

Share Offer

Following approval of a Section 17 application for track access

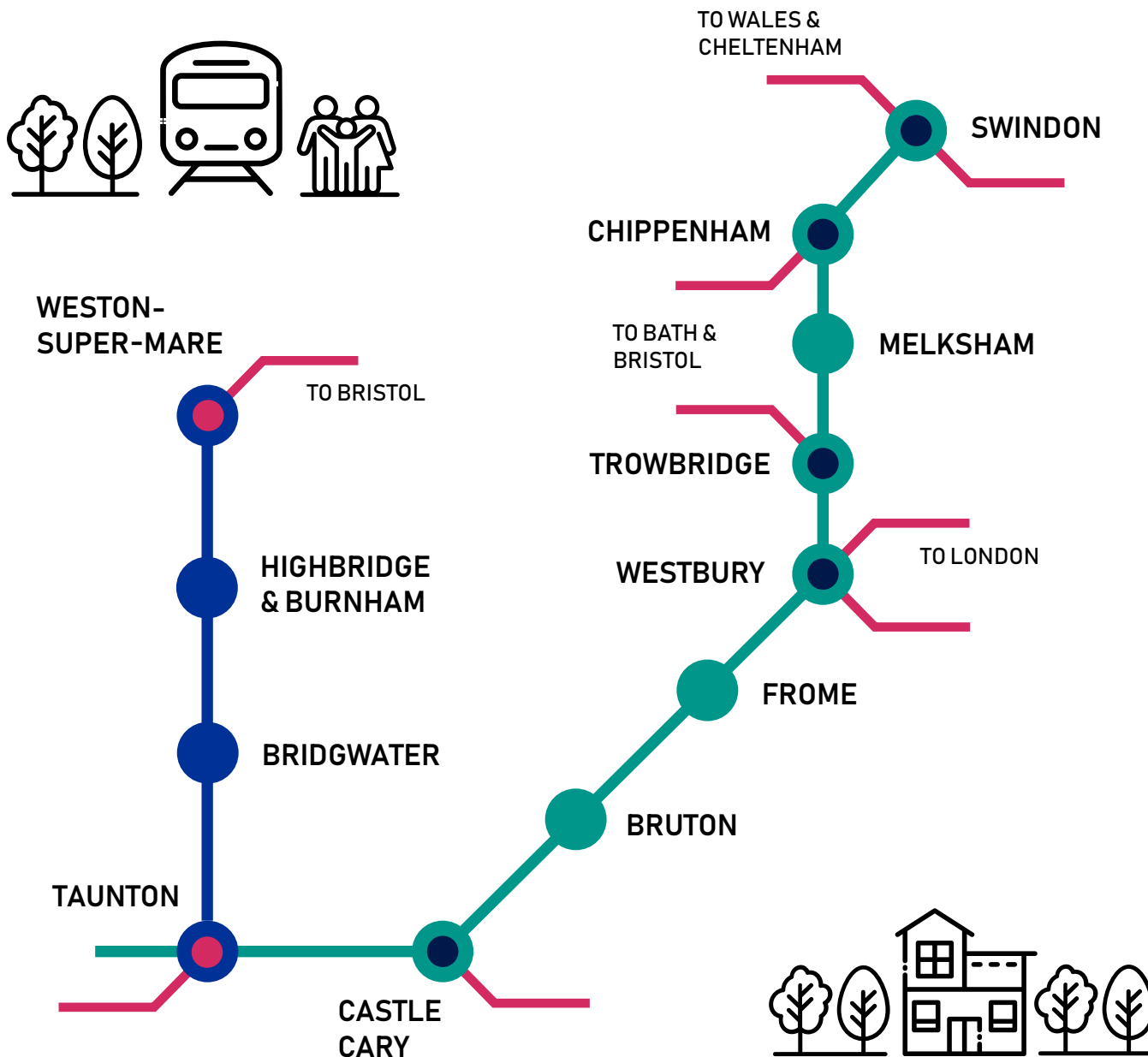
Up to £2.8M of withdrawable share capital to be raised by May 23rd 2025



EXECUTIVE SUMMARY

Name of business	Go-op Co-operative Limited
Objects of the business	To reduce the social and environmental impacts of travel by providing mutually owned, high quality and inclusive public transport services that encourage people to choose more sustainable options.
Registration	Incorporated under the Co-operative and Community Benefit Societies Act 2014 and registered with the FCA as a Co-operative Society number 30678.
Registered office	c/o Somerset Co-operative Hub, 10 East Reach, Taunton TA1 3EW
Online and email	www.go-op.coop membership@go-op.coop
Business opportunity	Passenger rail operations using spare capacity on the national rail network to operate daily rail services between Taunton and Swindon, with some additional services between Taunton and Weston Super Mare.
Status of business	An application for track access under Section 17 of the Railways Act 1992) has been granted by the Office of Rail and Road, subject to conditions.
Offer	Withdrawable, non-transferable par value shares each priced at £1.
Minimum capital to be raised	£2.6M combined debt and equity, of which no less than £1.3M will be share capital issued under the terms of this document.
Maximum to be raised in shares	£2.8M
Purpose of investment	Preparation for trade including driver training, recruitment of train crew and headquarters staff, improvements to level crossing safety, preparation of suitable rolling stock and depot facilities, and ticket sales.
Tax relief	Enterprise Investment Scheme for qualifying taxpayers investing more than £500 has been claimed successfully by Go-op investors in 2023, and the directors have no reason to think that this position has changed.
Rights	Shares confer membership and voting rights in the co-operative, on the basis of one person, one vote in either class 2 (prospective users of the service) or class 3 (other supporters).
Minimum and maximum investment	The terms of this share offer requires a minimum investment of £250 for members joining in class 2 (prospective users), and £500 otherwise. This does not affect any membership offer that Go-op may make otherwise. You may apply for amounts up to £50,000.
Target share interest	Interest (not dividend) is the sole form of capital enhancement available. Go-op intends to pay interest at the rate of 8% each year, unless in any calendar quarter between 1/1/2027 and 31/12/2030 total revenue exceeds £1.25M in which case the rate will be 10%. Interest will be credited to members' share accounts.
Exit	All withdrawals of share capital including accrued interest are at the absolute discretion of the board, having regard for the liquidity and profitability of the society.
Timetable	Applications to this offer should be made before 5pm on May 23 rd 2025. Alteration of this closing date are at the discretion of the directors. If the minimum target is not met, all funds raised under this share offer will be returned.

ROUTE MAP



The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to:

communityshares.org.uk



This document is an offer of investment in the ordinary, full-risk share capital of a registered co-operative society. The contents of this document have not been approved by an 'authorised person' within the meaning of the Financial Services and Markets Act 2000 and it is not a 'Controlled Investment' under the Act. If you are in any doubt whether this offer is right for you, you should seek independent advice. Do not invest funds that you cannot afford to be without.



THE BUSINESS OPPORTUNITY

Go-op is setting out to bring the benefits of co-operative ownership to the passenger rail sector for the first time ever. Through Go-op, passengers will have a direct voice in the specification and delivery of routes; and staff will be empowered to set the highest standards for delivery. This share offer is to launch our first rail service, but our goal is to continue to innovate across multiple routes and different modes of transport, all in pursuit of our objects: to enhance mobility while reducing the social and environmental impacts of transport.

Rail operations would clearly benefit from the co-operative advantage. They rely on a relationship of trust between passenger and operator. The one-member-one-vote election of directors coupled with values of transparency and care have always underpinned the high levels of trust that the public have in co-operatives. The rail industry is capital intensive, requiring the continual re-investment of profits in service enhancement and innovation; again, co-operatives have a track record of building an indivisible capital reserve and applying it to deliver social benefit.

'Open access' refers to the provision in the Railways Act 1992 for new routes to be developed outside the core specification determined by the government. These services (presently around 1% of all passenger rail revenue) attract no subsidy beyond the zero VAT rating available for all public transport and must all satisfy the Office of Rail and Road (ORR) that:

- there is available capacity on the route
- the management of the service is adequately planned and the directors are fit and proper persons for a rail undertaking

- at least 30% of revenue is from passengers that are new to the railway
- there is no significant increase in risks to passengers and the public resulting from the increased volume of services
- there is suitable rolling stock available
- there is sufficient evidence of profitability over the life of the contract as to give confidence that new service will be sustainable





“ We plan to revolutionise the railway service and put ownership back into the hands of the members using the service ”

➤ ALEX / CHAIR

Go-op's proposal used financial modelling, demand forecasting and capacity testing carried out by Network Rail train planners, to secure ORR approval on Thursday 15th November after extensive scrutiny.

The result is up to six services a day between Taunton and Westbury, with at least four extended to Swindon and up to three additional services on the Somerset Coast between Taunton and Weston Super Mare. Despite being modest in scale, it is transformatory for the area in three ways: growing towns that currently have infrequent services gain close-to-hourly departures; trips that rely on connections at Castle Cary and Westbury that were previously unavailable become possible; and travel within and beyond the counties of Somerset and Wiltshire is much improved.

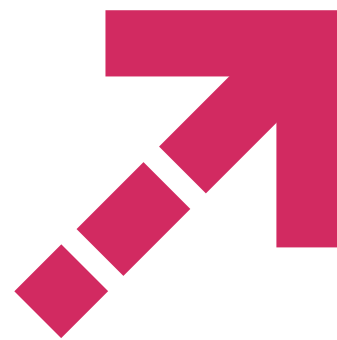
The share of revenue is managed through the Ticketing and Settlement Agreement that all train operators use to ensure that tickets can be used irrespective of operator. In addition, some special 'Go-op only' tickets will be available to our members.

We plan to operate the service using diesel multiple units in small formations, leased from a specialist rolling stock leasing company. The terms of the lease, and the precise units to be employed, can be resolved on the successful close of this share offer.

We are very conscious that we will be operating trains designed for fossil diesel during a period in which the rail industry is seeking to decarbonise. We are committed to working with partners in the industry to explore all means to fully decarbonise our operations at the earliest practical opportunity.

We will use your funds to take the co-operative to fully operational status, able to employ all the paths that we have been granted rights to. This requires:

Pre-launch overheads	£326,500
Launch expenses	£183,400
Plant and equipment	£140,000
Cost of capital	£145,300
Rolling stock preparation and trials	£311,023
Level crossing works	£1,490,280



REVENUE AND COST FORECASTS

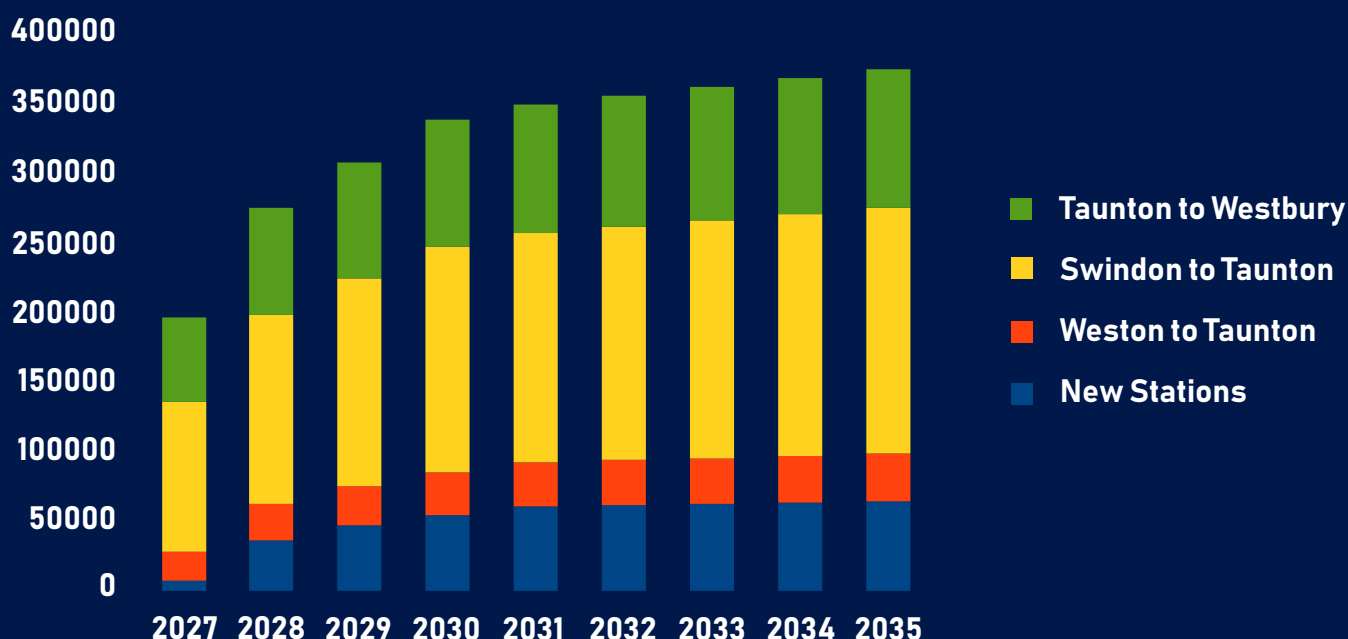
Go-op's revenue forecasts derive from actual ticket sales in 2022, adjusted to take account of the relative attractiveness of the proposed additional services and their timings in a compliant timetable.

This baseline forecast requires adjustment to take account of the unique features of the railway in 2022 (a high level of industrial action, and the ongoing recovery from the Covid pandemic), the increase in west country population 2022-2024, developments on the railway since (station openings and other investments) and the addition of demand estimates for journeys that do not presently have sufficient demand to be accurately forecast.

This provides our 'base case scenario' in which it is assumed, looking to the future, that people in 2035

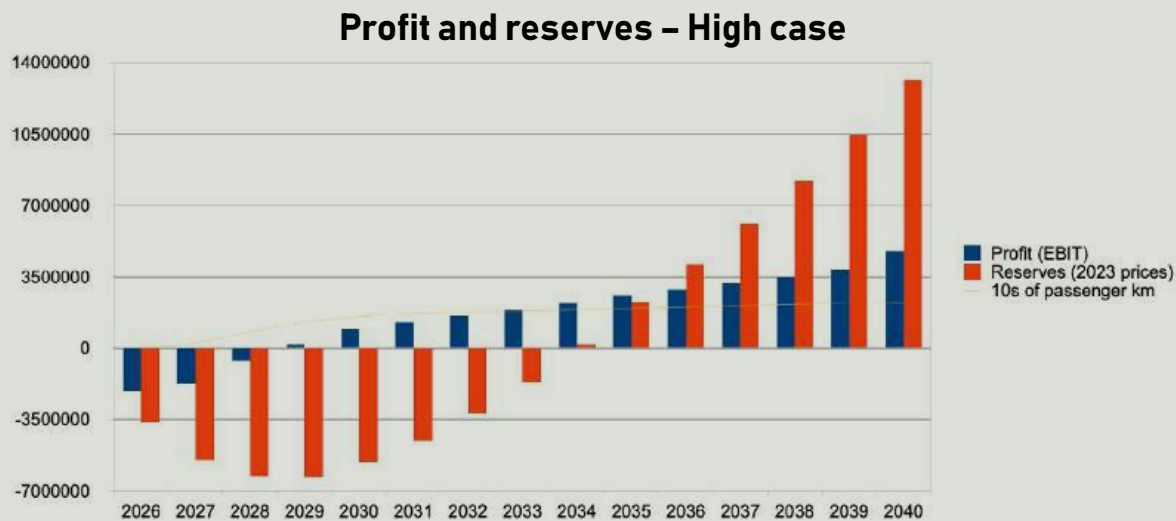
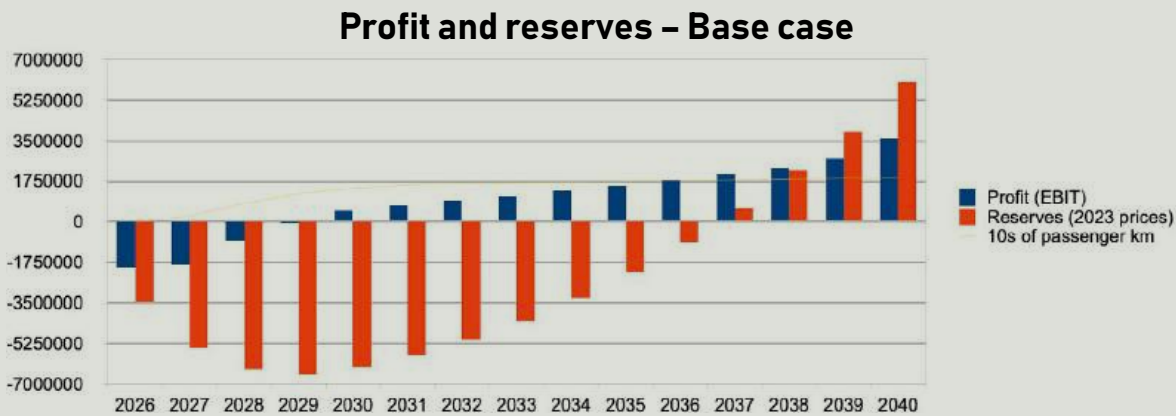
are as likely to choose rail as a mode of transport as other modes of transport as they were in 2025.

Historically, this was not the case for the period 2009 – 2019, in which there was a steady shift towards rail driven by concerns over safety and sustainability, the increasing cost of road travel, the growing use of mobile electronics for entertainment and work on trains, a decline in the number of people holding driving licenses, and improvements in the delivery of rail services. This was dramatically interrupted by Covid, and it is clear that a permanent reduction in habitual travel has taken place. Nevertheless, it is quite possible that the shift in preference from private to public transport will resume at the same rate as before, and our high case scenario includes this assumption.



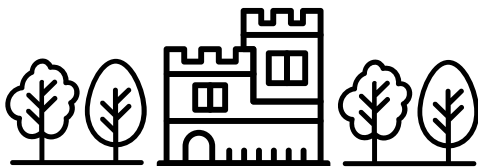
Forecast expenditure has been based on – as far as possible – real world data and quotations. Many costs (track and station access for example) are based on published charges that apply to all operators; others (insurance, rolling stock leasing, depot lease) are based on quotations obtained from our preferred suppliers. Some of our cost base is derived from a study of prevailing market rates and reasonable assumptions about future inflation (staff, fuel) and the small amount remaining is based on estimation drawing on our business experience (marketing, consultancy, accountancy and legal costs).

On this basis, we project that while people in our area gradually change their travel habits it will be necessary to trade at a loss; however, from 2029 we forecast regular and growing profits. For this reason we expect to be able to access further finance (principally debt, though also further equity from ‘open’ share offers) to cover early years losses estimated at £3.9M. This is important, as other open access services have struggled as a result of having insufficient access to capital in early years. Over the life of the track access contract, the accrued profits (less the interest payable on share capital, and other costs of capital) create reserves – £6M by 2040 – which can be applied to the future development and growth of the business.



Go-op has been working towards a track access contract for fifteen years since registration; while it has had no trading income, it has issued share capital to finance its activities which amounted to £636,000 at the end of 2023. The largest investor is MidCounties Co-operative, with 11% of issued shares; the next largest has 4%. It has debts of £130,000 to related parties (South West Co-op Development,

and an individual co-op development worker) who are fully committed to the successful launch of the service. In addition some of the earliest private investors have been unable to withdraw share capital for over ten years and in the light of the outcome of this share offer Go-op would enable some withdrawals of these long standing investments. For more information on the background and financial history of Go-op, please refer to our business plan.



THE BOARD OF DIRECTORS

The voting members of the board are elected by the membership, but as with any corporate body its members are not delegates but rather must take personal responsibility for their actions.



**ALEX LAWRIE
(CHAIR)**

A Co-operative Development Worker with 25 years experience and a founder member of Go-op. A director of numerous co-ops and author of 'Empowering the Earth'.



**DAVID NORTHEY
(VICE CHAIR)**

Worked for Network Rail for almost 42 years and since 2021 was the Senior Strategic Planner for the Western and Wales Region.

Since retirement from NR he has served as the Chair of TravelWatch SouthWest.



**DANNY DOUGLAS
(STRATEGY)**

Danny serves on the board of directors of Central England Co-operative and works as the Principal for public transport at North Northants Council. He is also a Trustee of Coop College, and a member of the Institute of Logistics Transport.



NICK KENNEDY

A Non-Executive Director on NHS Clinical Commissioning Groups, providing independent oversight. Nick has 20 years' experience as an NHS Consultant, Anaesthetist.



JOHN HASSALL

John was Chair of Severnside branch of Railfuture for 8 years, and is currently Co-Chair of Somerset Bus Partnership.



GRAHAM DICK

A Chartered Engineer, coordinating commercial programmes to develop new products – most recently, aiding UK equipment manufacturers in accessing lower carbon markets.



DAVID WARREN (COMPLIANCE)

David has spent the last 15 years as a director and general manager of an innovative fabrication business.

He now plans to re-train as a train driver with Go-op.



NATASHA DAWSON (COMMUNICATIONS)

A former conductor with GWR, now preparing to be a trainee train driver with Go-op.

Natasha has degrees in both Law and Business.



MARTIN BOND (PERSONNEL)

Martin worked for the railways for 30 years, finishing as a training manager.

Since retirement, he has been active in his local rail user group.

Five of the directors have significant (£500 – £5,000) shareholdings in the co-operative; Alex Lawrie worked for some years as Operations Director on the basis of payment as and when funds permit. The value of that work comes to £30,600, and is recorded in the accounts as a 'member loan'.



BUSINESS RISK

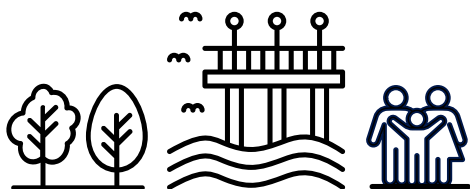
FIND OUT MORE

Do please download the following documents from our website, go-op.coop.

- Our business plan
- Our most recent annual accounts and social impact report
- Our governing document

Risk Category	Risk Name	Probability (1-3)	Impact (1-3)	Risk Score	Mitigation	Contingency
Financial	Limited advance / online sales	1	2	2	Marketing plan	Additional offers to members
Financial	Online ticket sales platform dysfunctional	2	2	4	Specification and testing	Work with established white label site
Financial	Recession or other economy disruption	2	1	2	Contingency planning	Test scenarios, budget controls
Financial	Revenue short-fall	2	2	4	Service development and marketing	Optimise timetable and productivity
Capitalisation	Failure to attract investment to cover trading losses	1	3	3	Early negotiation with funders and lenders	Seek increased support from members
Capitalisation	Low liquidity prevents share withdrawals	2	1	2	Take on appropriate levels of debt	Attract finance to launch of new routes
Inertia	Contracts concluded late	3	2	6	Begin negotiations early within project plan	Contingency plans in order to protect longstop date
Inertia	Late delivery of rolling stock	2	3	6	Establish strong relationship with ROSCOs	Short term hire or sublease
Inertia	Capital strike	2	2	4	Seek terms from legal and other advisors	Internal appeal to members
Inertia	Shareholder dissatisfaction	3	1	3	Transparent communications	Local and general methods of participation

Risk Category	Risk Name	Probability (1-3)	Impact (1-3)	Risk Score	Mitigation	Contingency
Management	Difficulty recruiting skilled staff	2	2	4	Adequate remuneration and recruitment budget	More flexible working arrangements
Management	Disagreement with trade unions	1	3	3	Regular interface between board and union	Involve mediators; consult worker members
Management	Loss of key personnel	1	3	3	Deputy shadowing OD; continuity plan	Recruitment, deputy as stand in
Management	Low levels of member participation	1	1	1	Attractive events, frequent communication	Work with organisations with overlapping membership
Management	Negative perceptions of co-operative model	2	1	2	Work with Co-ops UK to share evidence of co-op quality	Promote best co-op practice
Network	Recurrent infrastructure issues	2	2	4	Raise issues with NR early	Political lobbying
Network	Engineering works disrupt services	2	2	4	Advance planning of replacement services	Additional buses to provide direct links
Network	Flood and other extreme weather	3	3	9	Make the case for investment in resilience	Contingency planning; bring staff closer to route
Network	Political instability	1	2	2	Form inclusive alliances and seek grassroots support	Enforce contractual expectations
Network	Negative perceptions of UK rail	1	1	1	Work with industry bodies to address reputational risks	Brand differentiation
Network	Timetable not robust in practice	2	3	6	Performance management system	Mobilise additional staff to critical locations
Safety	Difficulty securing safety certificate	1	3	3	Board engagement with development of safety management	External audit and consultancy
Safety	Incident involving injury	1	3	3	Training in responsive procedures	Draw on contingency budget for extra response
Safety	Breach of safe working practices	1	3	3	Promote culture of safety and collective responsibility	Independent enquiry into cause
Technical	Maintenance issues with rolling stock	1	3	3	Maintain 'just in case' supply chain	Work with other operators to commission new rolling stock



THE RETURN ON INVESTMENT

We offer a 'balanced return' on your investment made up of a financial return in the form of interest and a social return. Our rules require us to monitor and report on these social and environmental outcomes annually alongside our financial accounts.

Our social returns are measured and reported in our annual social impact report. These use a mix of quantitative and qualitative indicators derived from our objects: reducing the negative social and environmental impacts of transport.

Indicators include:

- routes in development, pre-launch and in operation (projected passenger km pa)
- routes delivered through interchange and partnerships (as above)
- deprived locations (as per IMD) within 1 km of routes (as above)
- agglomeration effects on productivity in local economies
- quality of passenger experience (based on passenger surveys)
- reduced impacts from transport emissions (CO2e, particulate and other toxicity)
- membership takeup, representativeness and participation
- delivery of education, especially in co-op principles

- support for co-operative development and sustainability initiatives

Our shares are full risk, ordinary share capital. There is no protection from losses, and if our accountants advise us that the value of the business no longer supports the shares issued, they may be marked down in value. You should be aware that these are shares in a registered society, not a company, and as such

- shares cannot be traded at a profit, nor is there any access to profits
- shares are limited in value to £1 each
- interest is a business expense, not a share of profits or dividend
- shares are withdrawable, but only if the board considers that both liquidity and profitability allow for withdrawals to be made without disadvantage to other members
- levels of interest are set according to the long term need to attract and retain investment, and not short term performance

Interest will not routinely be paid out in cash, but instead is credited to your share account at the end of the financial year (which currently corresponds with the calendar year). Withdrawal of share capital will follow the same policy regardless of whether it arose as interest or principal; and the accrued interest will itself earn interest, compounding returns.

The interest rates quoted in the executive summary are the clear intention of the co-operative, but they may change if:

- prevailing economic conditions change such that they no longer serve the goal of attracting and retaining investment
- the profitability of the business is critically low, to the point where new investment would excessively constrain the scope for withdrawals
- we achieve the 'high case' for ticket sales, defined as a calendar quarter in 2028, 2029, or 2030 in which revenue exceeds £1.25M; this increases the target rate of interest

This is the only financial reward available to investors (other than any tax reliefs that you may qualify for). Our rules are 'common ownership' meaning that while some dividends may be paid to staff and users in proportion to their transactions, a portion of profits must be reinvested

for the benefit of future co-operators (or applied to social or charitable purposes). On dissolution all residual assets (after debts and par-value shares are resolved) must be transferred to another enterprise with similar aims and values.

Share withdrawals are currently suspended and are not expected to be possible until the co-operative moves into profit around 2029.

After this period, we aim to allow you to withdraw some or all of your investment on a reasonable period of notice. Restrictions on withdrawals (for example, aggregate or individual limits in a given period of time) are however possible if the directors deem it necessary to maintain the liquidity of the co-operative. Our forecasts suggest that the first repayment of investments will be possible in 2029, though it will be at least four years before all the funds raised can be repaid.

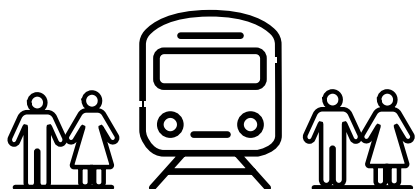
Based on these rates of return, Enterprise Investment Scheme tax relief, and our forecast trading performance for the two scenarios (the base case, in which there is no change to demand for rail travel; and the high case in which demand for travel increases in line with the historic trend prior to 2019) we have calculated the Internal Rate of Return for these shares:

Base case

IRR:		2025	2026	2027	2028	2029	2030	2031	2032 on
12.0%	Invested	-1,000	0	0	0	0	0	0	0
	Values	0	300	0	0	127	97	153	1,702

High case

IRR:		2025 Q1	2025 Q3	2026	2027	2028	2029	2030	2031
14.7%	Invested	-1,000	0	0	0	0	0	0	0
	Values	0	300	0	0	516	266	327	588



ABOUT YOUR MEMBERSHIP

Go-op Co-operative Limited (which also uses the brand Go-op Trains) is a Co-operative Society registered with the Financial Services Authority (13097R). Its rules are those of a Multistakeholder Co-operative (Somerset Rules). It was registered in March 2009 under the name Go! Co-operative Limited. The adoption of Go-op as a trading identity took place in 2012 to more clearly distinguish the business from other rail operators.

The society is owned by its members (primarily natural persons, though corporate bodies such as other co-operatives can and do become members). There are three classes of membership: worker members, passenger members (including prospective users of our services) and members not eligible for the first two classes (these are typically investor members).

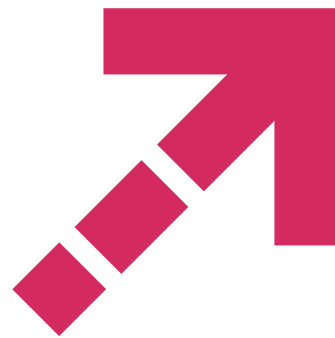
Voting at general meetings is one member, one vote, subject to the following requirements: investor members as a group are limited to 25% of the overall voting strength in meetings. Among the user member classes of the co-operative, passengers and employees, the voting strength of the passengers is fixed as twice that of the employees.

At Annual General Meetings, members can vote on the appointment of new directors, and the re-appointment of directors that have completed a three year term. Any member is eligible to stand, but three quarters of the board must be made up of staff or service users. Members must also approve both the annual accounts of the society and a social impact report that evaluates progress towards meeting the objects of the co-op. Members can also opt to establish two other bodies through which members can support and enhance the work of the

co-operative: a Commonwealth Council and an Education Committee, both described fully in the rules.

The law permits members to ask to inspect the database, but we will make full use of those provisions that allow the removal of sensitive personal data such as individual shareholdings.





HOW TO APPLY FOR SHARES

Applications for shares should be made through our page on Crowdfunder. You will need to register with Crowdfunder first, and then follow the instructions on their website.

We do have advance assurance of qualification for venture capital tax reliefs, and in particular Enterprise Investment Scheme. If you would like to claim this relief – worth 30% of your investment – please indicate that in your application when asked. Once the funds invested have been employed, we will generate a certificate which you can then quote from in the course of completing a self assessment tax return. If you are a taxpayer, you can therefore expect to include this investment in your next tax return to claim the relief. Like all such tax relief schemes, the funds must be invested for at least three years, or you will have to repay the tax.

It is important to stress that this is a full risk investment in working capital and will not, in itself be sufficient to bring us to a profitable trading position. Further debt and equity investment will be required to cover early trading losses.

Applications must be received, with payment in full, by the deadline on the front cover (unless the board has chosen to extend it – see our website for updates). Your decision should be based only on the information contained within

this offer document. Shares are full risk, and if the co-operative does not perform as forecast their value may be reduced, and they could lose all their value. Do not invest funds that you cannot afford to be without.

Once again, we must warn that this investment has no statutory protection, and is outside the remit of both the Financial Services Compensation Scheme and the Financial Ombudsman. You will be fully exposed to the commercial risks of the business, which is at an early stage of development in a complex and heavily regulated marketplace. If you do not feel confident that you understand the potential risks and returns, this may not be the investment for you.

- Each share is a £1, par value share. While it may lose value if the co-op sustains severe losses, it cannot increase in value.
- Two classes of share are available in this offer: user shares are for prospective travelers on the route, and non-user shares are available to anyone supporting our aims. Non-user members are restricted to a quarter of votes at general meetings and may not comprise more than a quarter of the board's voting members. A third class of shares for staff can exercise up to a quarter of voting rights at general meetings, but these shares are not yet available. Go-op will normally support the re-classification of shares when supported by a member's transactions with the co-operative.
- Anyone who intends to make regular use of Go-op services is eligible to join in the user member class; your class of membership can be changed at a later date in the light of your history of transactions with the co-operative.
- Individual members must be over 18 years old, and cannot hold more than 50,000 shares.
- When you apply, your funds will be placed in Crowdfunder's client account until the minimum target is reached.
- The Directors will decide whether to accept your application at the close of the share issue: if it is accepted, you will receive a share account statement shortly thereafter, and if not you will be notified and any payment returned within one month.
- You will be required to supply evidence of your identity and address if the Directors deem it necessary in order to comply with the Money Laundering Regulations 2003.
- The board may at its absolute discretion decide not to issue shares to you, and does not have to give a reason.
- If the offer is oversubscribed, an equitable formula will be applied to divide the allocation fairly.
- EIS3 certificates will be sent to all investors that have indicated they would like tax relief soon after funds have been employed. We aim to employ funds within nine months of receipt.
- Two persons only living at the same address and having the same contact details may have a joint membership. They will have just one vote at general meetings, with the second named person being treated as an authorised proxy if the first is not in attendance. In addition, the second named person will be considered to have been nominated to inherit the shares in the event of the death of the first.



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