



## NAYLAND SAVE OUR POST OFFICE CAMPAIGN

### Announcement from Nayland Community Store Ltd (NCSL) 5th September 2018

Over the past two and a half years, in our attempt to save Nayland Post Office, we had established Nayland Community Store Ltd (NCSL) as a Community Benefit Society (regulated by the FCA); secured a contract to provide Post Office Ltd services (conditional upon us raising community funding); concluded a contract for the Royal Mail sorting office and successfully negotiated a LEADER Grant from Suffolk County Council to contribute towards the necessary refurbishment and upgrade of the premises to meet current Post Office standards. We had also obtained the building regulatory and Listed Building consents and agreed a schedule of works for the premises' refurbishment between our agent Fenn Wright, Post Office Ltd and our chosen contractor, Ian Harris. We had received 250 pledges for donations totalling £58,491 towards the launch cost of the business and were hopeful that the total sum needed of £90,000 (which included covering a salary for a retail manager for 18 months, repaying a Community Council loan and covering the increased building costs resulting from the delayed contract negotiations), would be met from the sale of shares in NCSL. We had formed a small retail advisory team to take charge of buying and had started to meet and scope suppliers. Following our public appeals, we had secured five volunteers to assist in the shop and confirmed Sylvie Bond would continue to be employed to run the Post Office counter.

However, there remained some substantive outstanding negotiating issues on the lease and asset purchase contract with Mrs Ford and slow progress was being made. In order to complete the legal purchase to take possession of the premises and the business, and manage the closure period for refurbishment to reopen in time to catch the Christmas period trade, we set a final deadline for exchange of contracts of 31<sup>st</sup> August.

We had already missed several deadlines and we could not afford to miss another, as any additional delays would result in yet further increases in costs and fees and put more pressure on our funding target, as well as losing the momentum to conclude the whole transaction.

We had recently been informed that Post Office Ltd was reducing some of its fees, so we were already facing a reduction of income for a range of Post Office services. Then, on 7/8 August, three things happened: first, the PO newspaper delivery man resigned through ill-health at just a few days' notice. This jeopardised some 50% of the turnover of the business, not just in lost newspaper sales, but also in loss of footfall as those people no longer come into the Post Office to settle their accounts. Second, the one candidate for the financially-skilled Chair needed to run the NCSL Board after launch cancelled his interview, also due to ill-health. Third, and within 24 hours, the sole candidate to be the manager of the in-shop retail business withdrew her candidacy. With three weeks to go to our final deadline of 31 August, the uncertainty that these developments threw into an already fragile business plan was untenable.

Our role as a Board is a position of trust. Our draft Share Prospectus was already heavily red-lined and caveated, as our trading projections were based on assumptions from past trading data. These new developments created an unacceptable risk profile. With extreme reluctance, the Board concluded that there was no longer a viable business case to present to the community. While an individual sole trader might make a financial success of the business, a limited company with no retail experience, employing two staff (albeit one on a short-term basis), would likely require ongoing subsidy, something we had promised the village we would never recommend. In that light, the directors resolved that they could not continue with their quest to save Nayland Post Office. We met with Patsie Ford and informed her of our decision and made it clear that this is not a reflection upon her current business which is remunerated in a different manner.

We are so disappointed that this transaction has not come to a successful conclusion after all the efforts we have all made over the past two and a half years. By the end of August, we had informed Mrs Ford, our lawyers Birkett Long, our pledgers, the Post Office, Ian Harris and Donald Barber at Fenn Wright (the latter has graciously waived outstanding fees), Suffolk County Council and the LEADER team and all villagers via community websites.

To all of you who made a financial pledge, offered your help, advice or support along the way or came forward as a volunteer, we say thank you. We are truly sad that we were unable to complete our journey. The future for Nayland Post Office will now be a matter for Mrs Ford and Post Office Ltd to resolve.