



Dobcross Village Society Ltd

Share Withdrawal Policy

Updated August 2025

Introduction and points of principle

The purpose of Dobcross Village Society Limited (the Society) is to purchase, run, refurbish, and revitalise the Dobcross Village Store & Post Office, thereby preserving a valued community asset., Finance to purchase and run the business, now established as a Community Benefit Society (CBS) under the Co-operative & Community Benefit Act, was raised through a community share issue. Community shares confer legal membership on all investors who all have one vote.

Members are allowed to withdraw their shares subject to the following rules and any Management Committee decisions thereafter.

In developing this policy, the following points have been considered:

- Shareholdings in the Society are a long-term investment to secure the future of the Dobcross Village Store & Post Office. The investment is for the benefit of the community, rather than for personal financial gain.
- The Society is a not-for-profit CBS. Embedded in its Model Rules for Community Ownership is the principle that any trading surplus (profit) will be reinvested in the business or distributed to support local community initiatives.

Therefore, based on the above, any withdrawal

1. is at the discretion of the Management Committee, and
2. should not endanger the viability of the Society.

This policy is consistent with the Society's Model Rules for Community Ownership¹, the Society's Share Offer documents² and FCA guidance³.

¹ www.dobcrossvillagestore.com/info

² www.dobcrossvillagestore.com/info

³ <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>



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FCA guidance states:

‘Our view is that it is an indicator that a society is meeting its condition for registration if it only allows 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.’

Withdrawal process:

- Members can request to withdraw their shares at any time by completing the attached Application to Withdraw Shares form.
- Shares may only be withdrawn by members who have held them for a minimum of **three years**, (or any set period as the Management Committee decides.)
- Applications for withdrawals require **three months’** notice.
- Withdrawals are subject to a maximum total withdrawal of **10% of total share capital** in any financial year
- Individual withdrawals are limited to a **maximum of £500** and members can make a maximum of **two withdrawals each financial year**.
- Withdrawals must be funded from trading surplus or new share capital raised by members and are at the discretion of the Management Committee regarding the long-term interests of the Society, the need to retain prudent reserves and a commitment to community benefit.
- All withdrawals will be paid pro-rata in the order that they are received, up to any maximum total withdrawal specified for the financial year, following which no withdrawal can be made.
- The withdrawal of share capital is not allowed if there are grounds to believe that the Society may become insolvent.



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- Withdrawals will be suspended or restricted if the Society's liabilities exceed its assets or are in danger of doing so in the next **12 months**.
- Applicants may be offered less than the value of their share capital.
- 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 (**£250**)
- There is a limit on the amount of withdrawable share capital that can be held by an individual member, currently standing at **£2,000**

Transfer process:

- Community shares are not transferable, unless in the event of death or bankruptcy.
- Where the investments are less than £5,000, and the member has made a nomination prior to their death as to which individual(s) should receive their investment, the Management Committee will authorise the transfer in accordance with the instructions in the nomination.
- If there is no valid nomination, the Management Committee will authorise the transfer to anyone it thinks best. However, the Society will contact the deceased member's next of kin or executors to establish what would be an appropriate way forward, which might include the Society paying the value of the shares instead of transferring them to other people.
- If, at some future point, a member's total investments at the time of the member's death are £5,000 or above, the Management Committee must wait to be informed by the member's executors as to what should happen to their investments.
- If a nomination is made when the member's investment was below £5,000 but it has subsequently increased through additional investment to more than this, then the original nomination is no longer valid, and the transfer must be dealt with by the member's will.
- Investments can be transferred in parts to different people.
- A claim on the shares of a bankrupt member may be made by a trustee in bankruptcy, where the trustee has become entitled to any property of the bankrupt party. The shares may be disposed as the trustee may direct.



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