

Shop Bonds – Third Issue

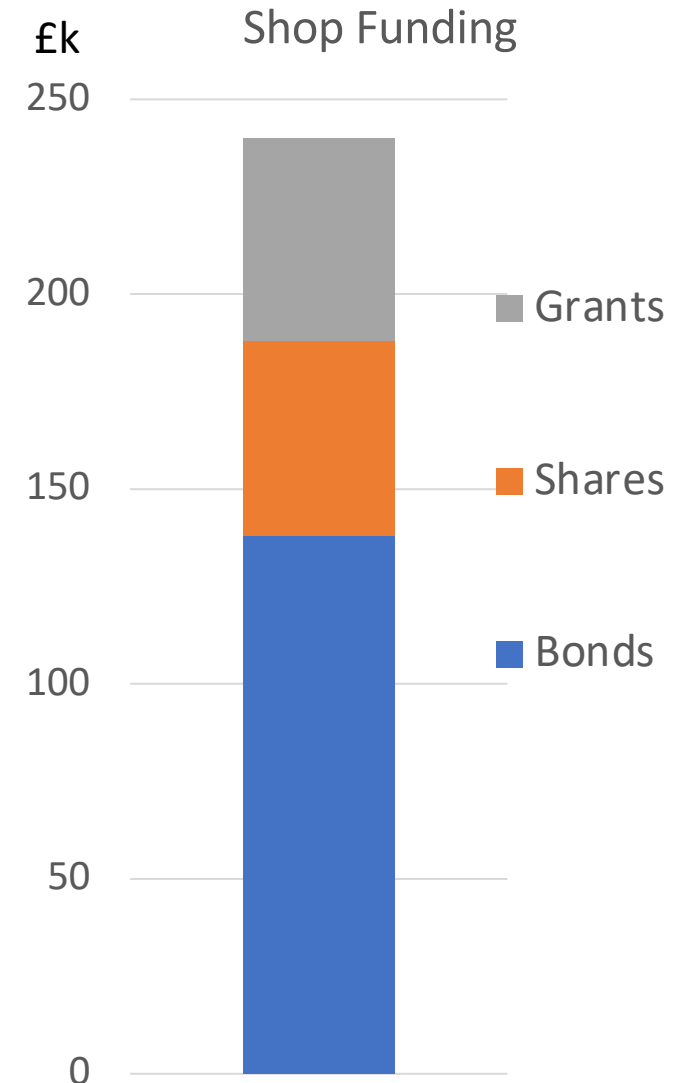
WsM Community Shop EGM - 24/1/2024

Paul Wiseman

WsMCSLS has taken all reasonable care to ensure that every statement of fact or opinion included in this presentation is true and not misleading

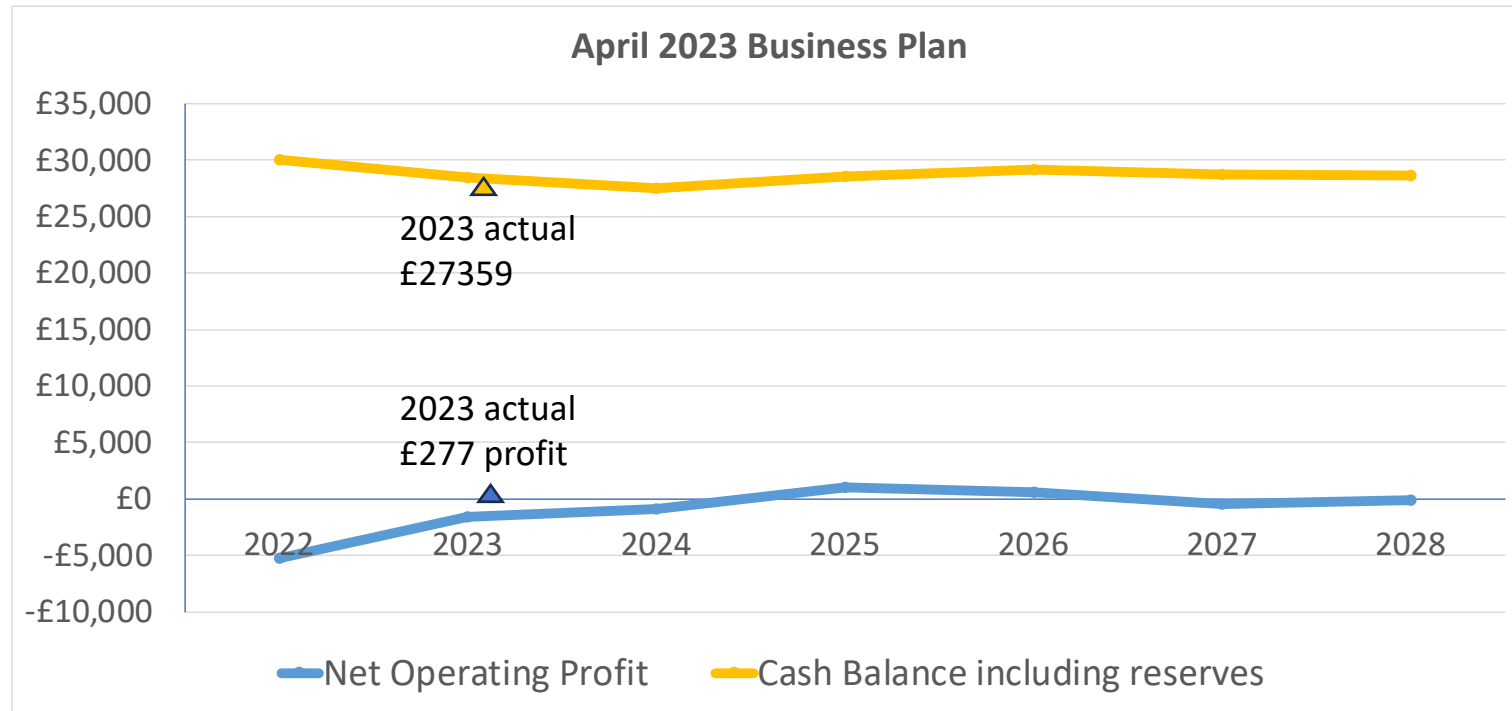
Previous bond issues

- Purchase of Green Lantern House and refit funded from:
 - Bonds – c £139k
 - Shareholders – c £50k
 - Grants – £52k
- First issue
 - October 2014-2019
 - Interest at BoE Base Rate +3% pa
 - Strong uptake
- Second Issue
 - October 2019-2024
 - Interest by agreement with bond-holders in range 0-3% pa
 - A few bonds re-imbursed and taken up by existing bond-holders



Shop funding requirement to 2029

- April 2023 Business Plan forecast
- Recover from c£5k deficit in 2022 to break even or better for 2024 to 2028
- Aim to maintain existing cash reserve of £25k to £30k as buffer for adverse events
- Hence need to renew existing bonds at level of c £138k to 2029



Note: Cash Balance reflects the total of all cash and deposit accounts, plus debtors, less liabilities

Third Issue Bond offer: Values, duration and security

- Preference to existing bond holders, but open to all Members
- Bonds issued in increments of £1k, up to £20k / individual
- Five year term from 31 October 2024
- All bonds secured against the Shop assets, eg primarily the property
- No lower value or unsecured bonds for this issue

Bond interest rates

- Best 5 year fixed savings products currently pay around BoE Base Rate which is 5.25%, but expected to fall steadily through 2024 and 2025
- “5 year Swap rates”, which predict average base rate, now at 3.3%
- Anticipated that best 5 year Saver rates at or below 4% by October 2024

- **Third Issue will allow bondholders to receive between 0 and 4% pa**

- Business Plan allowed for this range; higher rates not affordable
- Each 1% additional interest requires an extra £7k pa Shop turnover

Process for re-issue

- Third Issue “offer information” available now
- Confirm interest / intent to Paul Wiseman asap, and by 30/5/2024 latest
- We will contact you to agree expected interest rate and amount
- Final commitment by 31/8/2024

- Existing bond-holders will receive a transfer certificate allowing renewal without cash changing hands, as for issue 2
- Third Issue certificates issued in October 2024
- New bond holders will receive a certificate once funds received