



ERMINGTON
STORE & MORE



Share Withdrawal Policy

First Produced	June 2024
Version Approved	1/7/2024
Approved by	Committee
To be reviewed no later than	1/7/2027

1. Introduction

Ermington Store & More Ltd (or the 'Society') is a registered society under the Co-operative and Community Benefit Societies Act 2014 and is owned by its members, the majority of who are residents of the village of Ermington. ES&M operates from premises within Ermington village in Devon and delivers various services for the benefit of residents of Ermington, its surrounding villages and visitors to the area. ES&M is a responsible business committed to commercial success whilst upholding the highest standards with regard to business operations. This policy forms part of those standards of good practice.

2. General Policy Statement

As set out in ES&M Rules (the 'Rules') share capital may be withdrawn without penalty at the discretion of the Management Committee (the 'Committee').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 several 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 believe that 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 £20 face value and may under exceptional circumstances have a lower value attributed by the Committee.

5. Share Withdrawal Procedure

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

- (1) Members may request the withdrawal of shares by completing the Share Withdrawal Form available on the ES&M website or by requesting a copy from the Membership Secretary. Completed forms must be returned to the Membership Secretary.
- (2) Applications need to be submitted no less than three months before the end of the financial year (March 31st). Applications received by 31st March each year will be considered at the year-end committee meeting of the same year (applications received after this date will not be considered until the following year)
- (3) Following approval of the Society's annual accounts for the previous year the Committee, after consultation with the Society's Accountants, shall agree (subject to sufficient reserves being available) an amount of funds to be set aside for the repayment of share monies. The amount will be determined by the Committee in its sole discretion and will be informed by:
 - (1) The financial return from the previous year
 - (2) New share purchases
 - (3) The FCA tests as incorporated into the ES&M Rules; and
 - (4) The total value of withdrawals requested by 31st March each year

Share withdrawals will be allocated on a pro rata basis rounded down to the nearest whole share so that withdrawals will be limited to no more than 10% of the capital reserve held 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 agreed to be available for withdrawals in that year, all requests received that year will be fully satisfied. But if for example, the total value of share withdrawal requests is twice that of the agreed amount available, half the amount requested that year will be paid out.

Withdrawals will be made each year as soon as possible after the available amount of the has been agreed at the year-end Committee Meeting.

It is recommended that members retain at least on £20 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 Member's Meetings.

6. Death of a member

Nomination

A nomination form is available for those wishing to nominate a person to receive your shares after death for shares up to the value of 5K. We will try to respect your wishes however cannot guarantee this. Amounts over 5k will be subject to probate and should specially written into the shareholders will. We would encourage individuals purchasing large amounts should seek independent financial or legal advice. If the person nominated already has shares they cannot go above the maximum amount and they would not receive an extra vote.

Shares may qualify for inheritance tax relief however individuals should speak to an independent Tax specialist to find out more.

Surrendered

Shares may be bequeathed back to the society

Withdrawal

Requests for withdrawal by your representative will be subject to the same conditions as other requests unless there are exceptional circumstances which will be given special consideration.

This document is issued by the Management Committee of *Ermington Store and More*.

Ermington Store and More, a Community Benefit Society, registered in England No:8319
Registered Office: Church Street, Ermington, Ivybridge, Devon, PL21 9NJ

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APPLICATION TO WITHDRAW SHARES

Ermington Store & More Ltd (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	
Number of shares to be donated back to the Society	

BACS – please provide bank details

Payee name	
Name on Account	
Account Number	
Sort Code	

Signature _____ Date: _____

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

The Membership Secretary, Ermington Store & More, 1 Church Street, Ermington, Ivybridge, Devon PL21 9NJ or scan and email to: communityshop.ermington@gmail.com