

**New Internationalist
Community Share Offer**



Buy into a better story

Journalism with facts and heart

factsandheart.org

New Internationalist

NI 500 March 2017
newint.org

Putting the world to rights since 1973



Buy your share in
New Internationalist
- SEE BACK COVER -

'If information is the accelerator of real change – as I believe it is – then the New Internationalist is invaluable. That's why I endorse this innovative Community Share Scheme. Please give your support.'

John Pilger, journalist

What's the story?

New Internationalist is inviting its supporters to be part of the most exciting moment in its history.

We want to raise £500,000 through a community share offer – the biggest by a media organization, to date.

This means New Internationalist will be co-owned by you, and thousands of others across the world.

By issuing shares, we will raise the money to scale up and set our organization on a long-term path to profitability.

Your investment will allow us to survive and thrive into the future – without compromising our core values. We have the road mapped out and now we need you to get us there.

We invite you to join us. Buy into a better story. And change the conversation through journalism with facts and heart.

About us

New Internationalist was formed in 1973. From the outset, we have pioneered truly global journalism that has reported on inequality and the reasons behind it.

Over many years, in print and online, hundreds of thousands of people have benefited from our honest, unique reporting and analysis. Our stories deliver the facts in context, the authentic voices that connect people with each other across the planet, and bright, bold ideas of ways to change things for the better.

For decades, we were funded by subscriptions from our readers. Then the world changed – the internet broke our business model; people expected journalism for free. We took a major knock – our subscriptions income fell sharply.

And while we've embraced digital technology and seen website views catapult into the millions, we – like most other media – have not hit on the winning formula to make digital journalism pay. *Unlike* most other media, we have no billionaire backer waiting in the wings. It's been our blessing for over 40 years, enabling our journalism to respond to the world as it is, not as a proprietor thinks it is, or should be. But in a time of great change in the media world, it means we are under threat.

We've investigated every way possible to raise funds and keep doing what we – and our readers – love. Equipped with a strong business plan – a year in the making – we are in a position to turn our business around and get our stories out to millions. Now we need to raise the capital to put our plans into action.

This is our pitch to you. We can make no promises but we believe this is the best strategy for scaling up and returning to profit.

Publishing is still in flux but, for us, things are starting to look up. Print circulation grew in 2016, our marketing is gaining traction and we have adopted

new lean ways of working that allow us to innovate and change. We see niche magazines that are booming and we know that with our unique offering, we can get up there beside them.

With Trump in the White House, fake news and nationalism spreading, the world urgently needs media that stands for something better. In March 2017, as we print our landmark 500th issue, we are handing over power and inviting you to become a part of it.

Join our global media co-operative, owned by thousands of ordinary people around the world.

With our supporters and readers as co-owners, we will open up perspectives at a time when fear, apathy and division conspire to shut them down. Armed with knowledge and bold ideas, we can drive the change we wish to see, together.

Let's buy into a better story.



Buy into a better story



**We are building a
movement for media that
brings people together**



How will the money be used?

The share capital that you invest will be used to transform our business and return New Internationalist to surplus within the next three years.

It has long been recognized that there is no silver bullet for publishing in the internet age. But there are successful independent media projects all over the world that show it can be done. Decades of experience, thorough research and expert advice have informed this plan to future-proof New Internationalist through income diversification and a lean operating model.

So while we will invest in our journalism and publishing to increase our impact, we will spend 25% of money raised on income-generating arms of the business we expect to subsidize our mission in future.

The plan revolves around investment in five key business areas. All of them offer opportunities to grow and all are in line with our historic mission.

Print magazine

With circulation stable and our award-winning magazine still bringing in over £500,000 every year in subscription income, we have not given up on print. We will use the investment money to shore up magazine income by re-designing, launching and marketing a new-look publication.

A higher-value product with a stylish and modern feel, this would reflect our long-form, in-depth global journalism. Without compromising on quality, we will rethink frequency and formats, with the aim of making New Internationalist a more leisurely, reflective and pleasurable read.

We see that while many magazines are struggling, some niche publications are thriving – they are the ones with a readership that strongly identifies with their values and aspirations for the world they live in, just like ours.

With an updated, attractive magazine we will appeal to new audiences, sell better on the newsstands and tap into the thriving market for independent niche magazines.

Digital

We have thought hard about how we communicate and we know that we need video as much as text.

So we will use investment to fund a major increase in multimedia content to populate a fully responsive website, majoring in popular formats such as video – which is due to make up around 75% of online traffic in 2017.

We have seen the impact we can have with video: millions viewed our footage of the COP21 UN climate summit protests in Paris and our Back in Touch web documentary exploring life after Ebola was highly commended at the Association of International Broadcasters last year.

This increased budget for digital journalism will extend the reach of the New Internationalist and get our accurate, meaningful stories out to a wider audience than ever before.

Our video-led reporting with frontline communities at the Paris COP21 climate talks reached 28 million people in 2015

Buy into a better story

In contrast to the magazine, our site will allow us to provide topical, on-the-ball commentary about current and world events in formats that are consumed by younger audiences, and promote new ways to engage on multiple platforms.

We will also create a rolling ‘digital-reporting’ fund for online-only reports and equip our newsroom with video-editing suite, skills and staff.

Alongside this, we will develop our website infrastructure, trial new web-subscription models and develop new online revenue streams.

We anticipate that multimedia projects and site development will double traffic to our site – currently at 1.8 million visitors per year – by the end of 2017. In line with current sales patterns, that will have the knock-on effect of increasing print and digital magazine subscriptions by 30%.

Ethical Shop business

We don’t just advocate trade justice in print; we put our values into practice in the real world, selling a wide range of goods through our online Ethical Shop, which supports fair trade and ecologically sound producers worldwide and generates income for ourselves and charity clients. Funding New Internationalist this way has always felt like a win-win.

In December 2016, sales from our online Ethical Shop grew by around 9% year-on-year and we took on several new partners. We want to channel the investment into staffing, systems and marketing and expand and grow our customer base with our trademark no-harm consumerism; we project a 40% increase in turnover by 2020.

Book publishing

We run a small, lively publishing house that brings out critical non-fiction guides to world politics and literature from emerging writers, alongside beautiful calendars and diaries. One recent publication is *Blacklisted*, a book that others dared not publish, which helped lead to one of the biggest court settlements in UK history in favour of workers.

Inspired to tell more stories like these, we plan to expand our publishing programme and use share-offer investment to launch an exciting new imprint of books – from poetry and plays to novels and memoirs – written by and for trade unionists and workers that will connect and inspire campaigns across the world.

Events

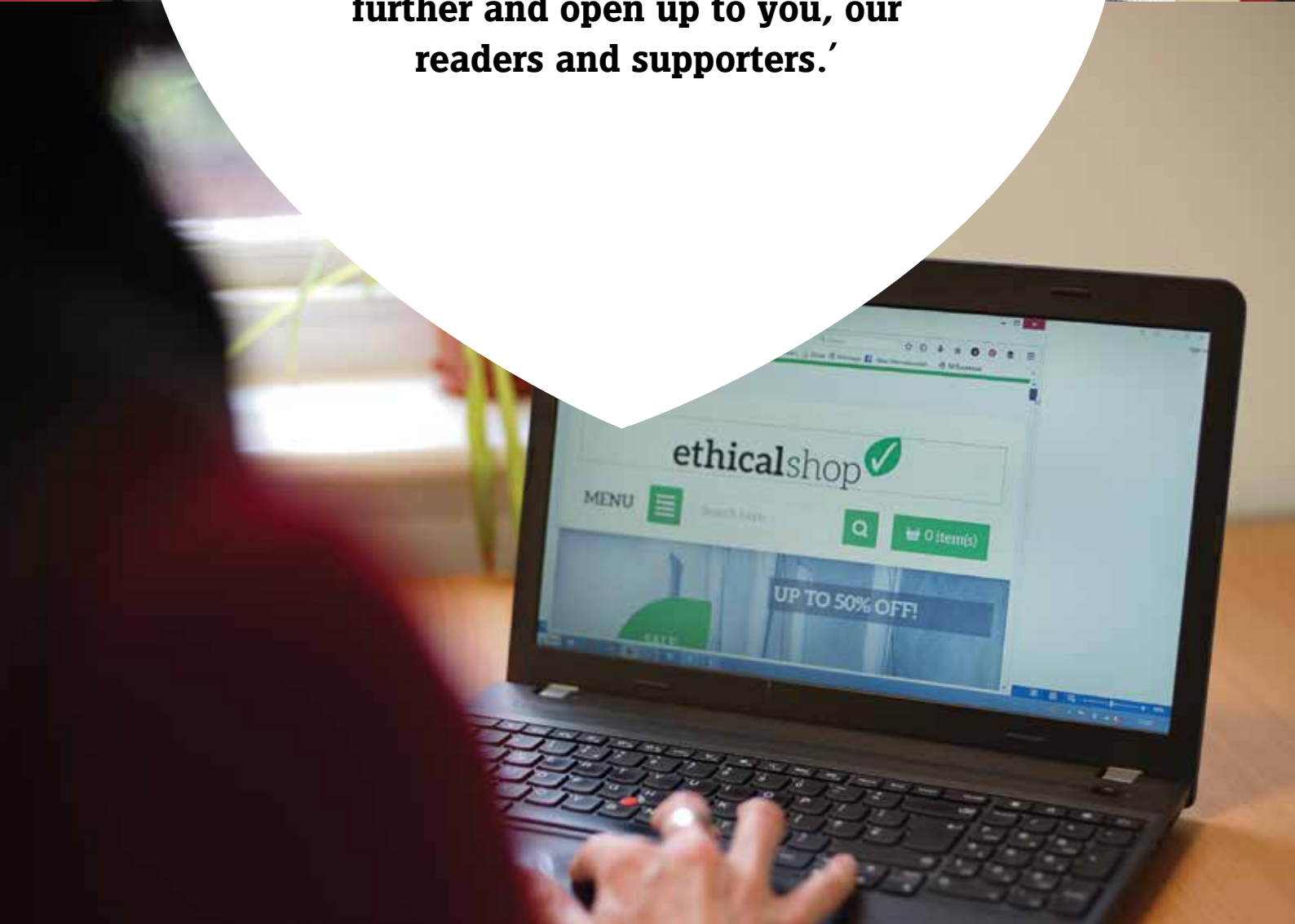
We will expand our existing events programme, increasing the number of workshops for university students, and host regular coffee-shop events, as well as an ethical careers fair.

This will primarily increase our reach – a way for us to get new political ideas and alternatives discussed by the wider public – and also be a path to new audiences for magazine and book sales.

These changes – an improved website, new-look magazine, an events programme, a scaled-up shop and publishing business – will equip us with the tools we need to flourish in the 21st century.



‘Co-operative principles are in our DNA. It feels only natural to take these principles one step further and open up to you, our readers and supporters.’



How much investment do we need to carry out our plans?

We aim to raise a minimum of £500,000 (US\$625,000). In our costed plan for transformation, this is the sum that we need in order to increase our impact and turn our business around decisively. Anything less will only be a sticking plaster.

That makes this an all-or-nothing investment drive on Crowdfunder – the money will only leave your bank account once we reach our target after the 35 days of the campaign period ends on 6 April.

How we will fund our transformation plan

Investment in £'000s

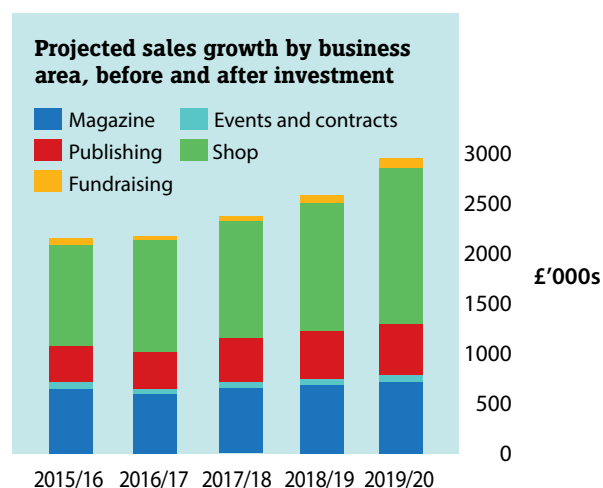
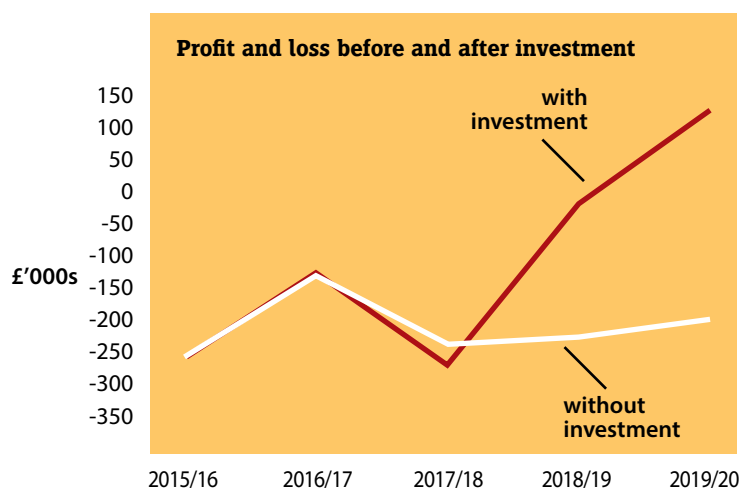
	2017/2018	2018/2019	2019/2020	Total
From share offer	207	167	126	500
From New Internationalist reserves	92	0	0	92
Overall investment				592

Investment allocation in £'000s

	2017/2018	2018/2019	2019/2020	Total
Magazine & digital	123	53	52	228
Ethical Shop	100	40	0	140
Books Publishing	52	55	58	165
Events	22	17	14	53
Contracts	2	2	2	6

Financial forecasts with investment in £'000s

	2015/2016 actual	2016/2017 budget	2017/2018 projection	2018/2019 projection	2019/2020 projection
Income					
Magazine	649	599	644	683	713
Events and contracts	62	40	52	60	70
Publishing	361	378	450	480	510
Shop	1013	1113	1165	1284	1557
Fundraising	69	48	50	75	100
Total	2154	2178	2361	2582	2950
Expenditure					
Staffing and Overhead	939	802	931	942	941
Cost of sales	1471	1504	1658	1655	1882
Cost of share offer			37		
Total	2410	2306	2626	2597	2823
Surplus/deficit	-256	-128	-265	-15	127



Our forecasts are only projections, and may be adapted in response to the changing media landscape.

FOR MORE DETAIL SEE OUR BUSINESS PLAN.

What happens if we raise more than our target?

There is no maximum limit on our Community Share Offer. If we are able to raise more, this will mean we can embark on other exciting projects that will increase our reach and further grow our reserves.

We have costed plans for up to £750,000. If we reached this sum we could expand our events programme to include an engaged-journalism summer school, increase the impact of our book publishing, develop our website infrastructure faster, boost marketing efforts across the board and increase editorial staff time.

We expect this to break down as: Salaries 34%, Marketing 13%, Events and Education 53%.

Anything beyond that will be used as working capital to support our cash flow over the course of the year.

What are community shares?

A community share offer is an invitation to invest in a business that serves a social purpose.

It's different from a conventional public share offer because rather than profit being the primary motivating factor, the focus of the investment is often on the social benefits that investor capital will make possible. It's about investing in the kind of world you would like to live in.

The idea is that you join a community of people with shared values. In our case, that's a global network of people that value consistent and truthful reporting and media that brings people together.

Shares are 'potential repayable philanthropy' (withdrawable share capital) which investors may be allowed to withdraw if the enterprise is secure and sustainable.

In return for their capital, investors get to co-own and have a say in how the organization is run.

Community shares can only be issued by co-operative and community benefit societies. Both have an asset lock written into their rules, meaning that any residual profits in the event of dissolution or conversion of the society cannot be shared out among members.

Unlike ordinary shares, no investor can take control and shares cannot be sold on. Members have just one vote, regardless of how much they invest, and there's an upper limit to stop a society being dependent on a handful of large investors.

It's a traditional (but forgotten) way to build co-operative and community ownership, but one that has been growing in popularity in recent years.

It's more commonly used to buy assets like community buildings, solar panels or football clubs, but more recently media organizations are following suit. *Positive News* magazine raised £263,000 in 2015 and the Community Channel TV station attracted £390,000 in 2016, making community share offers through crowdfunding a tried-and-tested model for independent media.

How do I buy shares in New Internationalist?

ONLINE

From 1 March 2017, go to factsandheart.org to buy your community shares. We are using Crowdfunder, the UK's number-one platform, to sell our shares online and help market our Offer.

POST

You can also buy shares through the post. Please see application form, at the end of this document. We accept cheques in pounds sterling from UK banks and all other major currencies.

The share offer will be open for a minimum of five weeks until 6 April, though we reserve the right to extend it if we think doing so will enable us to hit our target.

Once the offer closes, no more shares can be bought until and unless we re-open the share issue in the future.

If we reach our target, we'll pay cheques into our bank, and people who've invested online will have the money drawn down using whatever means they used to pledge, be that a direct debit or a debit or credit card.

How much do shares cost?

Shares have a nominal value of £1 (\$1.24) each. The minimum investment is £50 (\$62) and maximum is £100,000 (\$124,000).

Who can buy shares?

Shareholders must be aged 16 or over. You can invest from anywhere in the world.

When can I buy shares?

The offer opens at 8am UK time on 1 March 2017 and closes on 6 April 2017 at 6pm UK time. New Internationalist reserves the right to extend the offer for another month.

What rights will I have as an investor?

In return for investing, you will become a co-owner of New Internationalist.

Our new legal structure makes you custodians of our mission by bestowing voting rights over our Charter that enshrines our editorial policy, our values and how we put them into practice.

Regardless of the amount invested, every person who buys shares in New Internationalist will have one vote.

You will also be invited to join the Common Council, an ongoing forum for engaging with editors, our content and direction, to help us fulfil our mission.

Why a community share offer for New Internationalist?

We are one of the most longstanding workers' co-ops in Britain – co-operative principles are in our DNA. It feels only natural to take these principles one step further and open up to you, our readers and supporters.

Our journalism has always been a reflection of who we are and how we are run – we know how to democratize a newsroom like no-one else; we did it 37 years ago. And that is what we want you to preserve, nurture and grow.

Our constituency has never been conventional: we are idealistic, energetic and concerned with the lives of others thousands of miles away. All our past appeals, surveys and events show that we have a passionate and committed readership.

We've got a solid track record of 44 years of publishing. As well as over 22,000 subscribers, we have thousands more former subscribers who still hold us in high regard and are supportive of our mission, even if they've stopped reading every issue.

Our online community is active and growing – we had 1.8 million visitors to our website in 2016, and a social-media following of over 110,000. We know there is an appetite for our stories – our recent coverage of the COP21 climate talks reached 28 million people.¹

We need these people, who want to live in a world that better reflects New Internationalist's values, to come forward and play their part in keeping alive our pioneering journalism for the next 500 issues and beyond.

That's why we're doing a community share offer to raise the funds we need to keep New Internationalist strong and flourishing into the future.

Can I make a financial return on my investment?

As a social investment, the main return is the outputs of the organization where you've put your money. So in our case, your return is a thriving New Internationalist publishing articles with a unique international perspective, eye-opening long-form investigations and stunning videos.

But it may also be possible to offer a financial return, if New Internationalist is in a sufficiently profitable position in the future. We predict that this will happen in six years' time. (See 'Do I get my money back?', overleaf).

In the short term, we anticipate that any surplus will be reinvested to increase the impact of our work, but the Board of Directors will have the power to pay a small rate of interest on the shares if they have sufficient surpluses to be able to afford to do so.

¹ Source: analytics from Facebook and newint.org.



‘At a time when facts are under constant assault from an alt.right determined to muddy the waters, we need to actively support journalists dedicated to holding their feet to the fire. New Internationalist’s Community Share issue deserves your support.’

Billy Bragg, musician



Do I get my money back?

Community shares are withdrawable shares. That means that the Board can allow people to take their money out at a small rate each year, if we generate enough income to allow it (or have other people who would like to become co-owners too).

In this time of rapid change, with the publishing industry in a state of flux, it will not be possible to allow withdrawals for a minimum of three years. We need to use your money to focus on getting ourselves on the soundest footing possible.

We will consider withdrawals – and interest – once New Internationalist has built up uncommitted reserves of £500,000. According to our projections, this should happen by 2023.

At this point, the Board will open up discussions with the Common Council to set realistic rates of interest and/or repayments.

Like any investment, there is no guarantee of repayment. You should only invest money that you do not rely on being returned to you either in interest or withdrawals.

Can I sell my shares to someone else?

No. Shares can only be transferred to someone else upon death. Shares can only be withdrawn as per the terms laid out by the Board.

What happens in the event of failure?

We love New Internationalist as much as you do – this is our pitch and our bid for transformation. But we make no promises. If we do not attract the income we need to become profitable – not enough subscribers, paying web members, ethical shoppers or book sales – then the value of the shares will fall and may be lost in the event of the business having to scale down or ultimately cease trading.

You won't be liable if we go under, but the money you invested will be lost. You have no right to compensation from the Financial Services Compensation Scheme, or recourse to an ombudsman, because Co-operative Societies are exempt from the regulations governing public share offers.

To see the full details of how we plan to spend the investment and how this will grow our business, look at our business plan on factsandheart.org

How will New Internationalist be governed?

When our supporters invest, they become the joint custodians of our mission, charged with keeping us on track. From this point on, New Internationalist can never deviate from its founding principles without agreement of its investors.

The most important document defining what we do is our Editorial Charter. This defines why and how we do our journalism. At present, the workers can change that if they want. From the share offer forward, the Charter is something we own together.

For any changes to the mission or Charter, we need 75% of the worker members to agree it AND 75% of you, our investors, to agree to it too. You get to be a steward of New Internationalist, with a voice on what we write about, how we write it and why we write it.

In addition, investors will be able to join our Common Council. This will be tasked with shaping meaningful engagement into the future, exploring ways to

achieve real democracy that take account of the logistical challenges presented by our truly global supporter base.

Our legal structure

At a day-to-day level, New Internationalist is currently published by the not-for-profit New Internationalist Publications Limited, which employs the staff and runs our projects.

This is a trading subsidiary of the New Internationalist Trust Limited, another not-for-profit company created in 1992 to protect its founding principles.

At present, the only members of this Trust are the people who produce New Internationalist, as we're a workers' co-operative, and our advisory trustees.

We are in the process of changing the legal structure of our trust from a company to a Co-operative Society, and once you invest in the co-operative through buying shares, you'll become a member and owner of that co-operative society.

Within this new multi-stakeholder co-operative society there are two different classes of members. The first is 'user-members', who will be the employees of New Internationalist Publications and make up the board of the co-operative who will be concerned with the day-to-day overseeing and running of our business. The investors will be 'non-user members' who have voting rights over the Editorial Charter and access to the Common Council.

The money raised by the share offer will be deployed by the co-operative by way of a loan to our subsidiary company, New Internationalist Publications. Its repayments to the co-operative will be the source of funds used to pay interest and enable withdrawal to investors in future.

Contact

UK and rest of the world

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North American Office.
2446 Bank Street,
Suite 653.
Ottawa,
Ontario
K1V 1A8

Application form for purchase of shares in New Internationalist Co-operative Ltd



You can also invest online at factsandheart.org

I wish to become a co-owner of New Internationalist Co-operative Ltd in accordance with the society rules and apply for:

Shares to the value of (please add currency):

We accept all major currencies.

For this offer the minimum shareholding is **£50/€59/US\$62** and the maximum **£100,000/€117,000/US\$125,000**.

Please make cheques payable to New Internationalist Co-operative Ltd and send with this form to the following address:

Worldwide: New Internationalist, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE, UK.

US/Canada: New Internationalist, North American Office, 2446 Bank Street, Suite 653, Ottawa, Ontario, K1V 1A8.

We can accept cheques until the offer closes 18.00h (UK time) 6 April 2017.

Name and Address (PLEASE USE CAPITAL LETTERS)

First name in full	Last name
Address (including town/city/county)	
Post code or Zipcode	Country
Telephone no.	Email

If you have been living at the above address for less than 3 years please provide us with your previous address:

If you are applying for shares on behalf of an organization/company, please supply the following additional information.

Please note, this form must be signed by a director of your organization.

Full official company/ organization name	
Registered company/ organization number	
We nominate this person named to be our nominee for the purposes of receiving membership communications and exercising membership rights	
Signatory of nominee	Position in organization/ company

Agreement

- I have read the Share Offer Document, including risk factors.
- I wish to become a Member of the New Internationalist Co-operative Ltd.
- I agree to be bound by the society rules and understand the terms of the offer as laid out in the offer document and business plan, which can be found at www.factsandheart.org or posted on request.
- I understand that the Board of Directors of New Internationalist Co-operative Ltd may reject my application, and are not obliged to tell me why it has been rejected.
- I confirm that I am 16 years of age or older.

Signed as a Deed

Signature	Name in print
	Date

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This database will be used only for New Internationalist Co-operative Ltd purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2003, New Internationalist Co-operative Ltd may at its absolute discretion require verification of the identity of any person seeking to invest.

Notices by email

Please tick if you are happy for us to use email as your preferred means of communication, reducing our administrative costs.

If you have any queries about your application, please call: **+44 (0)1865 413304**, or email: factsandheart@newint.org
For enquiries in the US/Canada, please call: **(613) 826 1319**, or email: nican@newint.org