

## **A summary of the second Investors' meeting, Barcombe Stores, held in the Village Hall on Sunday 30th April 2017.**

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### General

The community needs to raise £350,000 to purchase the freehold of the shop and the flat above, plus a further £15,000 to cover stamp duty, a survey and legal costs.

On the day of the meeting the fund stood at £339,250, raised from 167 pledges.

Therefore another £25,000 was needed.

The response to this news was very positive. If you would like to increase your pledge, please let Alan Marler know by email ([alan.marler@btinternet.com](mailto:alan.marler@btinternet.com)) or use the link on the home page of [www.barcombepc.net](http://www.barcombepc.net). (*Several people have since done this — thank you!*).

A new company — Barcombe Village Shop Limited — has been formed with the necessary bank account. Three names from the group were initial directors so the process could begin. Now a board of directors made up from investors is needed, and some individuals have already put their name forward for this.

Each individual investment will comprise £1 for a share in the new company, with the balance in the form of a loan on which interest is expected to be paid at about 2% per year. That interest should be payable after the new company has set aside some funds for repairs and other contingencies, plus building a fund to repay loans/buy back shares. Any such repayments/buybacks, which might be triggered by someone leaving the village or dying, for example, would be made at the discretion of the board. It was decided that the final decision on these matters should be taken by the directors and investors once the new company was fully formed.

It is hoped that the transaction will be completed by the middle of August, subject to raising the full amount and to a satisfactory property survey. We will therefore need to ask those who have pledged money to transfer it sometime around the beginning of June: details will follow.

Rob Wallace and his wife Clara Gonzalez will run the shop and post office. This news was very warmly welcomed.

There was discussion about how investors' interests should be served should the building need to be sold, and the subsequent distribution of any profit or loss. It was thought that such decisions should be left to the board of directors at the time. A sale would be the worst-case scenario and should not happen.

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### Questions/comments

- What happens to the shares on death?
- Is there an opportunity to pay by direct debit throughout a year?
- Should there be a further valuation?
- The shop should sell coffee, and have table and chairs like those at Ripe and Fletching
- Most pledgers seem to be older – where are the young?
- If everyone increases their contribution by £200 we will reach the target
- Endorsements of Rob and Clara as tenants
- Could St Francis be used as a shop during refurbishment of the existing premises?
- Pay a dividend before Christmas

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## Considerations regarding the new company

- One share would entitle only one vote
- The rental from shop and flat will provide a safety net and a return to investors
- Individual investors are needed as directors
- The new company will pay for the business's goodwill
- If the shop is sold, the new owner would pay for the goodwill. The money would go to the new company on a sliding scale, depending how long Rob and Clara have been tenants
- A bank account will be opened to receive investment monies
- The shop premises will be on a 10 year lease
- The new company will be the landlord of the flat
- The shop tenancy must include the post office
- The new company will insure the building (shop and flat)
- Could individuals pledge a sum less than £500? Yes, but the money would be a gift. It would not buy a share or a vote.

Subsequently, a floor vote was proposed on the question of whether, if the building had to be sold, any increase (or decrease) in its value should go to the investors or to the village via the Parish Council. The latter option is an 'asset lock'. Despite a show of hands, it was thought unwise to decide the matter at the time for two reasons — many potential investors were not at the meeting, and it was not clear that all present understood the implications of the choices. However, it appeared that a majority preferred that any profit should be distributed according to the size of an individual's investment, rather than per shareholder.

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## In conclusion

A round of applause acknowledged the hard work and dedication shown by Gordon Gurman, the building's current owner. A second round of applause went to the 'group of seven' for the hard work and dedication put in to get the rescue bid this far.

Parish Council Chairman Alan Marler added: "The wonderful thing is that this has been a village problem and the village has found (almost) the solution on its own, without involving consultants, advisors or external funding. This great response should secure the village shop for generations — thank you all."

Ends