



Simon Carter, Chairman of the Community Post Office project, welcomed everyone and introduced the committee:

Simon Carter – Chairman, Director
Maggie Ryan – Vice Chair, Director
Mike Hunter – Company Secretary
Liz Mellon – Grants and strategy, Director
Karen Newton – Retail
Stuart Bradshaw – Treasurer
Luke Rumbelow – Website & publicity
Frank Warren – Members' Secretary

The purpose of the evening was to inform, answer questions, and to invite residents of Nayland-with-Wissington and surrounding areas to participate in a future share offer for their Community Post Office

The aim of Nayland Community Store Limited is to save the Post Office from closing after more than 100 years in the village. We are not permitted to use the name 'Post Office' in our brand because it is registered to Post Office Limited, hence the name 'Nayland Community Store'. **We are committed to preserving the high street, supporting - not competing - with existing retailers.**

We want to work together to keep Nayland's commercial heart alive

Maggie Ryan gave the background to the project.

The current Postmistress plans to retire and with impetus from the Community Council and after a Public Meeting in March 2016, a steering committee was set up to explore whether Nayland residents could run their own Post Office and keep this vital service.

This group focused on how a community co-operative effort might work, and the financial strength of the business. It sought support from Post Office Ltd and took advice from the Plunkett Foundation, a charity that supports rural businesses.

The group also questioned the village residents as to how much support there would be for running a community Post Office, and what we use our branch for. We received an overwhelmingly positive response. 87 questionnaires were returned, with volunteers to both set up the company and to help in the shop. Three quarters of us use the Post Office at least weekly. 80% of respondents believed it to be a very or extremely important part of village life. It is something we value highly, along with our pub, our butcher and other small businesses.

We looked at the range of services offered – all generate fee income for our branch. **The Post Office counter revenue is not enough on its own to make the business viable. The retail sales from the shop are key to sustainability.** The goods that are on sale currently would provide that revenue. So preserving 'business as usual' would mean we could operate into the future.

Other ideas for the retail offering will be explored as time goes on, and ideas have included the sale of local arts and crafts, advertising, confectionery, coffees, and a changing range of gifts. The idea of a cobblers was raised and seemed popular. We have also been asked to include a community notice board, a societies' calendar and to continue the sale of tickets to local events. We are open to your ideas.

Once we identified that the business could run sustainably, we talked more to the Post Office Limited about contractual obligations, services that we could provide as a 'Local' branch (99% of those currently provided), refitting the shop, and Post Office Ltd's contribution to capital costs under the national Network Transformation Programme. We also successfully applied for a seed funding grant from the Community Council that enabled us to join the Plunkett Foundation and launch the Community Company – the Community Benefit Society (CBS).

Simon Carter explained that the CBS is set up with a model legal structure that means that, although it has similarities with a limited company, it can be run **by** the community, **for** the community with all shareholders having equal voting rights irrespective of the size of their shareholding.

Post Office Limited have agreed to contract with the Company (in previous years it had to be with an individual). Our CBS is registered with and regulated by the Financial Conduct Authority.

Community businesses are successful, and we expect ours to be.

- In 2014 UK community shops showed average gross sales of £164,310
- Average net profit £5,152 – up 30% since 2013
- The total gross sales for UK community shops were £53m - up 13.1% on the previous year
- Total UK net profit £1.7m – up 22.8% on the previous year
- 30% of net profit was invested into shop reserves and 28% into running costs and improvements
- Over £316,000 (19% of net profit) was distributed for community use and benefit
- 325 community shops provide services to over 1000 rural communities across the UK

Whilst we aim expect to run on a not-for-profit basis, if we were to make profits, we are bound by our rules to put surplus funds back into our community to support other charitable projects.

Where are we today?

- We have established Nayland Community Store Ltd as our trading company
- We have agreed lease terms with the freeholder Patsie Ford so we can remain in the existing High Street premises
- Sylvia Bond has agreed to stay on and lead the PO business with support from certain trained volunteers
- Premises have been surveyed for refit and that work is out to tender with local contractors
- Post Office Ltd will cover some refurbishment cost
- Application for LEADER grant, Suffolk CC, to also help with refurbishment cost
- We are building our retail strategy and stock profile – to complement that of other village providers
- We are developing our business plan which has to be agreed with Post Office Ltd.
- We are seeking contract with Royal Mail for the continuation of the sorting office

We are at the critical stage now where residents will need to come forward if they wish to save the Post Office, in what we consider our best (and perhaps only) chance, so we are:

Seeking 'pledges' from the community towards the refit, stocking and start-up of our Nayland Community Store

These are pledges – not promises – to buy shares in the Company at a price of £25 each. One share means you are a member of your Community Company and have the right to vote in how it is run.

Mike Hunter elaborated on the Company structure and share issue, the detail of which will be included in a formal share prospectus (and business plan) before the planned share issue in May. A summary is included here.

- Each share has a value of £25
- The minimum holding is one share, and you have one vote.
- The maximum holding is 800 shares, but you would still only have one vote.
- You can claim tax relief under EIS
- Shares cannot be sold, nor can they be transferred save in the event of death or bankruptcy
- Shares cannot be redeemed without the approval of the Executive Board
- The Society is managed through its Executive Board
- Members have the right to be heard at members meetings
- If we cannot raise enough shareholder funds:
 - Call a public meeting to get a fresh mandate
 - Decide on options to proceed or not
 - Refund shareholder capital
- If we raise far more share capital than is needed:
 - Restrict individual investment limits
 - Our desire is for a large number of smaller investors rather than a few large investors
- Will we pay a dividend?:
 - No financial dividends are intended
 - This is an investment in our community for our community
 - Only a 'social dividend' in benefiting from having an active Post Office and community store

Making a pledge

- A pledge is an intention, not a commitment
- Having a sense of how much you might invest helps us scale and scope our fundraising
- We anticipate start up costs, refurbishment, PO and retail stock and initial running costs are around £60,000
- In early years trading we anticipate retail and PO sales will be around £70,000 - £80,000 of income
- Pledge Forms available at the meeting, from the Post Office, and from our website.

Raising funds by share issue is considered the best way for communities to raise capital. We would encourage every individual and business in Nayland to contribute whatever they can. We are confident Nayland can raise this sum, and as an example, the village of Lamarsh has just raised in excess of £400,000 to keep their pub.

Next Steps

- We will select from a minimum of three quotations for refit by March 2017
- We will submit our business plan to Post Office Ltd by March 2017, then interview with them in London
- We need you to complete Pledge forms by 31st March 2017. The pledge forms give directions on how to complete them and where to send them. There is a box in the Post Office where you can deposit your completed form
- We hope to make the formal CBS Share offer by May/June 2017
- We need to finalise all legal issues and sign leases by July 2017
- Refit of premises August/September 2017
- Training volunteer PO staff
- Open for business by 1st September 2017!

The committee opened the floor to questions:

What guarantee is there that the sorting office will stay? There is no guarantee. Royal Mail and Post Office Ltd have both said that they have no plans for closing the sorting office, especially if the Post Office remains in the existing premises.

Who is the post office rented from? It is being rented from Patsie Ford

Will the annual income cover the expenses? Yes, that is the plan, to make this a viable business.

Will the store make a profit in the first 2 years? If people continue to use the store and the post office, we could make a small profit.

What happens if the store makes a loss? We have a responsibility as company directors to trade only while solvent. We would have the option to ask for donations, apply for grant funding, raise more share capital, or cease trading. Financial data indicates we would run the Post Office on a break-even basis. Plunkett Foundation data indicates that community ventures are usually successful.

How long is the lease? 5 years and renewable after that

Will we get the grant that has been applied for, even though Britain is leaving the EU? If we are successful in our application, we should get the money. We understand that the money is already in the UK available to be granted. There will be no final decision until July and to qualify, we mustn't start refurbishment work before a decision is taken.

If we get the grant, could we then have an excess of funds? Yes that is possible; the excess funds would be used to cover running costs and stocking over a period of time. It is never a bad thing to have funds to fall back on if required.

How much would the grant be for? It depends upon a number of factors, including the number of jobs created and the costs we incur in refurbishing the premises and setting up. We do know grants of up to £50,000 can be available but do not yet know to what extent our application will qualify.

Will people who live outside of Nayland and Wiston be allowed to hold shares? Yes, that is allowed under the company rules.

What is the rateable value of the shop? The rateable value of the Post Office, shop and sorting office is £2750 in this current year, expecting to rise to £3335 next year

Have we got volunteers who can cover for Sylvie when required? Yes we have 3-4 people who have volunteered to assist and be trained specifically on the post office systems.

Would tax have to be repaid if someone passed away during the three year period when the shares must be held to claim tax relief? It is believed that tax relief is not lost as a result of the death of the shareholder however no warranty is given in this respect and each shareholder must seek their own advice upon this issue.

What is the minimum amount we need to raise? £60,000 - £70,000 to cover the building works necessary, refurbishing the shop, stock, fixtures and fittings, and initial lease and salary requirements.

What happens if we don't raise the money? We may lose the Post Office. We will have to hold another public meeting and get a new mandate from the community but without community investment, Nayland may not succeed. This is our best chance.

Could the money received for the shares be gift aided? No

Are there other shops in villages that have been successful? Yes, quite a few. Rocklands All Saints in Attleborough is a very good example and we will be going to visit.

Will the team be asking people who were not at the meeting to pledge? Yes, we will be asking as many people in the village to pledge as is possible.

If we lost the Royal Mail sorting office, would that be detrimental? Yes, it would, as we would lose the rental income.

Will there be a follow up meeting to this? Yes, we will arrange one, based on the interest at the meeting. A flyer will come out and we will advertise it as we have before. Updates will also be available on the website www.naylandcommunitystores.co.uk and in the Community Times.

Do we have a website? Yes, indeed: www.naylandcommunitystores.co.uk

Would it be possible to have a suggestions box at the post office and online? We will arrange to put these in place, thank you for the interest.

How do we return Pledge Forms? Details are on the form and there will also be a collection box for them beside the Post Office counter.

THANK YOU FOR YOUR SUPPORT