growth or establish new housing projects.

Following the example of Great Western CU, we can invest to increase the lending capacity of our Credit Union to provide better-than-market loans and mortgages, making getting a house or starting up a business cheaper - that is truly ethical.

As a member of a saving club, you are a member of the co-operative and can join the credit union. There's no cap on membership and no reason why it can't grow to serve communities across the UK with state-of-the-art current accounts and no investments in oil, deforestation or arms.

Unlike conventional companies, our cooperative structures are all autonomous while being interdependent. This means no one cooperative can overpower the others; instead, the network incentivises solidarity, innovation and higher ethical standards.

It has been working for nearly 70 years.

The Mondragon Group

This Spring, one of our founders visited the Mondragon Group, the largest federation of cooperatives in Europe. Established around 1956 in the Spanish Basque region under the repressive Franco dictatorship, it now includes some of the best performing enterprises in the region including a credit union - now the 3rd largest Basque financial institution - the Eroski chain of supermarkets, a network of cooperative schools, a university, elderly health centres and over one hundred retail, industrial and research and development enterprises.

Mondragon cooperatives contribute a share of surplus to investment and cultural funds and work together to create the best value and experience for their worker-owners. A parallel social security system has contributed to some of the lowest income inequality in Europe and high local satisfaction and living standards. After the 2008 crisis, the group outperformed the Spanish economy, bouncing back with no redundancies to date. We can apply the lessons of Mondragon today driven by the technologies and crises of the 21st century.

VALUES

Our story

The current economic system is not compatible with a thriving future and our political systems are not in a position to make the changes that are needed. It comes down to ordinary people to try.

With decades of research and experience driving the project and a shared ambition to create a hopeful, progressive future, we are laying the foundations of a way to organise local and global economies that is human-centred, equitable, democratic and sustainable.

Climate action and ethical investing are not niche topics anymore but they aren't available to everyone. We aim to make it possible for any amount of capital and work to be doing good.

Our team

Our team includes over twenty volunteers meeting fortnightly and a highly motivated core working to coordinate research, develop fundraising and marketing strategies and drive the cooperative economy project forward.

On board we have bank-switch advisors, project managers, community organisers, software and product developers, regulation & compliance advisors, a law professor, physicists, journalists and more.

Our partners

We are partnering with UK environmental and social movements and are working to develop partnerships with existing groups, movements, co-ops and credit unions that are aligned with the vision and our cooperative principles.

As we grow, we aim to support groups and small businesses to become co-operatives and bring more of the economy into collective ownership.

Our mission

Kin is an open economic movement, founded to replace capitalism with a fair, sustainable, cooperative economic system.

To achieve this, we are building a network of autonomous cooperatives and democratic financial institutions to support its growth.

By bringing more land, labour and capital out of undemocratic control and into their collective management, we empower communities to achieve greater prosperity and security.

We never stop striving for the equality, liberty and dignity of people today and future generations.

MARKET

- 18-24 year olds are the most likely group to take out payday loans. 585,000 people in the UK take out payday loans annually.* Finder 2022
- Credit Union membership is growing in the UK and globally as people seek better rates on small loans* World Council of Credit Unions 2023
- There is a boom of new cooperatives seeking regulatory approval* FCA data 2024
- Socialism is now as popular as capitalism among younger generations* Gallup 2019

People want alternatives and are ready to take action but it is a crowded market. Every week, a Silicon Valley “fintech” parades the same old emperor in new clothes - green funds, online banks and guilt-washing carbon schemes are everywhere. But we aren’t stupid; we know these won’t really change anything. That’s our edge.

Over the next months we plan to run focus groups to understand how a grassroots economy resonates with different key audiences including, climate-prioritising early adopters, and migrant, working class and rural communities across the UK.

Risks

- Lack of capital and high capital costs
- Development cost overrun
- Platform and campaign delays
- Bugs
- Legal and regulatory changes
- Team & recruitment issues
- Issues with cooperative partners

For the model to reach its fullest potential, we need to grow and capture public attention and trust with our momentum, vision and delivery. To make this happen, we need capital to develop brilliant brand and marketing campaigns, state-of-the art platforms that excite users, and a happy, experienced team.

We are up against a system that helps a powerful minority gain by preventing wealth redistribution. And they are good at it. We know better distribution can raise the common standard of living, impacting community health outcomes and climate resilience. Well-organised community and worker-led cooperation can enable unthought-of innovation and efficiency but we need to build the infrastructure.

With enough investment, support, good organisation and a little luck we can overcome the risks and become a transformative economic force.

Example: heat pumps

The UK needs to train thousands of heat pump installers every year over the next decades and the market is likely to grow over the long term and remain sustainable. Heat pump installation is a perfect industry for cooperativisation.

Heat pump installation coops can be more competitive for workers and consumers by sharing training costs and learnings, grouping distribution and bulk purchasing units as well as providing membership and financing options for clients.

FINANCE & GROWTH

Initial development costs	£45,100.00
Fixed monthly running costs	£5,280.00
Growth variable projection monthly costs (up to 10,000 user-members)	£6,400.00
Projected monthly revenue average (up to 10,000 user-members)	£11,022.22

Projected monthly revenue at 15,000 users	£31,000.00
Projected monthly costs at 15,000 users	£13,613.33
Projected monthly surplus at 15,000 users	£17,386.67

- Above 10,000 users, monthly revenue catches up with running costs.
- At 15,000 users, we project that we can begin appreciating investments at over £8500 per month (50% of the surplus).
- With a fast growth rate to 15,000 users and a steady trajectory thereafter, we expect to have the principal investment available within 24 months.
- At 15,000 users, over £500,000 will be saved together every month. Equivalent to 2000 payday loans* 2018 UK average

Fast growth (12 months) capital requirements	£135,837.38
Slow growth (24 months) capital requirements	£231,908.89

We are also applying for grant funding and will crowdfund to make faster growth possible.

The Credit Union will require further fundraising rounds to cover the costs of banking platform development, cybersecurity, insurance and regulatory capital.

The Secondary Cooperative Investment Fund has no excess costs but we expect to need further investment for coordinated marketing campaigns to drive further waves of growth.

All three structures will share a platform, staff and running costs to maximise efficiency and

provide the greatest simplicity and benefit for user-members.

Milestones

- Get the core team operational
- Build the MVP platform
- Run focus groups and trials
- Refine and begin marketing
- Establish the Secondary Coop
- Invest in first coops
- Achieve regulatory approval for the Credit Union
- Drive growth

Next steps

Join us.

Investments and donations at this stage build crucial momentum that we will work hard to turn into a powerful mass movement for positive change.

You are helping us at the beginning.

You may have experience that we need, strong principles and ideas about the new economy, knowledge about which industries will take off as cooperatives and the passion and time to make it happen. We need you.

As a participatory member of a saving club or as an investor-member you will be able to vote on all the major decisions of the cooperative

Welcome to the team.

Together, we will

- Develop new coops
- Connect existing ones
- Create jobs
- Eradicate payday loans
- Bring down the price of mortgages
- Make more affordable housing
- Help communities become more resilient
- Work with workers, communities and unions to transform existing industries
- Expand the commons
- Transform and decarbonise the economic system for ourselves and future generations.

Please read the disclaimer, complete the share application form and hand it to a member of the team.

Thank you!

Disclaimer

This offer document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (FSMA). It is exempt from the financial promotion restriction (in Section 21 of FSMA) on the grounds that withdrawable, non-transferable shares in a cooperative society are not a controlled investment for the purposes of FSMA. Prospective investors will not have the benefit of the Financial Services Compensation Scheme and other protections afforded by FSMA or any of its rules and regulations.

No advice on investments is given in this offer document. All prospective investors should consult their own professional advisers as appropriate as to the legal, tax, financial or other matters relevant to the suitability of a purchase of shares. Before applying for shares you are advised to read the whole of this offer document, including the Risk Factors set out above.

Applicants should understand that any share purchase they make should be primarily regarded as an investment for social purposes rather than one which will produce a significant financial return.

Share application form

Please keep a copy of this document for your records.

I, <name in caps>

Of <address>

Email

Telephone

would like to purchase withdrawable shares equal to £

In Kin Co-operative Limited

For a maturity term of <delete as appropriate> 24 months / 36 months / 60 months

Terms:

£1 will be reserved as your non-withdrawable membership share. This gives you the right to vote in the society's general assembly. It is forfeit if you choose to end your membership.

Interest is allocated to all shares equally from the surplus of the co-operative up to a cap of 4% per annum and never more than 50% of surplus will be allocated to share interest. If the co-operative is not making profit, you will not receive interest. If you need to withdraw shares before they mature, there is no penalty but you may not receive any interest and there is no guarantee that you will receive your funds until the co-operative is in a position to release them.

Tax on interest is paid gross, you may need to declare this on your tax return depending on your individual circumstances.

By submitting this application I acknowledge that share investments with Kin Co-operative Limited are classified as risk capital. In the event that the society fails, I may not have all or any of my investment returned. Unlike Banks and Building Societies, the Society is not subject to prudential supervision by the Financial Conduct Authority.

Signature

On the date: / /

Donation form

Please keep a copy of this document for your records.

I, <name in caps>

Of <address>

Email

Telephone

Would like to donate £ as a <delete one> monthly / one-off donation

To Kin Co-operative Limited

I would also like to become a member of the co-operative by purchasing a non-withdrawable membership share for the sum of £1. This gives you the right to vote in the society's general assembly.

Signature

On the date: / /

Please make your payment by bank transfer or monthly direct debit to:

Kin Co-operative Limited

Account Number: 67355138

Sort Code: 08-92-99

Reference: <Your Name>

You will receive a confirmation and your membership number if you have chosen to become a member on receipt.

Please contact us if you have difficulties sending your donation or setting up your direct debit.

Thank you!