



# Exeter Observer

Spring 2026 community share offer

**30% TAX RELIEF**  
[exeterobserver.org/invest](https://exeterobserver.org/invest)

# INVEST IN LOCAL NEWS THAT MATTERS

HELP US GROW SO WE CAN DELIVER ALL THE  
INDEPENDENT JOURNALISM EXETER NEEDS

## Key information

Share offer opens: Sunday 1 March 2026

Share offer closes: Sunday 31 May 2026

Accrual date: Friday 5 June 2026

Investment type: community shares

Investment target: £75,000

Minimum individual investment: £500



Exeter Observer Limited, Community Benefit Society No. 8345



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Apply to invest in Exeter Observer at <https://exeterobserver.org/invest>.

Find out more about our community share offer by emailing us at [spring2026@exeterobserver.org](mailto:spring2026@exeterobserver.org).

References to resources used in the preparation of this document are available on the Exeter Observer website at <https://exeterobserver.org/about/references>.

Exeter Observer's governing documents, annual reports and accounts are available to download from the Financial Conduct Authority website at <https://mutuals.fca.org.uk/search/society/30708>.

The quotes that are interspersed with the text are recent unsolicited comments from readers.

## The independent journalism Exeter needs

**E**xeter Observer has reached a crossroads. Over the past seven years it has become established as a trustworthy source of local public interest news which serves 60,000 regular readers who might otherwise never know about the things we report.

New marketing methods have tripled the rate at which readers sign up as paying subscribers, but our rising subscription income is still only halfway to covering our annual running costs.

We need additional working capital to keep publishing until we break even – a prospect which is now in sight – so have launched a community share offer to secure a firm financial footing for Exeter Observer's future.

Our business development plan has two main aims: the adoption of new publishing and payment technology to help grow our income and the expansion of our team to deliver all the local news that matters.

You can read more about our plans, with full details of our spring 2026 share offer, below.

You can apply to invest in Exeter Observer – and claim back 30% of your stake as tax relief under the HMRC Enterprise Investment Scheme – at <https://exeterobserver.org/invest>.

**I**ndependent journalism which holds power and influence to account is more important now than it has ever been. Standards in public life have declined and democratic deficits have grown while trust in our institutions and civic engagement have reached historic lows.

But local news has lost two-thirds of its journalists in the past fifteen years and most local media channels no longer keep people properly informed about issues which affect them and the communities in which they live and work.

Only publishers with the operational capacity and editorial independence to make informed judgements in the public interest can deliver the journalism that local democracy needs.

Reach plc has been the UK's largest regional news publisher since October 2015. But only 10% of Devon Live's readers now live in the south west and Exeter Express & Echo's circulation is down 78% in seven years.

Exeter Observer is different. Our rigorous independent journalism has real-world impact while proving that reader-funded media can deliver the public interest news our city needs.

Find out more about our community share offer by emailing us at [spring2026@exeterobserver.org](mailto:spring2026@exeterobserver.org).

*"Excellent journalism by Exeter Observer examining the many details and outstanding questions that Exeter City Council officials and councillors have failed to scrutinise."*

## A new kind of local news organisation

**E**xeter Observer publishes the independent public interest journalism our local democracy needs while supporting our city's cultural and community life. It holds power and influence to account while serving 2.5 million page views each year to 60,000 regular readers, offering insight about what's going in Exeter that can't be found anywhere else.

It is the city's only news organisation that doesn't answer to corporate advertisers, remote shareholders or those in power. Its non-profit, community-ownership business model is simple. Readers contribute to its running costs so it is free to focus on local news that matters instead of reproducing clickbait, press releases or public relations spin.

Exeter Observer is produced by a tiny newsroom with two staff: Leigh Curtis and Martin Redfern. We launched from our kitchen table in April 2019 and set about building a non-profit from scratch.

In year three we began to raise working capital from readers in the form of **community shares**. This enabled us to dedicate our time to editorial production and operational development, since when Exeter Observer has gone from strength to strength.

We have scrutinised policy and decision-making, exposed misuse of public money and resources, championed open democracy and leveraged freedom of information legislation to reveal what would otherwise have remained obscured.

Exeter Observer has now published more than 1,000 news stories, features, investigations, community and culture previews, galleries, newsletters and special reports, often breaking major stories and setting the local news agenda.



**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, leads on investigations and maintains the Exeter Observer website.

Martin holds a masters degree in Journalism with distinction at Birkbeck, University of London. He is an accredited UK press card holder and a member of the Chartered Institute of Journalists and the Society of Editors.



**Leigh Curtis** is deputy editor of Exeter Observer and a director of its publisher Exeter Observer Limited. She writes most of our community and culture stories as well as

news reports and contributes to features and investigations.

Leigh holds a degree in Fine Art at Goldsmiths, University of London. She leads on marketing and also manages our finances and administration. She is an accredited UK press card holder and a member of the National Union of Journalists.

## Exeter Observer Limited

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

It is a true not-for-profit organisation protected by a **statutory asset lock**: any surplus or assets can only be used for community benefit.

Its members hold shares and have democratic rights on a one-member-one-vote basis regardless of the number of shares they hold, electing an accountable board of directors to oversee its affairs. Membership is open to anyone who supports its community benefit purpose.

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 governs how it is run.

Exeter Observer's Rules prohibit its affiliation to religious or political groups or parties as well as the appointment of political party members as chief executive, secretary or director.

Its binding public interest purpose provides a foundation on which to serve the city and its ownership structure facilitates a publishing model which reflects Exeter's public sphere.

These arrangements address many of the problems created by traditional media ownership models, in which profit-motivated shareholders, corporate interests or individuals with influence often compromise editorial and operational independence.

Exeter Observer also upholds the **Editors' Code of Practice** and provides a robust editorial complaints procedure.

*"A masterful analysis, that went far beyond 'mere' journalism. I confess to being amazed that you can produce the quality and quantity of output that you do with such limited resources. It is a refreshing antidote to the superficiality of much local news reporting."*

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

**I**ndependent journalism which holds power and influence to account is more important now than it has ever been. Standards in public life have declined and democratic deficits have grown while trust in our institutions and civic engagement have reached historic lows.

The local democracy we need instead depends on people being sufficiently well-informed about what is going on to participate effectively in civic life and help restore the public sphere.

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

But local news has lost two-thirds of its journalists in the past fifteen years because the UK's legacy publishers pursued consolidation and cuts instead of reinventing their business models when Silicon Valley came to spirit away their revenue and readers.

Profit-driven corporate ownership structures now prioritise the pursuit of page views above all else, discounting editorial responsibility in favour of clickbait headlines and ephemeral content that rarely reflects the public interest or even constitutes journalism at all.

Churnalism and cheerleading amplify content marketing and public relations spin, encouraging local authorities and other key institutions to produce promotional press releases instead of public information.

In this brave new media world most local

channels no longer keep people properly informed about important issues which affect them and the communities in which they live and work.

Only publishers with the operational capacity and editorial independence to make informed judgements in the public interest can deliver the journalism that local democracy needs.

**R**each plc has been the UK's largest regional news publisher for more than ten years, consolidating hundreds of local titles into generic regional publishing platforms across the country and siphoning off the reporters it has not sacked to work in remote content hubs.

As a result only 10% of Devon Live's readers now live in the south west and Exeter Express & Echo's circulation is down 78% in seven years – to just 2,560 copies including its East Devon edition. Its cover price has risen to £3.40 so it costs nearly £15 per month to read in print.

The pre-pandemic closure of the company's Queen Street office means it has since covered Exeter from Plymouth while following editorial policies determined by the priorities of a remote conglomerate. The decision to stop printing the paper, when it comes, won't be taken here either.

Exeter Observer is different. Our rigorous independent journalism keeps our readers informed about what's really going on in our city and our business model means we can publish stories that legacy local media can no longer produce – and the people and organisations we scrutinise would rather you did not see.

## Premium content

Exeter Observer has reached a crossroads. Over the past seven years it has become established as a trustworthy source of local public interest news which offers insight into what's going on in our city that can't be found anywhere else.

Last October we adopted new marketing methods which set us firmly on the road to covering our costs so we can keep publishing.

One was a new **upgrade to paid** conversion pitch which replaced our previous prompt with a much more clearly-differentiated incentive structure.

Another was the addition of a series of high-

impact website banners which distilled key value propositions into calls-to-action to promote the conversion pitch.

The third was the introduction of premium content delivered direct to paying subscribers by email – the principal upgrade incentive.

These approaches, particularly when promoted with truncated teaser posts on the website and excerpts in *The Exeter Digest*, our free email newsletter, have had a significant impact.

Together they have tripled the rate at which readers sign up as paying subscribers to an average of eight each month.

### UPGRADE TO PAID

<p><b>SUPPORTER</b></p> <p>£8.50/month</p> <ul style="list-style-type: none"> <li>✓ Support the independent public interest journalism our local democracy needs</li> <li>✓ Get exclusive premium content delivered direct to your inbox</li> </ul>	<p><b>SELECTED</b></p> <p><b>MEMBER</b></p> <p>£12.50/month</p> <ul style="list-style-type: none"> <li>✓ Support the independent public interest journalism our local democracy needs</li> <li>✓ Get exclusive premium content delivered direct to your inbox</li> <li>✓ Help shape our story with a membership share and input at our meetings</li> <li>✓ Sign up for real-time updates and be among the first to know when we publish</li> <li>✓ Receive exclusive members-only invitations to our events</li> </ul>	<p><b>PREMIUM MEMBER</b></p> <p>£250/year</p> <ul style="list-style-type: none"> <li>✓ Support the independent public interest journalism our local democracy needs</li> <li>✓ Get exclusive premium content delivered direct to your inbox</li> <li>✓ Help shape our story with a membership share and input at our meetings</li> <li>✓ Sign up for real-time updates and be among the first to know when we publish</li> <li>✓ Receive exclusive members-only invitations to our events</li> <li>✓ Provide additional funding to help us cover our costs and continue publishing</li> <li>✓ All the benefits of membership plus a hand-made fair-trade Exeter Observer canvas shopping bag with our heartfelt gratitude</li> </ul>
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As Exeter Observer is committed to making its public interest journalism available to all, rather than imposing permanent access restrictions on any of its reporting – a "hard paywall" – access to each premium story is currently restricted for only a week or so before it is published in full.

This "soft paywall" approach has nevertheless proved effective in prompting readers to become paying subscribers: we have found a strong correlation between the timing of restricted premium content publication and paying subscription sign-ups.

We have also found, by surveying new paying subscribers, that while half said premium content had been an important factor in their decision to pay, and less than one in five said it had not, only a single respondent said they would have subsequently cancelled without it.

We arrived at a key insight. Paying subscribers want something extra for their money. But that extra is more about privileged access – the feeling of being a priority reader – than it is about substantial personal benefits, even though exclusive premium content plays an important part in the decision to sign up.

*"When I first heard about Exeter Observer I assumed that it was a replacement for the absence of news in the Express & Echo. I couldn't have been more wrong. What you produce are in-depth accounts of items of real local importance. When I say in-depth I mean in more detail, better-researched and better-presented than I have seen in any commercial news source."*

## Platform upgrade

The combination of clearly-differentiated incentives, high-impact promotional calls-to-action and premium content via email has been a success.

Our current annual budget of £35,000 equates with 300 subscribers – 0.23% of Exeter's population – contributing an average of £10 per month each. More than half of the 300 paying subscribers we need to cover our costs and keep publishing have now signed up.

However, email suffers from technical limitations when used to deliver the long features and special reports which provide the strongest support for our premium content proposition. Its incompatibility with interactive or multimedia content is a particular obstacle.

At the same time prospective paying subscribers do not always finish signing up on our website because doing so requires completion of a direct debit payment mandate with account details which they do not have to hand.

*"Keep up the great work. A pleasure to read the articles on your site. Proper journalism."*

Addressing both these issues requires the adoption of new publishing platform technology which provides a website login system to control access to premium content and a payment gateway which offers a wider range of ways to

sign up for an Exeter Observer subscription before gaining immediate access to that content.

After assessing several open source publishing platforms and modelling migration viability we have concluded that the most cost-effective way to achieve these changes is to assemble our own login system and integrate it with an API-based payment gateway using serverless cloud infrastructure.

*"Your recent articles on the Northbrook Pool are a welcome injection of honesty and integrity into the general media slurry we have to wade through to get to the truth."*

This would enable new paying subscribers to sign up using any of a range of payment methods, including digital wallets, then gain access to premium content immediately without having to set up a user account or password. This best-practice user experience design pattern would also ease the transition of existing paying subscribers to the new system.

Assembling such a system would require only modest financial outlay as we have already received pro bono technical support pledges from several Exeter Observer members with relevant professional expertise.

## Team expansion

We established Exeter Observer by leading with investigative features which cover key issues in depth while also providing short news reports on topics with particular local relevance. This approach played to our strengths and matched our capacity as a core team of two.

Longer features also have lower bounce rates, higher engagement levels and greater impact than shorter news reports while conveying a key value proposition that none of our competitors can match because of their business models: insight about what's going on in Exeter that can't be found anywhere else.

However, having only two staff limits our ability to deliver all the independent public interest journalism that Exeter needs, particularly with expanded local authority boundaries in prospect.

We want to extend our editorial capacity to publish more news and community and culture coverage while continuing to deliver the investigative features and special reports which support our premium content proposition.

Comprehensive coverage is key. Providing it would enable our readers to rely on Exeter Observer for all the local news that matters so they would never need to go elsewhere.

This would make Exeter Observer's unique "local broadsheet" value proposition clear, reinforced by the editorial and presentational standards which already set it apart from its competitors.

At the same time, more effectively explaining why Exeter Observer's editorial and operational approach is the only viable response to the decline in local media would help more readers recognise its value – in the context of crises in both journalism and the public sphere.

Accordingly, we want to build on the local media literacy events with which we plan to promote this share offer by developing an ongoing programme of such seminars. Achieving this aim, as well as the company's long-term resilience and viability, also depends on expanding our team.

The most cost-effective way to employ new staff is to take on one or more trainees, either on a part-time basis or as full-time apprentices. In which case we would offer an industry-standard journalism diploma delivered by a third-party training provider with 95% of its cost covered by the apprenticeship levy scheme.

Were more working capital available we would consider taking on more experienced local journalists as additional reporters instead.

We also want to develop the company's oversight arrangements as its only board members are currently also its only staff: Leigh Curtis and Martin Redfern. We intend to propose the creation of an advisory board at the next AGM to enable stakeholders with relevant skills, knowledge and expertise to make managerial contributions to Exeter Observer's development and help facilitate its future growth.

## Fundraising targets

Exeter Observer's spring 2026 community share offer aims to raise funds in three tranches.

Investment of £25,000 – the offer's minimum target – would provide sufficient working capital to deliver the platform upgrade and reach break-even in 2028 Q4 on a very cautious growth rate of four new paying subscribers per month, half the current rate.

£25,000 community shares investment	Y1	Y2	Y3	Y4	Y5
INCOME					
Paying subscribers	211	259	307	355	403
Total income	23,160	28,920	34,680	40,440	46,200
EXPENDITURE					
Core staff	25,140	25,140	25,140	25,140	25,140
Facilities	8,700	8,700	8,700	8,700	8,700
Overheads	1,160	1,160	1,160	1,160	1,160
Platform upgrade	3,000	0	0	0	0
Total expenditure	38,000	35,000	35,000	35,000	35,000
Net income	(14,840)	(6,080)	(320)	5,440	11,200
Net cash position	10,160	4,080	3,760	9,200	20,400

Additional investment of £25,000 – for a total of £50,000 – would provide sufficient working capital to deliver the platform upgrade and take on an additional trainee reporter.

This scenario provides sufficient working capital to reach break-even in 2029 Q2 on a cautious growth rate of six new paying subscribers per month, three-quarters of the current rate.

£50,000 community shares investment	Y1	Y2	Y3	Y4	Y5
INCOME					
Paying subscribers	239	311	383	455	527
Total income	25,440	34,080	42,720	51,360	60,000
EXPENDITURE					
Core staff	25,140	25,140	25,140	25,140	25,140
Facilities	8,700	8,700	8,700	8,700	8,700
Overheads	1,160	1,160	1,160	1,160	1,160
Platform upgrade	3,000	0	0	0	0
Additional reporter	13,000	13,000	13,000	13,000	13,000
Total expenditure	51,000	48,000	48,000	48,000	48,000
Net income	(25,560)	(13,920)	(5,280)	3,360	12,000
Net cash position	24,440	10,520	5,240	8,600	20,600

Another £25,000 of community share investment on top – for a total of £75,000 – would enable us to upgrade the platform and take on two additional trainee reporters.

This scenario provides sufficient working capital to reach break-even in 2029 Q4 on the current growth rate of eight new paying subscribers per month.

£75,000 community shares investment	Y1	Y2	Y3	Y4	Y5
INCOME					
Paying subscribers	267	363	459	555	651
Total income	27,720	39,240	50,760	62,280	73,800
EXPENDITURE					
Core staff	25,140	25,140	25,140	25,140	25,140
Facilities	8,700	8,700	8,700	8,700	8,700
Overheads	1,160	1,160	1,160	1,160	1,160
Platform upgrade	3,000	0	0	0	0
Additional reporters	26,000	26,000	26,000	26,000	26,000
Total expenditure	64,000	61,000	61,000	61,000	61,000
Net income	(36,280)	(21,760)	(10,240)	1,280	12,800
Net cash position	38,720	16,960	6,720	8,000	20,800

None of these scenarios factor in the impact of the platform upgrade or increased editorial output resulting from additional reporting capacity on paying subscription sign-up rates.

Each yields a healthy cashflow position in year four and offers further expansion in year five.

Raising more than £75,000 in community share investment would enable us to commission additional freelance work and consider taking on one or more experienced local journalists as additional full-time reporters instead of, or as well as, one or more trainees.

*"You are the only journalists that I have read who have said anything interesting or informative about the whole issue of local government reorganisation in our region."*

## Marketing & promotion

**E**xeter Observer's spring 2026 community share offer will be delivered in three phases.

Its first phase, from 1 March, is focussed on Exeter Observer's existing paying subscribers. It includes an invitation-only presentation and Q&A event, and aims to reach the share offer's minimum £25,000 investment target by the end of the month.

A second phase would then extend the focus to Exeter Observer's existing free subscribers and beyond – provided the first phase musters sufficient support for the share offer to continue. It would aim to raise another £25,000 by 31 May.

It would include two more events, each leading with a local media literacy seminar intended to demonstrate the value of Exeter Observer's

publishing proposition while also promoting investment and membership.

A final phase would then extend the offer period – provided the second target is reached during the second phase – for a maximum of two more months to the end of July.

It would aim to raise a further £25,000 and would also include two local media literacy seminars and promotional events.

Exeter Observer website banners and modals would prompt readers towards dedicated investment information, event booking and application form web pages, as would higher-frequency editions of *The Exeter Digest*, targeted emails and selected social media channel posts throughout the share offer period.

*"Congratulations on such a detailed and well-informed article that certainly does not pull its punches. Most of us just have small pieces of the jigsaw to judge the whole from, but you have managed to take a broader view that really shows the state of affairs. A really important piece of work coming at a crucial time. Thank you for this."*

## 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 business development strategy and have determined appropriate approaches to mitigation in each case.

### Financial

Exeter Observer relies on a modest paying subscriber base for its revenue. The business development approach we have taken mitigates this risk by maintaining tight financial management controls, keeping overhead costs as low as possible and ensuring that the highest possible proportion of expenditure is productive.

Our revenue projections are based on conservative assumptions about paying subscriber 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 population.

We also seek regular input from stakeholders and wider sector-specific sources to ensure our strategic approach is as well-informed as possible, and intend to extend this activity by creating an advisory board later this year.

The risk of not meeting these revenue projections nevertheless remains, and is monitored in regular performance reviews. Should paying subscriber numbers not grow as expected we would respond by seeking to diversify our income sources.

We would first seek project-specific grant-funding, eligibility for which would be enhanced by continuing community investment and paying subscriber growth. We would support any such application with an external communications strategy aimed at raising Exeter Observer's profile across the UK independent media sector.

We would also pursue the sale of website display advertising space to selected local businesses which satisfy policy-specified values standards, and would consider recourse to crowdfunding campaigns as a last resort.

Exeter Observer also relies on a small number of private investors to provide sufficient working capital to sustain its operations.

Issuing community shares on a periodic basis to raise funds mitigates this risk by restricting borrowing to the minimum levels necessary to maintain viability without interest or premature repayment liabilities.

This share offer is the third such offer made by Exeter Observer Limited since its incorporation and has been designed to facilitate growth across a range of outcomes with commensurate editorial and operational development.

Its share capital at 5 April 2025 following these preceding offers amounted to £101,160. Full details are available in Exeter Observer Limited's annual reports and accounts which are available to download from the Financial Conduct Authority website at <https://mutuals.fca.org.uk/search/society/30708>.

## Operational

Exeter Observer is run by a small team. The risk of key personnel loss is mainly mitigated by the personal commitment of existing staff to Exeter Observer's continuing success.

Our co-operative working practices mean many 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.

Risks associated with limited potential employee pools are mitigated by these working practices which, alongside our progressive employment terms, which include flexible working hours, also offer enhanced opportunities for recruitment.

Exeter Observer can also offer an exceptional opportunity to work in truly independent, investigative public interest news publishing.

Apprentice training would be further enabled by the content and structure provided by third-party journalism diploma training course provision. Experience gained in-house during previous community volunteer and internship training processes would also be used to structure trainee skills development.

Exeter Observer's production and distribution tools have been selected in part for their risk-minimising resilience. We also employ secure backup tools to facilitate rapid systems crash recovery.

## Editorial

Should the resources required to meet increased production levels exceed expectations we would refine editorial workflows, facilitate more efficient internal communications and automate more external transactional communications.

The value added by extended coverage and event hosting would also be balanced against the importance of achieving our primary value propositions and editorial and operational resources would accordingly be deployed to optimise progress against core business development aims.

Any risk of reputational damage to the masthead as a result of poor-quality editorial decisions is mitigated by upholding the standards required by the Editor's Code of Practice. The option to implement effective crisis communications to counteract and recover any such impact exists should one occur.

At the same time Exeter Observer's specialist indemnity insurance significantly reduces 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.

*"A brilliant bit of journalism!  
Incredibly rare today."*

## Community shares

As 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, investors do not have to find a 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 investment sufficient to meet its capital needs.

Community benefit societies typically establish reserves from trading, or attract new share capital from existing or new members, to provide for share capital withdrawals. Most suspend withdrawals for several 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 which 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 or other investors.

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

## Tax relief

The HM Revenue & Customs Enterprise Investment Scheme 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 can claim tax relief as soon as HMRC gives its approval for the community benefit society to issue tax relief claim certificates following investment accrual date.

HMRC has approved two tranches of previous Exeter Observer enterprise investment scheme tax relief. In February it provided what it calls "advance assurance" that it also expects new tranches to qualify for relief. This enables investors to buy Exeter Observer shares knowing that we have already met the scheme conditions.

Following accrual, HMRC issues new tax relief claim certificates for us to pass on to our investors to use against their purchase of Exeter Observer shares. Once each investor receives their certificate they can claim a tax refund of 30% of the value of their investment, provided they pay at least this amount in UK income tax.

There are three ways to claim. HMRC guidance helpsheet [HS341](#) provides a summary of the options.

Investors can elect to carry back some or all of their investment to the tax year preceding the investment if they choose.

## Tax relief (continued)

EIS 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 the value of their investment being lowered by the society on the advice of auditors.

Capital gains tax reinvestment relief provides that up to 30% of the taxable gain on the disposal of another asset can be matched to qualifying EIS investments and exempted from capital gains tax.

EIS 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 EIS 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 EIS scheme continues to meet the qualifying conditions until the date of disposal.

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

Detailed HMRC guidance on EIS tax relief is available in Venture Capital Schemes Manual pages [VCM10010](#) and [VCM14010](#) onwards.

*"Thanks for the in-depth reporting on this, as ever."*

## Membership

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

This reciprocal relationship between publisher and readers is formally constituted in Exeter Observer's legal structure, which makes it accountable to all its members, and is informally expressed in members contributing information, ideas and skills as well as the expertise that comes with being its principal stakeholders.

All Exeter Observer's members contribute a membership subscription whether or not they invest. Thus those who cannot afford to invest are not disadvantaged next to those who can – who are accorded the same benefits as the former, including voting rights, alongside the prospect of their investment being repaid in full while also being able to claim tax relief.

Some Exeter Observer investors are already members when they purchase their shares: their existing subscriptions continue as before. Others are not already members, so a subscription becomes payable.

Some investors take up the option to pay their membership subscription in shares, which are deducted from their shareholding each year. As EIS tax relief can only be claimed on shares that are held for at least three years, this has the effect of reducing their total tax relief eligibility by three years' worth of annual subscriptions, which is £450 at the standard membership rate.



## Terms & conditions

The terms and conditions of a spring 2026 community share offer approved by Exeter Observer Limited directors at a board meeting on 28 February 2026 are as follows:

### Overview

Exeter Observer is published by Exeter Observer Limited, Community Benefit Society No. 8435 registered by the Financial Conduct Authority 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 which 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:** £75,000

**Minimum individual investment:** £500

**Share offer opens:** 1 March 2026

**Share offer closes:** 31 May 2026

**Accrual date:** 5 June 2026

### Key offer terms

**Offer for subscription:** An offer of up to 150,000 non-transferable, withdrawable shares in Exeter Observer Limited each with a nominal value of £1, with a minimum individual investment of £500.

**Offer period:** The offer period is from 8am on Sunday 1 March 2026 to 8pm on Sunday 31 May 2026, subject to any variation agreed by the board of directors.

**Fundraising targets:** The minimum investment target to be raised in this share offer is £25,000 and the maximum investment to be raised is £150,000.



Should this share offer raise less than the minimum investment target and the directors of Exeter Observer Limited were to consider that the amount raised would provide a viable basis on which to proceed, they would inform prospective investors of their intention in writing and provide any investor who was not content to proceed with the option to withdraw and receive a full refund of their share purchase payment.

**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 years, 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 consider that Exeter Observer Limited may need further capital investment over the medium to long term, in which case they would seek share capital in the form of a future investment offer aimed at new investors which may also be eligible for tax relief, some of the proceeds of which could be used to enable the return of capital to existing investors.

**Shareholders:** This offer is open to individuals over the age of 16, trust funds, corporate entities, groups and associations. Incorporated bodies must nominate an authorised representative to act as the corporate investors' nominee whilst unincorporated groups and associations must nominate a member to act as nominee, with all such arrangements subject to board approval.

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

**Accrual:** The accrual date for this share offer is 5 June 2026, subject to any variation agreed by the board of directors except that it shall be no later than 31 July 2026 in any case.

**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 set out in 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 its objects.

**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 its whole text.

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

Apply to invest in Exeter Observer Limited at <https://exeterobserver.org/invest>.

Find out more about our community share offer by emailing [spring2026@exeterobserver.org](mailto:spring2026@exeterobserver.org).

*"The people of Exeter have to thank you for all your forensic articles.  
We are lucky to have you in the city."*



# Exeter Observer

## Spring 2026 community share offer

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Exeter Observer Limited, Community Benefit Society No. 8345

