



Shares Policy

Policy

Policy statement

Tibberton Community Shop Ltd (TCS) is a Community Benefit Society (CBS) registered in England and Wales with the Financial Conduct Authority (FCA) under the Co-operatives and Community Benefit Societies Act 2014 and is owned by its Members, the majority of whom are residents of the Parish of Tibberton and Cherrington. TCS is a “not for profit” business, entirely volunteer run with no paid employees and operates from Tibberton Village Shop with a Management Committee elected from and by its Membership. The Shop is located in the village of Tibberton, near Newport in Shropshire, and delivers various Shop and community hub services for the benefit of residents of the Parish and visitors to the area. TCS and the community it serves, and which supports it, received the Queen’s Award for Voluntary Service in 2017.

TCS is a socially responsible business, committed to commercial success to maximise the benefits we can reinvest in our community through donations while upholding the highest standards with regards to our business operations. This policy forms part of our standards of good practice.

Introduction

In 2011 TCS attracted equity investment through a Community Share Issue, which has seen new residents subsequently acquire shares. Our shares **do not** offer any financial return and, should the business wind-up, any surplus generated by the Shop will be distributed to good causes in the area and not returned to shareholders. Quoting from the original 2011 prospectus, holding a share in our Society is:

“...a long-term investment for the benefit of the community. It is not the same as the more familiar investment in a ‘for profit’ enterprise where the investor seeks to share in the profits through dividends and make capital gains from an increase in the value of shares held which are freely marketable. The value of shares in **Tibberton Community Shop** cannot increase beyond the nominal value of £10 and may be reduced if liabilities exceed assets. However, because the shares are issued by a corporate body, no further liability can fall on you as a shareholder.

These shares cannot be sold. The only way to recover the sum initially invested (or any reduced value) is to apply for a withdrawal to the Board (i.e. the Management Committee). Withdrawal will be at the discretion of the Committee who will judge if the business is trading profitably and has adequate cash reserves to fund the withdrawal. The Committee may suspend the right to withdraw shares, wholly or in part, definitely or indefinitely.

Shares are not transferable except in the event of death or bankruptcy of a member.



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Tibberton Community Shop will not pay interest or dividends on shares. This investment must therefore be considered an opportunity for people to contribute financially to the community with the expectation of a social dividend rather than financial reward. The Tibberton Community Shop cannot be sold for the benefit of its member shareholders. Future surpluses not needed for the development of the business can only be used for the benefit of Tibberton and surrounding villages. In the event that the business ceases trading, any surplus (after paying creditors) must be used for the benefit of the community or similar projects in nearby communities.

Our share offer is exempt from the Financial Services and Markets Act 2000, or subsidiary regulations; this means you have no right of complaint to an ombudsman. A community benefits society is registered with but not authorised by the Financial Services Authority* and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. As the whole of your investment could carry a risk, please consider carefully in the context of this share offer document, and if needed seek independent advice.”

*Now the Financial Conduct Authority (FCA).

The Purpose of this Policy

The share offer document does not cover the topic of withdrawals or transfers. This policy clarifies our Society’s position on this. TCS is governed by the Plunkett Foundation Model Rules Version 6 registered with the FCA; hereinafter referred to as ‘our/the Rules’. A copy of our Rules can be found on our website. Section 8 of the Rules outlines the governance of **Share Capital**.

Section 8.4 covers transfers and withdrawals, “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”, detailed fully in sections 8.4.1 to 8.4.10 of the Rules on our website at <https://www.tibbertonvillageshop.co.uk/membersdownloads> summarised in the next section of this policy.

Section 8.5 permits the Society to pay interest, funds permitting, on shares at the discretion of the Management Committee. **The TCS Management Committee has never envisaged this happening.**

Section 8.6 says, “On the solvent winding-up of the Society, holders of shares will have no financial entitlement beyond the payment of outstanding interest and repayment of paid up share capital.”

Withdrawals

The Rules allow the Management Committee to decide on withdrawal capital available each year. The Committee can also decide to delay repayments and set the interest rates, if they deem such to be appropriate in TCS’s trading circumstances. As mentioned above, **it is not envisaged that interest will be paid on any TCS shares or withdrawals**. FCA guidance on withdrawals states that for a Community Benefit Society (CBS):

- 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:



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- 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 our Rules, members/shareholders cannot sell their shares, but they can apply to the Society to withdraw them, in one of two ways, to **surrender** or **withdraw** them.

Surrender - When shares are *surrendered* then the shares are cancelled but their capital value remains within the Society's reserves as a donation to be used at the discretion of the Management Committee or members for the Shop's benefit.

Withdrawal - When shares are *withdrawn* the Society would pay back their capital value and the shares are cancelled. If the shareholding goes below the minimum shareholding for membership, i.e. one share, then their membership will cease and they will be removed from the members' register.

As share capital underpins the Shop's reserves, available for reinvestment in the business or the community, and as the opportunities for raising further share capital are limited, the Committee wishes to retain as much share capital in the Society as possible. **To facilitate this, the Committee recommends that shares are surrendered rather than withdrawn.**

The financial risks of withdrawal

All investors/potential investors should be aware that the Society's ability to repay shareholders' funds each year will be dependent on a number of factors:

- The ability to successfully launch future share offers to replace capital
- The profitability of the Society
- Any expansion / maintenance plans or any major changes in circumstances, e.g. pandemic.

If TCS makes significant losses the Committee may need to write down the value of the shares upon the advice of an auditor or accountant. If you then wished to withdraw your shares you would only receive the written down value of shares.

The Surrender / Withdrawal Process

There is no obligation on the Management Committee to return share capital to members. Members must give three months' written notice of their wish to withdraw or surrender their shares, using the attached Surrender / Withdrawal Form. The Management Committee may waive this notice for members with extenuating circumstances at their discretion. Members are reminded that if they surrender / withdraw all their share income, they will no longer be members of the Society, they will be removed from the membership list and cannot vote or stand for the Management Committee.

A confirmation receipt will be sent to the member, ideally within 7 days of the application being received and placed in the Members' Register. The request will be considered, voted on and minuted at the next Management Committee meeting, with the member being informed of the decision within



7 days of that meeting. The shares will be redeemed / cancelled as appropriate, and payment will then be made to member on the agreed date of the shares being surrendered / withdrawn.

The Management Committee will review each request individually considering TCS’s trading position, the Society’s Rules and the FCA’s guidance.

Where the Management Committee has agreed a maximum target sum be set aside for withdrawals in the year and where the total of requests received fall below that figure, then those requests can be repaid in full, and the Committee can decide how the excess money should be utilised. If the requests are more than the set target, then the committee will consider

- The viability of increasing the sum available (possibly by another share offer) OR
- Paying out in order of the request(s) received
- Paying out an amount pro rata across the requests
- Paying out in order that shares were purchased.

Death of a Member

The above **Surrender / Withdrawal Process** will also be followed in the case of a member’s death, with the caveat that after a member’s death the Society’s Secretary will be liaising with the member’s nominee or representative. The options which apply to what happens to the member’s shares are:

Nomination – As a member you can nominate someone to receive your shares after death, for shares up to the value of £5k, using the **Share Nomination Form**. TCS will try to respect your wishes however the Society cannot guarantee this, for the reasons stated above. In addition, please note that amounts over £5k will be subject to probate and should specially written into the shareholder’s will. Shares may qualify for inheritance tax relief so nominees should speak to an independent Tax specialist to find out more.

Surrender - Shares may be bequeathed back to the Society using the **Share Nomination Form**, by naming “Tibberton Community Shop Ltd” as the nominee. In such cases the Committee will decide how best to use the money for the benefit of the Society.

Withdrawal - Requests for withdrawal by your representative will be subject to the same conditions as other withdrawal requests unless exceptional circumstances merit special consideration. Such requests should be made using the final of the three forms provided below.

Tibberton Community Shop	Policy: Shares Owner: TCS Management Committee		
Next review	Management Committee	May 2025	
Revisions from...	Caroline Nicklin	May 2023	Version 2a
Approved for publication by	Management Committee	February 2023	Version 2
Revised by	TCS Secretary, input from Plunkett Foundation	Jan-Feb 2023	Version 1b-e
Approved by	Management Committee	November 2022	Version 1
Drafted	TCS Secretary + Treasurer	October 2022	Version 0a



Share Surrender / Withdrawal Form

Member's Details

Name, Address, Telephone, Date of Birth, Email, Post Code, Nationality

I, the undersigned, wish to surrender* / withdraw* the shares I hold in Tibberton Community Shop Limited, numbered _____ to _____ with effect from: _____ (DD-MMM-YYYY)

(*Delete as applicable)

If surrendering these shares, I wish the capital to remain in the Society.

If withdrawing these shares, I wish payment to be made into the following account:

Bank _____ Account Name _____

Sort Code _____ Account Number _____

I understand this will end my membership of the Society and voting rights from the above date, that it may not be possible for the Society to action this request and that these instructions can only be revoked or amended by my giving clear written instructions to the Society's Secretary at its Registered Address.

Signed _____

Member's Printed Name _____

Date DD-MMM-YYYY _____

TO BE COMPLETED by the SOCIETY'S SECRETARY (Documents will be held on the Members' Register of Shares)

Surrender / Withdrawal Form Received (Date) _____

Acknowledgement sent by email / letter (Date) _____

Committee's Decision and Date _____

Applicant Notified of Decision by email / letter (Date) _____

Shares SURRENDERED - Confirmation email / letter sent (Date) _____

Shares WITHDRAWN - Payment made & confirmation email / letter sent (Date) _____



Share Nomination Form

(Please use this form to explain how you would like TCS to treat your shares in the event of your death.)

You can Nominate a person (aged 18 or over) or an organisation to whom you wish your shares to be transferred on your death. Trustees will have to be appointed for any nominee under 18 years old. TCS (the Society) will respect your wishes insofar as the law and our Rules permit. One form is needed for each nominee.

You can Surrender your shares by choosing to nominate Tibberton Community Shop Limited which, from the time of your death, would in effect make it a beneficiary under your will.

In the event of your death, the Society can redeem up to £5k in shares without needing a Grant of Probate subject to the Society having sufficient funds available. If you choose not to nominate anyone your executors will deal with your shares as part of the administration of your estate and can apply to the Society to have them redeemed.

Nominee's Personal Details

Name (First names, Surname), Address, Telephone, Email, Date of Birth (DD-MMM-YYYY), Nationality, Post Code

I wish ALL* / ____%* of my shares in Tibberton Community Shop Ltd to pass to the above-named nominee. I understand it may not be possible for the Society to action this request, e.g. if the nominee is uncontactable. I and my heirs will not hold the Society responsible for its actions. I understand these instructions can be revoked or amended only by my giving clear written instructions to the Society's Secretary at its Registered Address. (*Delete as applicable.)

Member's Printed Name _____

Signed as a Deed _____

Date DD-MMM-YYYY _____

Signature of Witness _____

Witness's Printed Name _____

Date DD-MMM-YYYY _____



Share Nomination Form

TO BE COMPLETED by the SOCIETY'S SECRETARY (Documents will be held on the Members' Register of Shares)

Member's Name _____

Nominee's Name _____

Share Numbers _____ to _____ inclusive.

Nomination Form Received (Date) _____

Acknowledgement sent by email / letter (Date) _____

Committee's Decision and Date _____

Nominee Notified of Decision by email / letter (Date) _____

Shares Transferred, Certificate Posted to Nominee (Date) _____



Share Surrender / Withdrawal Form - By Deceased Member's Representative

Member's Details

Name (First names, Surname), Address, Post Code, Date of Birth (DD-MMM-YYYY), Nationality

Representative's Details

Name (First names, Surname), Address, Post Code, Telephone, Email, Date of Birth (DD-MMM-YYYY), Nationality

I, the undersigned, wish to surrender* / withdraw* the shares held by the above-named member in Tibberton Community Shop Limited, numbers ____ to ____ with effect from this date ____ (DD-MMM-YYYY) (*Delete as applicable) If surrendering these shares, I understand the capital will remain in the Society. If withdrawing, I wish payment to be made into the account detailed on the next page. I understand it may not be possible for the Society to action this request.

Signed as a Deed _____

Representative's Printed Name _____

Date DD-MMM-YYYY _____

NOTE: In these circumstances the Society requests a solicitor to witness, stamp and date this document.

Witness's Printed Name _____

Stamp

Signature of Witness _____

Date DD-MMM-YYYY _____



Share Surrender / Withdrawal Form - *By Deceased Member's Representative*

Member's Name _____

Representative's Name _____

Share Numbers _____ to _____

In **withdrawing** the above detailed shares, payment should be made into the following account:

Bank _____ Account Name _____

Sort Code _____ Account Number _____

Representative's Signature _____

Representative's Printed Name _____

Date DD-MMM-YYYY _____

TO BE COMPLETED by the SOCIETY'S SECRETARY (Documents will be held on the Members' Register of Shares)

Surrender / Withdrawal Form Received (Date) _____

Acknowledgement sent by email / letter (Date) _____

Committee's Decision and Date _____

Representative Notified of Decision by email / letter (Date) _____

Shares SURRENDERED - Confirmation email / letter sent (Date) _____

Shares WITHDRAWN - Payment made & confirmation email / letter sent (Date) _____