Bishop Wilton Community Shop Ltd

Share Withdrawal Policy

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Approved by	Management Committee
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General policy statement

Bishop Wilton Community Shop Ltd (BWCS) is a registered Community Benefit Society under the Co-operatives and Community Benefit Society Act 2014 and is owned by its members, the majority of whom are residents of the village of Bishop Wilton. The Society operates from the shop premises on Main Street, Bishop Wilton, in East Yorkshire and delivers various services for the benefit of residents of Bishop Wilton the wider area and visitors to the area. BWCS is a socially responsible business committed to commercial viability whilst upholding the highest standards with regards to business operations. This policy forms part of those standards of good practice.

Background

To be a member you need to hold at least one share in BWCS. We encourage as many members as possible and as stated in the share prospectus shareholders should think of their shares as a long term or permanent investment in the community.

However, as set out in the BWCS Rules section 8, shares held for a minimum period of three years or such other period as the Management Committee decides are withdrawable at the sole discretion of the Management Committee. The Rules also allow the Management Committee to specify a maximum total withdrawal for each financial year or to suspend withdrawals.

This policy on share withdrawal is referred to in section 8 of the Rules and provides clarity to members around how and when they can request share withdrawal.

The FCA sets out a number tests of whether a society is meeting its conditions for registration, which includes 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 believe the society can afford to pay its debts, taking into account:
    - 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
    - the society’s situation at the date of the transaction

Under BWCS rules, each share will never be worth more than £10 and you may under exceptional circumstances be offered less.

Converting shares to donations

Some members may have bought shares but actually see them as a donation. If so, they may formally surrender some of your shares back to the Society, which means that the shares are cancelled, and the original investment becomes a donation. To retain membership of the Society, they would need to retain a minimum of one £10 share. This can be arranged by contacting the Secretary on bishopwiltonshop@gmail.com. In order to make the withdrawal process as fair and transparent as possible the following process has been agreed.

Members may request the withdrawal of some or all of their shares that have been held for at least 3 years by completing the Share Withdrawal Request Form which can be found on our website at bwcommunityshop.co.uk in the Downloads' area, or by requesting a copy from the Secretary. The form should be returned by email to bishopwiltonshop@gmail.com or post to The Secretary, Bishop Wilton Community Shop, Main Street, Bishop Wilton, YO42 1SR.

For any year that we make a profit, the intention is to make available a proportion of profits for the repayment of any share withdrawals. The maximum amount available for share withdrawals will be determined by the Management Committee, based on:

1. The financial return for the financial year to 30th June
2. New share purchases
3. The BWCS Rules
4. The value of withdrawals requested up to the 30th June (e.g. the amount set for repayments to be made following the AMM the previous year will take account of the value of share withdrawal requests received by 30th June).

In exceptional circumstances the Management Committee may also choose to take into account brought forward reserves from prior years in determining the amount available for share withdrawals.

Share withdrawals will be prioritised on a first come first served basis, subject to an initial cap of £1,000 per member if the total value of share withdrawals requested exceeds the amount allocated by the Management Committee for withdrawals for that year.
On the death of a member, shares may be transferred to another party. However, if the wish is for those shares to be withdrawn, BWCS will deal with any request due to death of a member in the same way as other requests. Shares may also be bequeathed back to the Society if desired.

Any share withdrawal requests received before 30th June, that cannot be met in full from that year's allocation, will be transferred into the following year's allocation and be considered as priority.

Payments in respect of approved share withdrawals for a year to 30 June will be made immediately following the AMM at which the accounts for that year are reviewed. If the value of withdrawals requested by the 30th June is lower than the allocation available for that year share withdrawal requests made between 30 June and 3 months before the date of the AMM may also be considered for repayment following the AMM at the sole discretion of the Management Committee.

In exceptional circumstances, the management committee will at their absolute discretion consider a request from a member for a more immediate payment on withdrawal of shares.