Kingstone Community Society Limited

Financial Conduct Authority – Mutuals Registration number 7897

Share Withdrawal Policy- V2.1

1. **Introduction**
   This document sets out the policy and procedures of The Society for the repayment of share capital from a shareholder who intends to withdraw some or all their share capital from The Society.
   The policy is outlined in The Model Rules of The Society, which were adopted when The Society was established in 2019. A full copy of The Model Rules can be downloaded from our website:
   : https://www.kingstonecommunitysociety.co.uk/

   For simplicity the section regarding Share Capital is included in Appendix I.

2. **Highlights and Key items**
   a. Any withdrawal of shares must be funded from trading profits, reserves and or new shares issued, and is at the absolute discretion of The Management Committee, having regard to the long-term interests of The Society.
   b. Applications are reviewed in the order they are received.
   c. The maximum amount of all withdrawals in any one year is set at £10,000, in total.
   d. The Management Committee have established a cash contingency/reserve of £20,000. This covers the loan repayments for one year and external costs of insurance and rates etc. and is held as a protection should there be a loss of tenants. The original loan was for 10 years and is due to be fully repaid by 2029. The cash contingency will be subject to regular review.
   e. The Roof Refurbishment Project was undertaken in 2025, for which the flat roof has a warranty of 20 years. As a measure of prudence, the Society aims to build up a total cash contingency of £40,000 by 2045. This is the estimate of costs for the replacement of the flat roof covering. (This estimate is based on the refurbishment costs in 2025, adjusted for the reduction of the structural alterations and insulation).

3. **Procedure**
   Should a shareholder wish to request the withdrawal of shares this can be done with an email to kingstonecommunitysociety@gmail.com, stating the shareholder name, address, contact telephone, and number of shares held, and number of shares requested to be withdrawn.

Date: 8/9/25

Signature (Chair) 

Signature (Treasurer) 

8 SHARE CAPITAL

8.1 The Society has shares of £1 each.

8.2 Application for shares shall be made to the Management Committee and is subject to any maximum permitted by law. Shares shall be paid for in full on application.

8.3 The minimum shareholding shall be 250 share/s. The Society may from time to time make a public share offer, and any such offer may specify a minimum number of shares.

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 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.

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 an 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.

8.5 The Society may (but is under no obligation to) pay interest to holders of shares, compensation for the use of such funds, subject to the following:

8.5.1 as any payment of interest must be from trading profits and is at the discretion of the Management Committee having regard to the long-term interest of the Society, the need to maintain prudent reserves and the Society's commitment to community benefit.

8.5.2 the rate of interest to be paid in any year is to be approved by resolution of the Members at the Annual Members' Meeting and shall not exceed 5% or 2% above the base rate of the Bank of England whichever is the greater.

8.5.3 the Management Committee may decide that interest shall not be paid in relation to holdings of shares below a minimal level.

8.6 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.

8.7 In the event that a Member resigns from membership, is removed from the Register of Members, or is expelled in accordance with the Rules, shares held by them at the date of resignation, removal or expulsion shall thereupon become a loan, repayable to the former Member by the Society. The terms of repayment shall be those applying to the withdrawal of share capital set out in the Rules and notice of withdrawal shall be treated as having been given at the point of resignation, removal or expulsion.