

Bamford Community Society Limited

Share withdrawal policy

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Approved by	Board of Directors
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Approved by	BCS Board
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General policy statement

The Bamford Community Society Limited is a registered 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 Bamford. The Society owns the Anglers Rest public house within Bamford village, in the Derbyshire Peak District and manages the tenancy of the pub for the benefit of residents of Bamford, the wider Hope Valley and visitors to the area. This policy forms part of the standards of good practice of the Society.

Background

As set out in BCS Rules, your investment in your share account is withdrawable without penalty at the discretion of the Board under the Society's rules. The Rules also (as set out in the extract in Appendix A) allow the Board to specify a maximum total withdrawal for each financial year or to suspend withdrawals.

The policy on share withdrawal, as outlined within this document, 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 BCS rules, shares will never be worth more than £1 and you may under exceptional circumstances be offered less.

Converting shares to donations

Some members may have bought shares but actually seen them as a donation. If so, why not 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, you would need to retain a minimum £1 share. If you are interested in doing this, please contact the Company Secretary on bcscmpsec@gmail.com

Share Withdrawal Process

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 their shares at any time by completing the form a copy of which can be obtained from the Society Secretary.

The form should be returned by email to bcscmpsec@gmail.com or by post to Bamford Community Society, Bamford Village Institute, Bamford, Hope Valley, Derbyshire, S33 0DY

For any year that we make a profit, the intention is to allocate a proportion of profits for the repayment of share withdrawals, the amount to be determined by the Board, based on:

1. The financial return from the previous year
2. New share purchases
3. The FCA tests as incorporated into the BCS rules
4. The value of withdrawals requested up to the 31st August of the previous financial year (e.g. the amount set for repayments in 2025/6 will be based on the value of share withdrawal requests received by 31st August 2025).

The Board will also seek to facilitate repayment of shares from any new share investments.

Where the Society is able to allocate funds to share withdrawals (either from reserves or new share investments) but has insufficient to repay all, repayment will be in £250 "lots" strictly in the order in which formal requests were received " i.e. the first requester will receive the first £250, the second the second £250 and so on.

On the death of a member, shares may be transferred to another party. However, if the wish is for those shares to be withdrawn, BCS will deal with any request due to death of a member in the same way as other requests.

Funds will be returned to investors on receipt of original share certificates.

Any share withdrawal requests received before 31st August, that cannot be met at from that year's allocation will be transferred into the following year's allocation and be considered as priorities.

If the value of withdrawals requested by the 31st August is lower than the allocation, share withdrawal requests received from the 1st September may be funded up to the limit of the allocated funds.

The amount of allocation for share withdrawals will be presented to members at the Annual Members meeting. In the event of exceptional circumstances, the board can exercise its discretion over an individual request which should be notified to the Secretary in writing.

This Policy will be reviewed every three years.

Appendix A – extract from the Bamford Community Society Rules

8.4 Shares are not transferable except on death or bankruptcy, and are withdrawable at the sole discretion of the Management Committee in accordance with the Rules as follows:

8.4.1 shares may be withdrawn by Members who have held them for a minimum period of three years or such other period as the Management Committee decides;

8.4.2 application for withdrawal shall be made on not less than three months' notice, on a form approved by the Management Committee;

8.4.3 the Management Committee may specify a maximum total withdrawal for each financial year;

8.4.4 All withdrawals must be funded from trading profits, reserves or new share capital raised from Members, and are at the absolute discretion of the Management Committee having regards to the long term interests of the Society, the need to maintain prudent reserves, and the Society's commitment to community benefit. If any withdrawal is to be funded from reserves, the Management Committee must be satisfied that:

8.4.4.1 as a result of such withdrawal there will be no ground upon which the Society could then be found to be unable to pay (or otherwise discharge) its debts; and

8.4.4.2 the Society will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the withdrawal.

8.4.5 all withdrawals shall be paid in accordance with the Society's policy on share withdrawal as agreed at the AGM. If no such policy exist , all withdrawals shall be paid in the order in which the notices were received, up to a maximum total withdrawal specified for the financial year, following which no further withdrawals may be made until the following year.

8.4.6. except where a Member intends to terminate their membership, they shall not be permitted to withdraw shares leaving them with less than the minimum required by the Rules;

8.4.7. the Management Committee may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as it considers appropriate;

8.4.8 the Management Committee may suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall apply to all notices of withdrawal which have been received and remain unpaid at the time. Where the suspension is for a fixed period, it may be extended from time to time by the Management Committee;

8.4.9 during any period when the right of withdrawal has been suspended, the shares of a deceased Member may, if the Management Committee agrees, be withdrawn by

their personal representatives on giving such notice as the Management Committee requires;

8.4.10 the Society may deduct such reasonable sum to cover administrative costs of withdrawal from the monies payable to a Member on the withdrawal of shares.