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# INVEST IN LOCAL NEWS THAT MATTERS

HELP GROW THE INDEPENDENT JOURNALISM EXETER NEEDS

## Exeter Observer community share offer Spring 2023

Share offer opens: 31 March 2023

Investment target: £175,000

Share offer closes: 12 May 2023

Minimum individual investment: £500

Accrual date: 6 July 2023

Maximum individual investment: £50,000





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This document is available on the Exeter Observer website at [exeterobserver.org/invest](http://exeterobserver.org/invest), where it is reproduced with embedded links to further information and references to resources used in its preparation. The quotes that appear throughout the text are unsolicited readers' feedback.



## The independent journalism Exeter needs

**E**xeter Observer is new kind of independent news organisation that holds wealth, power and influence to account while helping people participate more effectively in local democracy.

We're expanding our team to cover more of what matters and foster our city's cultural and community life, so we're seeking investors, members and contributors to help us grow.

**“ Local journalism that covers the things you want to read about. ”**

Exeter Observer is published by Exeter Observer Limited, an FCA-registered non-profit community benefit society that is democratically owned and run.

We are regulated by IMPRESS, the UK's only Leveson-compliant press regulator, and uphold the Editors' Code of Practice and NUJ Code of Conduct.

We began publishing in April 2019. In our first year we established the editorial track record required for IMPRESS, BBC Local News Partnerships and ICNN membership and began training two groups of community journalists before the pandemic put development on hold.

The core team sustained the project and the readership grew. In April 2021 we raised £50,000 to finance a two-year development strategy, became an employer and launched The Exeter Digest, our essential email newsletter.

Twelve months later website traffic and subscriber numbers had both doubled, and in January this year we published our 300th story and passed 250,000 monthly page views.

We now employ two staff and have published work by sixteen volunteer contributors.

**E**xeter Observer is part of an agile, innovative local news sector that is emerging in response to the failure of established publishers to fulfil their function in local democracy.

We never publish advertorial, clickbait or party political broadcasts and our non-profit ethos respects your privacy while protecting the public sphere.

Our community-owned subscription-based business model sustains other successful public interest journalism publishers, supporting serious reporting and analysis with real relevance and impact while helping civil society to thrive.

**“ A local newspaper with integrity and teeth. ”**

With support from Co-ops UK we have developed a growth plan based on a comprehensive local public interest news service that keeps readers informed about what matters with clarity and finesse.

We will expand our coverage to make complex issues accessible to a wider range of readers, tell more stories that explore the impact of decision-



making on local people, publish more comment and editorial and extend our geographic scope to report on Exeter's sprawling borders.

We will help people better understand how things work by publishing briefings that explain tangled topics with key statistics from authoritative sources and guides to local democracy and governance. A factcheck service is in development too.

We also plan to provide an events guide for residents (rather than a listings guide for tourists) and a community notice board that reflects Exeter's public sphere, helping underfunded arts and culture creators to reach new audiences and the city's civil society to thrive.

And we will host elections hustings that address the challenges we face, local democracy literacy workshops that bring our briefings and guides to life, and regular feedback forums to enable Exeter Observer's greatest resource - the communities it serves - to inform the way it fulfils its mission.

Our overarching aim is to build on all this to launch a regular print edition, publishing the independent journalism Exeter needs in the community-owned newspaper it deserves.

**W**ith the help of a Reach Fund grant we have prepared a community share offer to raise the investment needed to finance this growth.

We have received advance assurance from HMRC that our share offer is eligible for 50% tax relief under its Seed Enterprise Investment Scheme, with scope to claim capital gains tax and loss relief too, minimising investment risk.

We are also pursuing the possibility of becoming the UK's first public interest journalism publisher to gain charitable status, blazing a trail which would confer a range of benefits and have a significant impact beyond revitalising Exeter's public sphere.

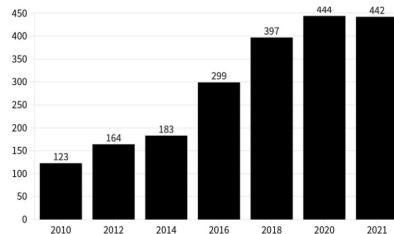
Traditional local news publishers are failing the communities they are supposed to serve in towns and cities across the country. Exeter Observer's success can be recreated everywhere committed citizens are prepared to invest in local news that matters.

Please apply to invest in Exeter Observer Limited via our website at [exeterobserver.org/invest](http://exeterobserver.org/invest) or email us at [invest@exeterobserver.org](mailto:invest@exeterobserver.org) to find out more.

**“Excellent independent in-depth articles  
about issues dear to the residents of Exeter.”**



Devon County Council charged with "relentless institutional failings" in SEND children's services provision



Individual overseas ownership of Exeter property triples in ten years



Exeter cycling & walking strategy five years late and counting



Information Commissioner to investigate university over student accommodation numbers refusal



University of Exeter staff strike in largest walkout in sector history



Harlequins developer plans to scrap hotel to build second "co-living" block on shopping centre site



Stagecoach escapes major sanctions over service failures



Climate Action Hub opens in Exeter city centre



Rainbow Trail LGBTQIA+ exhibition queers RAMM for Exeter Pride 2019



Flood risk threatens to sink Haven Banks redevelopment plans



Exeter City Futures falsely claims development fund documents disclosed under FOI legislation



First Exeter "co-living" block comes on stream with rooms at £946pcm+

# Independent, investigative, in the public interest

**E**xeter Observer is a new kind of independent news organisation that helps people participate more effectively in local democracy while fostering our city's cultural and community life.

We publish news, features and investigative journalism which holds wealth, power and the influence of individuals and institutions to account while keeping people who live or work in Exeter informed of what's being done in their name, by whom, with the assets they own and the taxes they pay.

We aim to increase understanding of complex issues, make pertinent information more accessible and stimulate more inclusive and better-informed debate. We also aim to amplify local voices, support Exeter's arts and culture scene and help its civil society to thrive.

Exeter Observer is regulated, accountable and upholds high editorial standards. We never publish advertorial, clickbait or party political broadcasts and our non-profit business model respects your privacy while protecting the public sphere.

**“Independent journalism that scrutinises and holds those who are in charge to account.”**



Exeter Observer

Independent, investigative, in the public interest

[SUBSCRIBE FREE →](#)



## EXETER IN BRIEF

Instead of varying its EXETER CITY LIVING management agreement to allow the council-owned company to submit its 2023-24 business plan five months late – a fortnight after the financial year to which it applies begins – as agreed in January, the city council has now decided not to set a deadline for its submission at all.

Revised proposals for a student/co-living complex on the site of HEAVYTREE ROAD POLICE STATION AND MAGISTRATES' COURT were rejected at a council planning committee meeting on 20 February.

The scheme's eighth design iteration provided 955 rooms at "optimum density", 89 fewer than before, and slightly reduced building heights and footprints from the previous version. An appeal against the decision is expected after the May local elections.

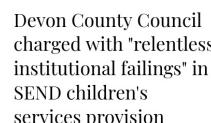
Exeter City Council approved EXETER COLLEGE plans to erect floodlights and a three-metre fence around a new artificial pitch at Flowerpot Fields at the same meeting despite widespread objections to its original plans. Its revised plans addressed some, but not all, of the issues raised.

Simon Hupp has been selected to stand in the new HONITON & SIDMOUTH constituency which will replace the East Devon seat he currently holds for the Conservatives at the next general election.

The budget for the EXETER CITY LIVING Vaughan Road redevelopment has soared from £9.2 million to £72.7 million, with the council now expected to lend an additional £13 million to complete what will now be a mix of 35 affordable and 56 market rent flats, 25 fewer affordable homes than planned.

EXETER LABOUR proposals to spend £100,000 on a splash pool in St Thomas, a marginal ward in which the council's deputy leader nearly lost her seat at last year's local elections, has led city council news coverage of a budget which cuts more than £3 million of public spending.

[MORE EXETER IN BRIEF →](#)



Devon County Council charged with "relentless institutional failings" in SEND children's services provision

Children with special educational needs and disabilities protest alongside parents at County Hall as Ofsted monitoring continues to find serious unresolved issues and key areas that require significant change.

Exeter has more empty and second homes than built in city in past two years

Council tax premium proposals that aim to raise additional revenue from underused housing stock might also encourage return to residential occupancy.

Council development levy changes are insufficiently evidenced and don't meet city infrastructure needs

Exeter City Council and Liveable Exeter partners impose faulty typology driven by policy objectives while ignoring new local plan, evidence base and statutory funding statement and excluding residential and retail charges from review.



30,000 students based at Exeter university campuses in 2022–23

Freedom of Information request reveals significant drop on last year with postgraduate students accounting for 58% of fall in numbers.

Students	2021-22	2022-23	% Chg
Academic undergraduate	21,406	16,676	-23%
Post-grad programme	5,107	5,694	+11%
Academic postgraduate	1,020	1,020	0%
Research postgraduate	4,405	3,647	-17%
Student undergraduate	260	5	-98%
International undergraduate	10	10	0%
Academic postgraduate single terms	33	0	-100%
Post-grad programme distance learning	1	0	-100%
Research postgraduate distance learning	48	0	-100%
Total	37,940	31,321	-18%
Total including distance learners	38,023	31,367	-18%

Is the grass really greener in Exeter city centre?

Academic research placing Exeter retail area at top of green space table was nationally reported, locally misrepresented then repurposed as booster fuel by local politicians overlooking study's social justice focus.





## Journalism with community benefit at its heart

**E**xeter Observer is published by Exeter Observer Limited, Community Benefit Society No. 8435 registered by the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014.

Other Exeter community benefit societies include Exeter Community Energy Company, Exeter St James Community Trust, Sylvania Community Stores and Co-Cars.

Exeter Observer is democratically owned and run by its members. They hold shares and have democratic rights on a one-member-one-vote basis regardless of the number of shares they hold (in contrast with the company convention of one-share-one-vote).

Membership is open to anyone who supports Exeter Observer's community benefit purpose. It is a true non-profit organisation protected by a statutory asset lock: any surplus or assets can only be used for community benefit.

Its members elect an accountable board of directors at annual general meetings to oversee its affairs. The procedures by which decisions are made are laid out in the FCA-registered Rules of Exeter Observer Limited, a legally-binding constitutional document which also defines its aims and objects and how it is run.

They are also available to download from the FCA website, as are our annual reports and accounts for the years ending April 2021 and 2022.

Exeter Observer is regulated by IMPRESS, the only recognised press regulator created following

the Leveson Inquiry into the culture, practices and ethics of UK journalism. We adhere to its Standards Code and provide a robust complaints procedure with access to an independent arbitration service.

As an ICNN member Exeter Observer must also maintain editorial independence and professional standards in accordance with the NUJ Code of Conduct, and as a member of BBC Local News Partnerships we must meet strict eligibility criteria and uphold the Editors' Code of Practice.

Exeter Observer is also a member of Co-operatives UK.

**“I discovered Exeter Observer when I stumbled upon an article about Exeter City Council's private companies. I couldn't believe how good the article was in its depth, detail, historical context and sound arguments. Keep up the great work.”**

## The story so far

**E**xeter Observer began publishing in April 2019. Its community-owned subscription-based business model sustains other successful public interest journalism publishers, notably *The Bristol Cable* and *The Ferret* in Scotland.

It was founded by Martin Redfern with Leigh Curtis and Peter Cleasby.



**Martin Redfern** is Exeter Observer's editor and a director of its publisher Exeter Observer Limited. He writes many of our news stories and features, performs investigative research and maintains the website. He has a background in campaigning, project management and multimedia design and development and has been actively engaged with public policy and practice around climate change since the 1992 Rio Summit.

He is an accredited UK press card holder with professional memberships of the Chartered Institute of Journalists and the Society of Editors and holds a Journalism masters degree with distinction at Birkbeck, University of London. Our insurance underwriters rely on these credentials to provide comprehensive indemnity cover which protects our public interest publishing.



**Leigh Curtis** is Exeter Observer's community and culture editor and membership co-ordinator and a director of its publisher Exeter Observer Limited. She writes most of our community and culture stories and manages our growing membership. She leads on design and marketing and deals with financial and administrative management including member meetings.

She has a background in print design and project and account management with leading London media and design agencies and holds a degree in Fine Art at Goldsmiths, University of London, where she has also managed exhibitions and events.



**Peter Cleasby** is an Exeter Observer contributing editor. After reading French and German at New College, Oxford, he entered the civil service where he worked largely in policy development and business management across several departments, ending up as a deputy director in DEFRA. He was also a Treasury-accredited reviewer of high-risk programmes and projects.

On leaving the civil service he freelanced as a policy, management and governance consultant and became a trustee of several national and local charities. He is involved with Exeter Green Party as a volunteer researcher.



In its first year Exeter Observer established the editorial track record and high standards required for membership of IMPRESS, ICNN and BBC Local News Partnerships. We also ran two community journalism training courses aimed at assembling a volunteer team. Then the pandemic put project development on hold.

The core team sustained the project, pursued investigative research and incorporated the community benefit society as a vehicle to take things forward when it became possible to do so. Our readership grew steadily and we rebuilt the website to improve the user experience, lower production overheads and enable greater flexibility to experiment with new formats and ideas.

In April 2021 we raised £50,000 of share investment to finance a two-year development strategy. We set up administration and financial management systems, became an employer, increased our publishing rate and launched our email newsletter, *The Exeter Digest*.

Twelve months later website traffic and subscriber numbers had both doubled, and in January this year we published our 300th story and passed 250,000 monthly page views.

We now employ two staff, Leigh and Martin, and have published work by sixteen volunteer contributors.

## Distribution & promotion

Exeter Observer's publishing and promotional activities are aimed at new and existing audiences, contributors, supporters, members and investors as well as civil society actors and communities of interest across the city.

A key aim is the development of relationships with all these stakeholders in order to inform, refine and transform the way Exeter Observer fulfils its mission.

### Website

Exeter Observer's website is its primary publishing platform. Its design is intended to communicate our editorial standards and value propositions while avoiding the clutter, pop-ups and other noise which crowds out content on other local channels.

**“ I really appreciate having a local news organisation that isn't owned by some big umbrella company. And your website is one of the very few that I can visit on mobile and not get bombed with adverts and pop ups. ”**

It was designed and developed by core team members to enable access to a global content delivery network which integrates page caching, certificates and analytics. Compared with server-based publishing this approach is low-overhead,



secure and resilient, provides fast page load times and enables high search engine rankings.

Its design is continuously evolving as new content formats are explored and incorporated. Analysis of design patterns used by successful peer publications has prompted updates including revised calls to action with increased use of high-impact colour, more legible typography and better use of images on handheld devices.

## Social media

Twitter is Exeter Observer's principal social media channel. It has been key to audience development, enabling leverage of positive network effects while demonstrating engagement and impact in a pseudo-public sphere.

It has facilitated productive connections with community organisations, civil society stakeholders and other local networks, however recent changes following the company's sale have prompted a review of its use.

We also post to Exeter Reddit and a recently-created Mastodon channel. We do not post content via any Meta services including Facebook, Instagram, Whatsapp and Messenger because its adverse impact on democracy and the public interest is incompatible with Exeter Observer's values.

**“ If you don't already follow Exeter Observer I'd thoroughly recommend doing so for objective and factual reporting on local issues. ”**

## Email

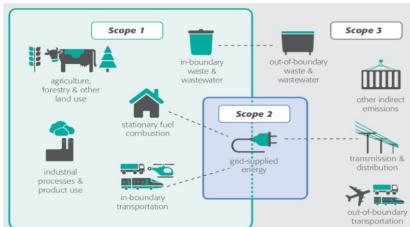
Email newsletters help reach readers who are not regular social network users. Exeter Observer began publishing *The Exeter Digest* in April 2021. It contains a round-up of our top stories, the news in brief, upcoming development plans and ongoing consultations, and previews of local community and culture events.

## Flyers

Printed promotional materials also help reach audiences and stakeholders who are not regular social media users. Two formats have been explored: an A5 promotional flyer and an A4 page gatefold presented as a four-page A5 booklet containing recent story summaries.

Either can be distributed door to door or left in bundles at selected pick-up points. The former has a longer shelf life while the latter can be delivered door to door in areas in which highlighted stories are relevant, while having higher production overheads.

Resources are accordingly now focussed on distributing an updated A5 promotional flyer via a regular restock route that covers 30 selected locations which have been reduced from a longlist of 100 in trial drop-offs.



Exeter greenhouse gas report disregards hundreds of thousands of tonnes of annual city emissions



Will Exeter College fence off Exwick community playing fields?



University says 39,000 students – nearly 30% of city's population – based at Exeter campuses in 2021-22



Devon County Council fails to deliver promised COVID-19 cycling and walking infrastructure



#### 1. Welcome from the Chair

- a) Introductions
- b) Update on Covid-19 within Exeter

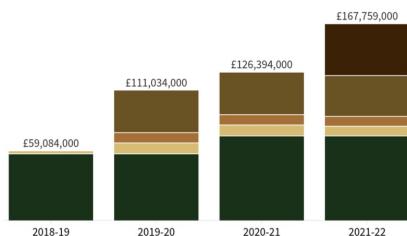
#### 2. The Recovery Plan. Exeter: Building Back Better

- a) Introduction and overview

City council outsourcing Exeter local government to unaccountable Liveable Exeter Place Board



Do Exeter Labour election campaign claims stand up to scrutiny? Part II: Economy & city centre



Council borrowing nearly triples in three years as property acquisition and development loans mount



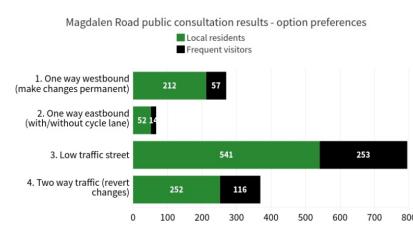
Macaines Warehouses development tests Exeter Heritage Harbour status



Council lottery operator to take cut from local charitable donations



Pennsylvania petitioners expose fifteen years of flawed student accommodation policy-making



£900,000 to keep Magdalen Road one-way system despite decisive public support for low traffic street



£55 million Guildhall shopping centre decision may breach local government transparency rules



## Democracy doesn't work when people don't know

We need better democracy. Standards in public life have declined, populists have won influence and power and inequality has risen. A democratic deficit has grown while trust in our institutions and civic engagement, particularly among young people, has reached an historic low.

Our political system is proving unfit for purpose just as a new class of super-wicked problems that demand urgent resolution are being addressed by people whose decisions are often their cause.

Exeter faces a cluster of such challenges but proposes itself as a "global leader in addressing the social, economic and environmental challenges of climate change and urbanisation" despite the many ways in which it is anything but. If reality is to match rhetoric, profound change must take place.

However local responses to these problems are determined and delivered by multiple authorities with overlapping jurisdictions and often conflicting political perspectives and strategic interests. Other actors and organisations also significantly influence decision-making which affects us all.

Last year Exeter City Council became what the Electoral Reform Society calls a "one party council" after being dominated by the same political party for ten years. Devon County Council has been in this state, under the same leader, since 2009. Research shows this greatly increases the likelihood of corruption, cronyism and spending decisions which offer poor value for public money.

The city council has outsourced governance to unelected boards and policy-making to unaccountable organisations, undermined decision-making scrutiny and defied transparency legislation. It has spent millions of pounds of borrowed money on loss-making subsidiary companies and controversial projects, with budgets being cut to cover soaring debt interest and loan repayments.

Challenges multiply while those in leadership roles disregard available solutions, present counterproductive choices as positive change and ignore residents in making decisions which will adversely affect the city for many years to come.

The local democracy we need depends on people being sufficiently well-informed about what is taking place to actively engage with decision-making and intervene in the interests of their family, friends and communities.

It doesn't work without ready access to relevant, accurate, timely reporting on who is deciding what on whose behalf and what the consequences and costs of those decisions will be.

**"Fearless, independent, local investigative reporting in Exeter. Exeter Observer is tenacious and courageous in its mission."**



## Legacy local news

Traditional local news publishers with profit-driven corporate ownership structures failed to create new business models as Silicon Valley rose and their advertising revenues fell. They pursued consolidation and staff cuts instead of reinvesting and reinventing to counter the threat from the tech giants.

Just four publishers now control 88% of the UK's local and regional titles and 96% of local authority districts have a single dominant local news publisher. Thousands of jobs have gone yet the publishers remain ensnared in platform algorithms and diminishing online returns.

Targets are imposed on journalists who have been described as "battery hens", because they must produce half a dozen stories a day, to generate as many page views as possible. These discount editorial responsibility in favour of clickbait headlines and ephemeral content that rarely reflects the public interest or even constitutes journalism at all.

The resulting churnalism and cheerleading simply amplifies content marketing, public relations puff and local authority press releases which are often more promotional message than public information. More than 90% of local public interest news articles now come from managed media sources instead of reporters attending meetings.

This publishing model cannot keep people informed about important issues that affect them and the communities in which they live and work.

Research shows a clear link between the decline in local public interest news and falling engagement with local democracy (such as voter turnout) as well as negative impacts on the accountability of local institutions and public finance management. Other studies show that trust in news has declined alongside trust in other civic institutions.

Only news publishers with the operational capacity and independence from external influence to make informed, responsible judgements about the public interest on a case-by-case basis can deliver the journalism that local democracy needs.

**"I think your articles should be compulsory reading for all councillors, although for some it may prove slightly uncomfortable and rightly so. I am always very impressed with the depth of research you are able to undertake."**



## Exeter media in perspective

**R**each plc (called Trinity Mirror until May 2018) dominates Devon news coverage. It was already the UK's largest regional news publisher by October 2015. Since then it has embarked on further consolidation, rolling hundreds of local titles into generic regional publishing platforms across the country then redeploying reporters to maximise online traffic by publishing national news stories on its regional websites.

The company is in trouble. Losses/writedowns were £108 million in 2018 and £200 million in 2019. It sacked 12% of its workforce in 2020 but the company's shareholders received a £14 million half-yearly dividend and its CEO and CFO both received 700% pay increases which raised their combined 2020-21 remuneration to £7.4 million.

Last year its shares fell 25% after costs soared and operating profits fell. It announced another 200 job cuts in January and its shares lost another fifth of their value after another profit warning.

In March the company began publishing articles written using ChatGPT, large language model software often described as artificial intelligence. Its digital income is down 12% so far this year and it has just announced another 420 redundancies.

The pre-pandemic closure of the company's Exeter office means it has since covered the city from Plymouth, following content policies determined by the financial priorities of a remote conglomerate which owns more than 250 local, regional and national titles.

Devon Live (which combines seven local titles) claims 1.9 million monthly page views, but only 10% of its readers are located in the South West region. Exeter constitutes just 6% of this population - equating to only 11,400 monthly page views.

Exeter Express & Echo is now published weekly and costs £2. ABC-accredited figures show its circulation has fallen by nearly two-thirds in the past five years, from 11,700 copies in 2017 to 4,400 in 2022 - including its East Devon edition.

Just a handful of non-Reach titles survive in Exeter's satellite towns while glossy magazines peddle more PR and marketing and, in one case, promotional content unashamedly provided by Exeter City Council itself.

**“Detailed and thorough reporting exposes a potentially unlawful decision. How public money is spent and how councils are run must be open to scrutiny.”**



## Local news that matters

**E**xeter Observer is different. It is part of an agile, innovative news sector that is emerging to deliver independent local public interest journalism with real relevance and impact while avoiding the pitfalls of traditional local media business models.

It addresses local decision-makers and civil society actors as well as others who influence them in turn. It provides otherwise absent scrutiny while equipping readers with information and insight they would otherwise lack, enabling interventions in forums to which they have access.

We make extensive use of transparency legislation and information access rights, including public accounts inspection rights, to enhance accountability of public bodies. This includes invoking external authorities including the information commissioner, local authority auditors and the local government ombudsman to challenge compliance failures and seek higher information and governance standards.

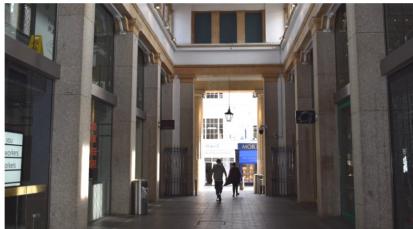
These activities impact on those in leadership positions while also providing compelling material for publication.

This impact is evidenced in public commentary, policy changes and decision challenges and reversals as well as in private correspondence, unannounced policy changes and private decisions which follow public or private interventions.

Confidential communications with senior stakeholders and representatives of public bodies also confirm the value of holding local organisations to account this way.

Exeter Observer's growing reputation as a public interest champion is also reflected in increasing numbers of residents seeking support with issues they have been unable to address via other routes.

**“Independent, grown-up journalism that endeavours to seek out truth and hold leaders to account is an important part of local democracy. All cities need this.”**



Unelected Liveable Exeter Place Board created to oversee city from the shadows



River Exe green spaces and heritage harbour site threatened by "Liveable Exeter" development scheme



Exeter could do better - was there no alternative to closing so many public toilets?

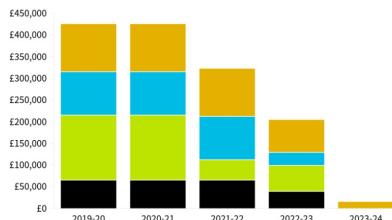


Exeter Development Fund: rent extraction, unaffordable housing and gentrification, but not net zero

If you think electric vehicles are the answer, you're asking the wrong question



First Liveable Exeter homes are substandard "warehousing for people" which is student accommodation "in all but name"



Council slashes community grants but splashes cash on paddling pools in contested wards



Future of Devon bus services being decided behind closed doors



Decision to send council CEO and director to work for Exeter City Futures is "disservice to citizens"



Is the grass really greener in Exeter city centre?



Alphington "enhancements" will not mitigate traffic impact from massive South West Exeter extension



Heavitree Road developer gets sixth pitch for student/co-living complex



## Our growth plan

**E**xeter Observer's development strategy is based on a tried and tested business model that sustains other successful UK journalism publishers. It relies on a tiny fraction of Exeter residents making our independent journalism available for all by each paying a small monthly subscription.

The potential for secondary income and supplementary grant support is also taken into account.

High editorial and presentational standards are key, while impact must be combined with reach and a reciprocal publisher/audience relationship focussed on the public benefits of independent local journalism to drive sufficient revenue growth to reach financial sustainability.

We have made the most of limited resources for several years to establish Exeter Observer with this aim in mind, clocking up thousands of hours of volunteer time and maintaining rigorous financial discipline. Last summer we began a six month programme of business support from Co-operatives UK, financed by The Co-op Bank, to prepare us for further expansion.

The Community Shares Company provided strategic insight and financial expertise derived from extensive experience working with other journalism publishers including *Manchester Mill* and *New Internationalist*. *The Bristol Cable* provided operational insight into its successful implementation of a similar business model, enabling us to translate its approach to the Exeter context.

This support yielded a multi-level growth plan in which a comprehensive local public interest news service provides a foundation on which to extend the scope of our coverage, while hosting regular events, with the overarching aim of launching a regular print edition.

Each service delivery level equates with a revenue inflection point driven by audience and subscription growth and depends on a specific staffing level in turn.

**“ If you want to see some amazing journalism then look at Exeter Observer, they are fantastic: detailed and accurate.”**



## A local public interest news service

We established Exeter Observer by concentrating on analysis and investigative features which cover key issues in depth, accompanied by news reports on selected issues.

This approach plays to the core team's strengths and matches its capacity without imposing unsustainable production pressures. Longer features also have lower bounce rates, higher engagement levels and greater impact than shorter news reports while reflecting the editorial values at Exeter Observer's community benefit heart.

The foundation of our growth plan is to develop our unique *insight about what's going on in Exeter that you won't find anywhere else* by broadening our coverage to provide a comprehensive public interest news service that keeps our readers informed about what matters with clarity and finesse.

We launched a text-only Exeter *in brief* section at the end of last year to provide short news summaries, typically including a link to external information, which makes the most of existing monitoring of primary sources. We have also launched a similar section dedicated to planning processes and public consultations: *On the agenda*.

Delivering a comprehensive local news service would involve developing many of these summaries into full stories complete with context, detail and visual collateral such as photos or graphics. Achieving this critical mass is expected to accelerate existing growth by

providing readers with ready access to all the *local news that matters* (and none that does not) without having to go elsewhere.

330 subscribers contributing an average of £10 per month each would make this comprehensive local news service possible, without needing any secondary income or supplementary grant support, by covering the cost of employing three part-time staff plus core overheads including regulatory, professional, membership and insurance fees: £40,000 per annum.

This is a subscriber to population ratio of 0.0025% - one quarter of one percent - less than half *The Bristol Cable's* uptake despite the larger city having a highly congested media landscape in which more than twenty titles compete.

**“Very impressed with Exeter Observer. Thank you for providing real local journalism.”**



## Expansion options

There are several ways to grow Exeter Observer beyond a comprehensive local public interest news service. Each would increase its reach and impact, supporting subscription revenue growth and the development of reciprocal publisher/audience relationships with communities of interest and civil society actors. Some options are already being explored.

### Accessibility & geography

Our investigative emphasis often produces uniquely in-depth coverage of major issues that matter. However these stories are typically long and involved, and more suitable for some audiences than others. Making the most of the research undertaken to produce them by presenting our findings in a variety of formats is a key content extension aim: publishing briefer stories that make complex issues accessible to a wider range of readers.

Comment (which we began publishing last year) and editorial are also formats that can make the most of feature research by re-framing its outputs and presenting multiple perspectives on contentious issues. We intend to publish more of both, while allocating more editorial resources to telling human-scale stories that explore the impact of decision-making on local people. Both complement existing policy-level coverage.

We also plan to extend our geographic scope to cover more of the Greater Exeter area, in particular the city's East Devon and Teignbridge borders where significant new development is planned.

### Briefings & factchecks

Exeter Observer's growth will enable us to help more people better understand how things work by publishing briefings that explain tangled topics, such as local plan development and climate policy, alongside key local statistics from authoritative sources and guides to local democracy and governance.

These would be complemented by *On our reading list*, a library of local policy documents. Taken together they would greatly facilitate public access to information which is often difficult to find while also providing rich story-supporting reference links and enabling optimal use of research.

A factcheck section supported by International Fact-Checking Network accreditation is also being considered.

**“ Sit down with a glass of something strong and take time to read this, digest its contents, then tell your councillors you demand better. ”**

### Community & culture

We began publishing community and culture event previews last year. These are short pieces with modest editorial overheads which broaden our content offer and reach new audiences. They also provide a basis for two forms of expansion.



An Exeter Observer arts and culture guide could add reviews and interviews to previews to better communicate the city's cultural life to residents, rather than the tourists that are targeted by existing local listings. We would offer curated content, in contrast with unedited press releases and public relations materials on other local channels, and enhance the offer by also publishing original literature and poetry by local writers as well as galleries showcasing local photography.

An Exeter community noticeboard would complement this coverage while facilitating relationships with extended stakeholder networks. A prototype would explore interest, then a scalable service would be designed around stakeholder feedback.

The aim of both, taken together, would be to reflect the collective interests of Exeter's public sphere, helping underfunded arts and culture creators to reach new audiences and the city's civil society to thrive.

## Workshops & events

The topics covered in briefings and guides can be brought to life in local democracy and media literacy workshops. These would include how to use freedom of information and other transparency legislation to hold public bodies to account, and communications training for voluntary and community sector organisations such as how to produce and distribute effective media releases to further the causes they support.

We are also planning elections hustings at which community and council representatives would

respond to the concerns of local residents at ward and division level. And we will continue to hold regular forums to invite feedback and input on a wide range of editorial and operational questions.

A growing membership has the potential to become Exeter Observer's greatest resource. Many possess specialist skills, knowledge and expertise and can provide background information on complex issues, make managerial contributions via board membership, act as brand ambassadors, facilitators or network effect catalysts or contribute writing and photography.

**" I'm an enthusiastic reader of the excellent Exeter Observer ... the quality of investigative reporting is first rate. "**



## Print

Our overarching aim is to build on the foundation of a comprehensive local public interest news service by expanding our coverage across a range of options to publish a regular print edition.

Achieving this would be expected to drive more rapid growth than digital-only delivery because of the wider range of readers it would reach, particularly those with lower levels of digital literacy, and the trust created by complementary print and online distribution.

This would initially take the form of a 16 page monthly with the potential to increase to a 24 page fortnightly. Print distribution is facilitated by Exeter's compact city centre. Pick-up points would be used to deliver half the run with the rest distributed door to door and via highway handouts at key locations.

Exeter Observer's digital distribution would be reciprocally reinforced by an accompanying print publication: the combination of the two would extend the reach and impact of both. Print publication also lends itself to the exploration of complex issues from multiple angles with effective use of graphics and double page spreads.

850 subscribers contributing an average of £10 per month each would make an extended local public interest news service with a print edition possible, without needing any secondary income or supplementary grant support, by covering the cost of employing two full-time and three part-time staff plus core overheads: £100,000 per annum.

This is a subscriber to population ratio of just 0.0065%, enough to publish the independent journalism Exeter needs in the community-owned newspaper it deserves.

**“Informative, well-researched and evidenced articles. If only they were read and discussed more widely by Exeter residents.”**



TUESDAY 21 MARCH 2023

## Earthquake appeal concert

Kurdish Community Devon hosts an evening of music as an act of resilience to raise money for earthquake victims.

EXETER PHOENIX

FRIDAY 31 MARCH 2023

## Act Together community talk

A discussion led by University of Exeter climate scientist James Dyke on tackling the climate crisis.

EXETER COMMUNITY CENTRE

MONDAY 13 FEBRUARY 2023

## PRISM Exeter speaker series

LGBTQIA+ people share their experiences working in STEMM as part of this year's LGBT+ History Month.

EXETER LIBRARY

SATURDAY 3 DECEMBER 2022

## St Leonard's Christmas Fair

Community-run market returns for eleventh year with festive food, music and gifts.

MAGDALEN ROAD

TUESDAY 10 JANUARY 2023

## Extinction Rebellion 100 days campaign

Exeter event is first step towards April gathering of 100,000 people in Parliament Square.

CLIMATE ACTION HUB

WEDNESDAY 23 NOVEMBER 2022

## Refugee Support Devon fundraiser

Luca Rossi, Trikkeballakke and La Tarantella perform Southern Italian music and dance in aid of Refugee Support Devon.

EXETER PHOENIX

SATURDAY 24 SEPTEMBER 2022

## Kidical Mass is back

Kidical Mass Exeter is holding its third family bike ride and picnic as part of an ongoing campaign for safe cycling routes for children, young people and families.

NORTHERNHAY GARDENS

SATURDAY 29 OCTOBER 2022

## March of the Mummies

Campaigning charity Pregnant Then Screwed is holding a national Halloween-themed childcare protest march.

COUNTY HALL

SATURDAY 14 MAY 2022

## Exeter Pride 2022

Exeter Pride returns for an in-person celebration of LGBTQIA+ diversity and visibility after moving online in 2020 during the COVID-19 pandemic.

NORTHERNHAY GARDENS

SATURDAY 19 NOVEMBER 2022

## St Thomas winter market returns

Community-run event combines artisan traders with music, entertainment and workshops to create family-friendly festival atmosphere.

ST THOMAS CHURCH

## Community shares

**A**s a community benefit society Exeter Observer can offer share capital without the requirements which apply to public limited companies. Shares in Exeter Observer are not transferable and are treated as equity, not debt, on its balance sheet.

Unlike transferable shares, members don't have to find a willing buyer, or negotiate a price for their shares, as the community benefit society can return the share capital on withdrawal, subject to the consent of its directors and provided it has positive retained earnings or has raised new capital investment sufficient to meet its capital needs.

Community benefit societies usually establish reserves from trading, or attract new share capital from existing or new members, to provide for share capital withdrawals. Most suspend withdrawals for an initial period, typically three or more years, to allow time for the business to grow and to focus all available working capital on achieving growth.

Investment in a community benefit society is investment in an enterprise that serves a social purpose and a business model which encourages all stakeholders to work together, rather than maximising shareholder profit at the expense of customers, suppliers, employees and other investors.

The focus of the investment is the social benefits that investor capital will make possible. It has been described as "potentially repayable philanthropy" which can be repaid provided the business is secure and sustainable.

Community ownership and investment have grown in popularity in recent years, particularly in sectors including renewable energy, local food and affordable housing and can be seen as a constructive response to market failure in these areas. £200 million has been invested by more than 125,000 people in 500 co-operative and community benefit societies across the UK since 2012.

In Exeter, CoCars raised £650,000 in community share investment in 2021 and Exeter Community Energy Company has raised money this way too. Community shares have also been used to finance independent media. New Internationalist raised £704,000 this way in 2017 and another £350,000 in 2021 with the support of The Community Shares Company - the same organisation that has enabled Exeter Observer to become investment-ready.

**“This kind of reporting is rare and such a breath of fresh air. The real story behind the sound-bites.”**



## Membership subscriptions

**A**s a community benefit society Exeter Observer can also charge its members periodic subscription fees to provide reliable recurring income. This is the basis of its business model: a tiny fraction of Exeter residents make our independent journalism available for all by each paying a small monthly subscription.

Membership may also be conferred on volunteers in return for in-kind contributions, enabling all those who wish to support Exeter Observer to be able to do so without there being a financial barrier to membership.

This approach enables a reciprocal relationship between communities of interest and communities of practice. This is formally constituted in Exeter Observer's legal structure, which makes it accountable to all its members, and may be informally expressed in members helping to maintain and develop the community benefit society by bringing ideas, information and skills as well as the expertise that comes with being its principal stakeholders.

Exeter Observer can thus benefit from community-derived editorial and operational input, its masthead becoming identified with and integral to the communities it serves. The broadcaster/audience model is replaced with participatory common ownership which roots the enterprise in the community, engaging a wide range of people and increasing the legitimacy with which it can hold wealth and power to account and help civil society to thrive.

As membership confers ownership, all Exeter Observer's members become stakeholders with a shared interest in addressing Exeter's need for better local democracy and a revitalised public sphere.

**“Exeter Observer is an excellent example of investigative journalism and as such asks very awkward questions of the local powers that be.”**



## Community share offer

In January Exeter Observer received a grant from the Reach Fund to prepare and promote a community share offer to raise the investment we need to finance our growth. The investment required to reach each growth plan delivery level equates with a community share offer fundraising target.

### Fundraising targets

£75,000 in community share investment would enable us to deliver the comprehensive local public interest news service that is the foundation of our growth plan for two years without assuming any subscription revenue increases or secondary or supplementary income from events or grants.

**“The only local news provider with in-depth journalism.”**

Further editorial and operational expansion would be progressively enabled by raising more, enabling us to cover more of what matters by hiring more staff.

£175,000 in community share investment would enable us to build on the foundation of a comprehensive local public interest news service and deliver expanded coverage with print and online distribution for two years, without assuming subscription revenue increases or additional revenue from other sources.

Achieving the subscriber growth rates modelled against each of these scenarios in the cashflow projections above would result in break-even in three or four years' time, with sufficient reserves to cover more than another year of operating costs.

**“Great recent reporting in the Observer, keep up the good work.”**

None of these scenarios assumes any supplementary grant support. The greater the success of this share offer the greater the potential for grant funding, particularly for work which enhances access to local democracy, such as several of our extension options.

Raising our maximum target of £225,000 would create scope to commission freelance work, subcontract grant applications or employ more staff full-time, significantly enhancing our potential to achieve both our overarching publishing aims and our subscription targets.

### Share capital withdrawals

Share capital withdrawals are permitted provided Exeter Observer has a surplus of capital for its needs as a business either by trading profitably on its own terms or by having new capital that has been introduced.

We aim to begin generating a surplus in around three or four years, as per our cashflow projections, after which we would be in a

position to consider whether and how much capital could be made available to be returned to investors.

We also expect to need further capital investment over the medium to long term, so may seek share capital in the future - following the successful conclusion of this share offer - in the form of an open investment offer aimed at new members which may also be eligible for tax relief, some of the proceeds of which we could use to enable the return of capital to existing investors.

## Share offer promotion

This share offer is being promoted across all our existing digital channels. We are distributing calls to action and content aimed at leveraging multiple stakeholder networks to ensure that potential investors receive multiple opportunity prompts throughout the offer period, including via trusted networks to which they already belong.

We are also employing an independent local GPS-tracked service to deliver 25,000 leaflets in several targeted tranches during the offer period. And we are hosting a series of informal events at which we share our plans and ask for feedback on coverage expansion options, as well as broader input, from a wide range of attendees who represent a broad cross-section of Exeter civil society.

Prospective investors, members and contributors can meet the team, ask questions about any aspect of our development strategy and help refine our ability to fulfil our mission as the share offer unfolds.

## Tax relief

The HM Revenue & Customs (HMRC) Seed Enterprise Investment Scheme (SEIS) offers tax relief to investors on the value of share purchases under eligible community benefit society share offers.

Investors must keep their shares for a minimum of three years, but are allowed to begin claiming tax relief as soon as HMRC gives its approval for the community benefit society to issue tax relief claim certificates following accrual date.

HMRC has given Exeter Observer advance assurance that investment under this community share offer is eligible for SEIS tax relief. We will apply for HMRC approval to issue SEIS tax relief claim certificates within two months of the share offer accrual date, 6 July 2023.

Once approval is granted we will send the certificates to investors who wish to claim tax relief against their purchase of Exeter Observer shares.

## Income tax

Once each investor receives their certificate they can include the value of their investment in "Subscriptions for shares under the Seed Enterprise Investments Scheme" in the "Additional information" pages of their tax return.

Provided the investor pays more than half the value of their investment in UK income tax they should receive a tax refund of 50% of the investment value.

The investor can elect to carry back some or all of the investment to the tax year immediately preceding the investment if they choose.

## Capital gains tax & loss relief

SEIS investors may also claim relief against personal capital gains tax liability for community share purchases, and loss relief in the event of the community benefit society being dissolved or their investment value being lowered by the society on the advice of auditors.

Capital gains tax reinvestment relief provides that up to 50% of the taxable gain on the disposal of another asset can be matched to qualifying SEIS investments and exempted from capital gains tax.

SEIS investors are entitled to exemption from capital gains tax on disposal of the purchased shares, provided income tax relief was claimed on them and the investor held them for at least three years.

If the SEIS shares are disposed of at a loss the loss can be set against the taxpayer's income in the tax year of the disposal or the previous tax year, or against capital gains, provided the SEIS scheme continued to meet the qualifying conditions until the date of disposal.

## Inheritance tax

Shares in SEIS companies held for at least two years will normally qualify for 100% business property relief for inheritance tax purposes.

## Membership subscriptions

Members who are not investors pay their subscriptions by direct debit on a monthly or annual basis. Investors also pay membership fees at the standard rate of £10 per month which can be deducted from their share capital.

For those claiming tax relief the amount on which they are eligible to claim tax relief is thereby reduced by £360, the value of three years' membership subscriptions. Investors may instead choose to pay their membership fees by direct debit on an annual basis in order to maximise the amount of tax relief they are able to claim.

How does this work in practice? Someone who invests £1,000 can claim £500 back in SEIS income tax relief, provided they pay their membership subscription separately. It costs them £500 to invest £1000. If they pay their membership subscription in shares they can claim tax relief on £1,000 less three year's membership fees, in which case it costs them £680 to invest £1000.

Someone else who invests £5,000 can claim £2,500 back in SEIS income tax relief, provided they pay their membership subscription separately. It costs them £2,500 to invest £5,000. If they pay their membership subscription in shares they can claim tax relief on £5,000 less three year's membership fees, in which case it costs them £2,680 to invest £5,000.

## Cashflow projection with £75,000 community share investment

		2023-24	2024-25	2025-26	2026-27	2027-28
<b>CASHFLOW</b>						
Brought forward from 2022-23	15,445					
Community shares	75,000					
<b>INCOME</b>						
Events		500	1,250	2,000	2,750	3,500
Donations		275	425	575	625	700
Subscribers @10pcm		175	250	330	365	390
Total income		19,525	28,075	40,975	45,525	50,100
<b>EXPENDITURE</b>						
Editorial staff		18,750	25,000	25,000	25,000	25,000
Operational staff		12,500	12,500	12,500	12,500	12,500
Contractors		10,225	0	0	0	0
Administrative expenses		1,100	1,100	1,100	1,100	1,100
Payment processing fees		1,579	2,507	3,852	4,277	4,733
Total expenditure		44,154	41,107	42,452	42,877	43,333
<b>NET INCOME</b>		(24,629)	(13,032)	(1,477)	2,648	6,767
<b>NET CASH POSITION</b>		65,816	52,785	51,307	53,956	60,722

## Cashflow projection with £175,000 community share investment

	2023-24	2024-25	2025-26	2026-27	2027-28
<b>CASHFLOW</b>					
Brought forward from 2022-23	15,445				
Community shares	175,000				
<b>INCOME</b>					
Events	1,000	2,000	2,750	3,500	4,250
Donations	550	850	1,150	1,250	1,350
Subscribers @10pcm	395	555	690	855	895
Total income	39,500	62,550	81,450	99,850	111,500
<b>EXPENDITURE</b>					
Editorial staff	35,000	57,500	57,500	57,500	57,500
Operational staff	18,750	25,000	25,000	25,000	25,000
Contractors	10,225	0	0	0	0
Printing costs	3,000	6,600	6,600	6,600	6,600
Administrative expenses	1,100	1,100	1,100	1,100	1,100
Payment processing fees	3,201	5,676	7,776	9,590	10,756
Total expenditure	71,276	95,876	97,976	99,790	100,956
<b>NET INCOME</b>	(31,776)	(33,326)	(16,526)	60	10,544
<b>NET CASH POSITION</b>	158,669	125,344	108,817	108,877	119,421

## Cashflow projection with £225,000 community share investment

	2023-24	2024-25	2025-26	2026-27	2027-28
<b>CASHFLOW</b>					
Brought forward from 2022-23	15,445				
Community shares	225,000				
<b>INCOME</b>					
Events	1,000	2,000	2,750	3,500	4,250
Donations	650	975	1,275	1,300	1,425
Subscribers @10pcm	395	585	740	875	975
Total income	39,600	64,475	84,425	103,050	117,575
<b>EXPENDITURE</b>					
Editorial staff	35,000	57,500	57,500	57,500	57,500
Operational staff	18,750	25,000	25,000	25,000	25,000
Contractors	14,225	8,000	8,000	8,000	8,000
Printing costs	3,000	6,600	6,600	6,600	6,600
Administrative expenses	1,100	1,100	1,100	1,100	1,100
Payment processing fees	3,330	6,010	8,211	9,957	11,429
Total expenditure	74,405	104,210	106,411	108,157	109,629
<b>NET INCOME</b>	(38,805)	(39,735)	(21,986)	(5,107)	7,946
<b>NET CASH POSITION</b>	204,640	164,906	142,919	137,812	145,759



## Charitable status

Exeter Observer is pursuing the possibility of becoming the UK's first public interest journalism publisher to gain charitable status, blazing a trail which would confer a range of benefits including charity funding support as well as tax benefits that include gift aid on donations.

Doing so would also increase the likelihood of receiving existing journalism funding from transnational organisations such as the European Journalism Fund.

We have been receiving pro bono legal advice in support of this goal from the Charitable Journalism Project alongside the business development support we received from Co-ops UK. The range of organisations from which we could receive grant support for local democracy access projects and other initiatives, would be likely to rise exponentially were we to achieve charitable status.

A decision on whether to proceed with this option will be taken later this year. Doing so would require a vote in favour in which all of Exeter Observer's members would be invited to participate.

One change charitable status would entail, which we plan to implement in any case, would be expansion of Exeter Observer's board to enable it to perform its proper management and oversight role.

Should we acquire charitable status staff would no longer be able to serve as directors. Two of three founders have held director's roles to date while also performing most production and

publishing tasks, which has supplied necessary agility during Exeter Observer's early development, but requires revision as expansion takes place.

**“Your journalism is first class ...  
keep up the really good work.”**



## Risks & mitigations

We review the risks faced by Exeter Observer and our approaches to their mitigation regularly. We have identified the following risks to our development strategy and have determined appropriate mitigation strategies in each case.

### Financial

The multi-level growth plan we have adopted itself mitigates the risk of this share offer not raising the maximum amount of investment sought. It has been designed to facilitate growth across a wide range of outcomes with commensurate editorial and operational expansion.

Our revenue projections are based on conservative assumptions about subscription income growth that provide long operational runways without relying on significant income increases and which reach sustainable revenue levels at very low uptake rates as a proportion of Exeter's residents. We also plan to seek regular input from stakeholders to ensure our editorial and operational approach is as well-informed by Exeter Observer's readers as it could be.

The risk of not meeting these targets nevertheless remains, and will be monitored in regular performance reviews. Should subscription income not grow as expected we would respond with an increased focus on income diversification aimed principally at receiving grant support which would be facilitated by increased capitalisation, membership growth and an extended publishing

track record, all of which evidence enhanced capability and resilience.

We would support this with an external communications strategy aimed at raising Exeter Observer's profile across the UK independent media sector while simultaneously redoubling our local marketing efforts in order to reach new audiences in and around Exeter.

We would also maintain tight financial management controls, keep overhead costs as low as possible and ensure that the highest possible proportion of expenditure is productive. As a last resort temporary compensatory cashflow sources including crowdfunding would be considered.

### Operational

The risk of loss of key personnel is significantly mitigated by the personal commitment of existing staff to Exeter Observer's continuing success, as well as insurance cover against key personnel being unable to act in their capacity for various reasons.

Our co-operative working practices mean most editorial and operational functions can be performed by more than one member of staff, with each additional team member increasing the scope for staff substitution and enhancing our resilience.

These working practices also offer enhanced opportunities for recruitment. Risks associated with limited potential employee pools are



additionally mitigated by our progressive employment terms which include flexible working hours (including a period policy) and the exceptional opportunity for employment in truly independent, investigative public interest journalism that Exeter Observer offers.

Similar opportunities at peer publications have generated widespread interest from the ablest early career journalists leaving postgraduate training as well as experienced writers who want to leave legacy media employment behind.

We have selected our digital production and distribution tools partly for their risk-minimising resilience. Print production and distribution risks would include cost increases and external contractor failures, with mitigation measures including reduced pagination and paper quality, alternate contractor procurement, replacement of distribution contractors with volunteers and the option to return to digital-only production and distribution if necessary.

## Editorial

Print production would also entail increased pressures on editorial resources. These can be mitigated by refining editorial workflows and facilitating internal communications between team members. The same mitigations could be applied to mitigate the risk that the resources required to meet digital-only production levels exceed expectations.

The value of each editorial expansion option could also be assessed in relation to Exeter Observer's foundation local public interest news service and editorial resources accordingly deployed to enable optimum output against core audience expectations.

Training would be provided to new employees to ensure the quality of their work alongside specialist topic education, should they need it, to enable rapid assimilation of the detail necessary to deliver public interest reporting in the Exeter context. Offering similar learning opportunities to engaged local residents is also a potential means of sourcing new editorial contributors.

Any risk of reputational damage to the masthead as a result of poor quality editorial decisions is first mitigated by upholding the journalism standards necessary for Exeter Observer's membership of IMPRESS, the ICNN and the BBC Local News Partnerships, with the option to implement effective crisis communications to counteract and recover any such impact should one occur.

At the same time both the IMPRESS arbitration mechanism and Exeter Observer's specialist indemnity insurance significantly reduce any risks associated with hostile litigation in such circumstances, should they ever arise. This insurance also indemnifies us against a wide range of publishing-related and other risks.



MONDAY 23 JANUARY 2023

## Until Tomorrow

A new play about three parent carers based on academic research by Dr Siobhan O'Dwyer.

EXETER PHOENIX

SUNDAY 26 FEBRUARY 2023

## Seed Bank seed swap

Inaugural event also features talks on composting, fermentation and reducing kitchen waste with stalls, displays and activities.

MAKETANK

SATURDAY 12 NOVEMBER 2022

## Mapping our Exeter

A free Being Human festival event exploring historic maps of Exeter and inviting contributions to a new digital map of the city.

DEVON & EXETER INSTITUTION

SATURDAY 11-SUNDAY 12 JUNE 2022

## Exeter Respect Festival 2022

Exeter Respect Festival returns to Belmont Park for its 25th anniversary with live music and performance, food stalls, campaigners and community groups.

BELMONT PARK

SATURDAY 30 JULY 2022

## Phonic Fest 2022

Exeter Phoenix is hosting a day of live music from local artists plus DJs to raise money for Phonic FM, Exeter's community radio station.

EXETER PHOENIX

FRIDAY 4 NOVEMBER 2022

## Mother's on the Mic

Mothers Who Make is holding an inclusive daytime open mic event for adults and children featuring new music written by local mothers and others.

EXETER LIBRARY

THURSDAY 20 OCTOBER 2022

## Black History Month pottery, poetry and song

Ceramicist Lili John and Devon Development Education are hosting a celebration of the life of 19th century potter, poet and slave David Drake.

EXETER COMMUNITY CENTRE

FRIDAY 6 JANUARY 2023

## Concerts by candlelight

Pianist Alex Wilson plays traditional festive music from around the world at Christmastime.

ST DISEN'S & ST NICHOLAS PRIORY

SATURDAY 28 JANUARY

## #Instructions2LiveBy

An interactive Preston Street Union event invites participants to seek out wise words and helpful hints in fact and fiction.

EXETER LIBRARY

WEDNESDAY 14 DECEMBER 2022

## Spork! Christmas special

Spork! presents poetry, comedy and live music from Joelle Taylor, Luke Wright, BopaRhys and friends, with carols from the Exeter Railway Band.

EXETER PHOENIX



## Share offer

The terms and conditions of a spring 2023 community share offer approved by Exeter Observer Limited directors at a board meeting on 28 March 2023 are as follows:

### Overview

Exeter Observer is published by Exeter Observer Limited, Community Benefit Society No. 8435 registered by the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014.

Its registered address is St Sidwell's Community Centre, Sidwell Street, Exeter EX4 6NN. Its legal structure and the rules governing share capital investment and membership are as set out in the *Rules of Exeter Observer Limited*, as registered with the FCA.

Its business development strategy and financial projections are as set out above. These contain forward-looking statements that reflect Exeter Observer Limited's current views, plans and expectations based on information available at the time of preparation.

These statements are not guarantees of future performance and involve known and unknown risks, uncertainties, future decisions and other internal and external factors that may cause Exeter Observer Limited's actual performance, achievements or financial position to be materially different from any future results expressed or implied by these statements.

Exeter Observer Limited's business development strategy and financial projections are reviewed regularly and are subject to change.

This community share offer document and the *Rules of Exeter Observer Limited* are available on Exeter Observer's website, where applications for subscription to this share offer may also be made.

### Key information

**Investment type:** Community shares

**Investment target:** £175,000

**Minimum individual investment:** £500

**Maximum individual investment:** £50,000

**Share offer opens:** 31 March 2023

**Share offer closes:** 12 May 2023

**Accrual date:** 6 July 2023

### Key offer terms

**Offer for subscription:** An offer of up to 225,000 non-transferable, withdrawable shares in Exeter Observer Limited each with a nominal value of £1, with a minimum investment of £500 and a maximum investment of £50,000.

**Offer period:** The offer period is from 7pm on Friday 31 March 2023 to 7pm on Friday 12 May 2023 subject to any variation agreed by the board of directors.

**Fundraising targets:** The minimum investment target to be raised in this share offer is £75,000 and the maximum investment target to be raised is £225,000.



Should this share offer raise less than the minimum investment target and the directors of Exeter Observer Limited consider that the amount raised would provide a viable basis on which to proceed they would communicate with prospective investors to secure their consent to do so, with the proviso that all those who are not content to do so would be permitted to withdraw.

**Interest:** Exeter Observer Limited cannot pay its members any dividend, bonus or other share in any surplus or profits, which must be used to promote its objects. It can pay interest at a maximum rate set at the lowest amount needed to attract and retain capital, as determined by the board of directors. The directors do not project any interest payments at present, although this may be reviewed in future subject to the financial circumstances of Exeter Observer Limited at that time.

**Withdrawal:** Shares in Exeter Observer Limited are not transferable and are only withdrawable subject to its Rules and any conditions set out in a share offer document. Withdrawal rights to any shares purchased under the terms of this offer are suspended for a minimum of three years, and are subsequently subject to the consent of the directors of Exeter Observer Limited.

Withdrawal of share capital is permitted provided Exeter Observer Limited has a surplus of capital for its needs as a business either by trading profitably on its own terms or by having new capital that has been introduced. The aim is for Exeter Observer Limited to begin generating a surplus in around three or four years, as per the above cashflow projections, after which its directors would be in a position to consider whether and how much capital could be made available to be returned to investors.

Its directors also expect Exeter Observer Limited to need further capital investment over the medium to long term, so may seek share capital in the future - following the successful conclusion of this share offer - in the form of an open investment offer aimed at new members which may also be eligible for tax relief, some of the proceeds of which they could use to enable the return of capital to existing investors.

**Shareholders:** This offer is open to individuals over the age of 16, trust funds, nominee services and corporate entities, groups and associations. All incorporated bodies must nominate a person to act as the corporate investors' nominee whilst all unincorporated investors must nominate a trustee or a member of the group to be the named investor.

**Payment:** Payment for shares is due within five days of application.

**Accrual:** The accrual date for this share offer is 6 July 2023, after which share certificates can be issued.

**Voting:** Membership of Exeter Observer Limited is afforded to holders of shares in the society on a one-member-one-vote basis regardless of the size or value of the member's shareholding.

**Obligations:** By acquiring one or more shares in Exeter Observer Limited, members are agreeing to be bound by the obligations on them as set out in to the governing documents of the society (its Rules) and, when acting as members, to act in the interests of the society and for the benefit of the community as guardians of the objects of the society.

**Liability:** The liability of Exeter Observer Limited's members is limited to the amount they



invest (and the amount of any share capital they have not yet paid for). Members are not liable for any debts, contracts and other liabilities the society has taken on.

**Risk:** Share capital is fully at risk, is not protected by the Financial Services Compensation Scheme and shareholders do not have recourse to the Financial Ombudsman Service. You should buy shares only with money you can afford to have tied up, without interest or capital appreciation, for several years or longer. Should Exeter Observer Limited get into financial difficulty it may have to write down the value of your shares.

**Nomination:** In the event of the death of a shareholder, the repaid value of the shares will normally be added to the estate for probate purposes. For investments up to £5,000 a recipient for the value of the shares may be nominated by the member and transferred by the society after the member's death. Investments over £5,000 can only be transferred on the request of executors.

## Important information

Exeter Observer Limited accepts responsibility for the information contained in this document. To the best of the knowledge of its directors, the information contained in this document is in accordance with the facts and contains no omission likely to affect its substance. Prospective investors should read the whole text of this document and any accompanying documents.

This invitation to subscribe for shares in Exeter Observer Limited is not regulated by the Financial Services and Markets Act 2000 or

subsidiary regulations, to the extent that it is taking deposits by issuing withdrawable shares. The money you pay for your shares is therefore not safeguarded by any depositor protection scheme or dispute resolution scheme. However it is still subject to contract law and the Misrepresentation Act 1967.

Shares in Exeter Observer Limited are not "controlled investments" for the purposes of the Financial Services and Markets Act 2000. You do not therefore have the level of protection that you might otherwise be offered by the Act. In particular, this document does not need approval (and has not been approved) by an "approved person" under the Financial Services and Markets Act 2000.

## Investment application

Please apply to invest in Exeter Observer Limited via our website at [exeterobserver.org/invest](http://exeterobserver.org/invest).

You can find out more about any aspect of our community share offer by emailing us at [invest@exeterobserver.org](mailto:invest@exeterobserver.org) or coming along to one of our informal events. Please reserve a place at [exeterobserver.org/events](http://exeterobserver.org/events).



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