



Share Withdrawal Policy

First produced in	January 2019
This version approved on	17 February 2019
Approved by	Management Committee
To be reviewed no later than	January 2021

1. Introduction

The Rocklands Community Shop Limited ("RCS" or the "Society") is a registered society under the Co-operative and Community Benefit Societies Act 2014 and owned by its members, the majority of whom are residents of the village of Rocklands. RCS operates from shop premises within Rocklands village, in Norfolk and delivers various services for the benefit of residents of Rocklands, the Brecks and visitors to the area. RCS is a socially responsible business committed to commercial success whilst upholding the highest standards with regards to business operations. This policy forms part of those standards of good practice.

2. General Policy Statement

As set out in RCS Rules (the "Rules") share capital may be withdrawn without penalty at the discretion of the Management Committee (the "Committee"). The Rules also allow the Committee to specify a maximum total withdrawal for each financial year or to suspend withdrawals.

This policy sets out the Society's position on share withdrawal, reflecting the Rules and advice from the Financial Conduct Authority ("FCA"); the procedure; and the general principles of how withdrawal requests will be handled by the Committee.

3. Financial Conduct Authority

The FCA sets out a number of tests of whether a society is meeting its conditions for registration, which include that it should only allow the withdrawal of shares if:

- It has trading surpluses that match or exceed the value of shares involved; and
- The directors believes the society can afford to pay its debts, taking into account:
 - (1) all of its liabilities (including whether it will be able to pay its debts at the date of withdrawal and, for a year after that, any contingent or prospective liabilities); and
 - (2) the society's situation at the date of the transaction.

4. Share Valuation

Under the Rules, shares will never be worth more than their nominal £10 face value, and may under exceptional circumstances have a lower value attributed by the Committee.

5. Converting Shares to Donations

Noting that many members purchase shares in community organisations for non-financial reasons, with a view to realising a social rather than a financial return, some members may regard the monies paid to purchase their shares as a donation. In such circumstances the Society provides an option to surrender some of the share value back to the Society, in which case those shares would be cancelled and their value becomes a donation. To retain membership of the Society a minimum £10 share must be retained.

6. Share Withdrawal Procedure

The following procedure has been chosen to make the withdrawal process as fair and transparent as possible.

1. Members may request the withdrawal of shares at any time by completing the Share Withdrawal Form available on the RCS website or by requesting a copy from the Membership Secretary. Completed forms must be returned, along with a copy of the share certificate(s), to the Membership Secretary.
2. Applications received by 31st March each year will be considered in April of the same year (applications received after this date will not be considered until the following year).
3. On 1st April each year (or as soon afterwards as is reasonably practicable) and following approval of the Society's annual accounts for the previous year the

Committee, after consultation with the Society's Accountants and Auditors, shall agree (subject to sufficient reserves being available) an amount of funds (the "Repayment Fund") to be set aside for the repayment of share monies. The amount, which will be determined by the Committee in its sole discretion, will be informed by:

- (1) the financial return from the previous year;
 - (2) new share purchases;
 - (3) the FCA tests as incorporated into the RCS rules; and
 - (4) the total value of withdrawals requested by 31st March each year
4. Share withdrawals will be allocated on a pro rata basis rounded down to the nearest whole share so that withdrawals will be limited to the value of the Repayment Fund in each year. Members may request withdrawal of any unpaid balance remaining by making a new application in the following year(s).
(e.g. if the total value of share withdrawal requests is less than the amount set aside in the Repayment Fund all requests received that year will be fully satisfied, but if the total value of share withdrawal requests is twice that of the Repayment Fund half the amount requested that year will be paid out)
 5. Withdrawals will be made each year as soon as possible after the amount of the Repayment Fund has been agreed by the Committee.
 6. It is recommended that Members retain at least one £10 share in order that they can have a say in how the Society is run. Those who withdraw all their shares will cease to be Members and will therefore not be able to vote in the election of Committee members or on other matters at Members' meetings.
 7. On the Death of a member, shares may be transferred to another party. However, if the wish is for those shares to be withdrawn, the Committee may deal with any request due to death of a member separately as a priority. Funds will be returned on receipt of original share certificates and sight of the deceased shareholder's will confirming that the shares can be transferred.



ROCKLANDS COMMUNITY SHOP

Application to Withdraw Shares

The Rocklands Community Shop Limited (the "Society") is a registered society under the Co-operative and Community Benefit Societies Act 2014.

This form should be used in conjunction with the Society's Rules and Share Withdrawal Policy, both of which are available from the Society's website, or on request from the Membership Secretary.

Full Name	
Address	
Postcode	
Telephone Number	
Email Address	
Share Certificate Number	
Number of shares requested for withdrawal	

Method of payment

Cheque – please provide details of payee

Payee Name

BACS – please provide bank account details

Name on Account

Account Number

Sort Code

Signature _____

Date _____

Please send the completed form, along with a copy of the share certificate(s), to:

Membership Secretary

The Rocklands Community Shop Limited, 52 The Street, Rockland All Saints, Attleborough, Norfolk NR17 1TP *or*

email to membership@rocklandscommunityshop.co.uk