

# COMMUNITY SHARES

Community shares are a financial tool available to enterprises to raise money to get started, to grow and to buy the resources they need to be successful and profitable.

Community shares are a meaningful and democratic way to engage with a community who support and recognise the social value of the enterprise.

## What are community shares?

Community Shares are a unique form of share called "withdrawable share" which can be issued by co-operatives and community benefit societies. A "withdrawable share" is very different from an ordinary share. A withdrawable share can be cashed-in (withdrawn), subject to the rules of the society, and is not trade-able on the stock exchange. Co-operative societies are for the mutual benefit of their members, whilst community benefit societies are for the broader benefit of the community. Both legal structures uphold the principles and values of co-operation.

## Why offer community shares?

Community shares offers provide long term risk capital and can leverage further funding. Societies use community shares to raise finance but also to recruit members, have a greater impact and increase community participation. Community members literally buy-into the project, support the initiative and ultimately benefit from it.

## Why buy community shares?

The main reason for buying community shares is to support the social aims of the community enterprise concerned. Investing money, by purchasing shares, makes the community investor a part-owner in the community initiative and with a democratic say in its social aims and its future success as the principle "one vote per shareholder" applies.



More than 120 successful community share offers have been made in UK since 2009. Societies raised around £20m from around 24,000 members in order to:



Finance alternative and greener energy to make the environment cleaner and safer



Invest in community food and farming projects to reconnect the public with locally grown food



Regenerate areas and buildings to increase usage and access to communities



Rescue local shops to prevent the annihilation of villages and urban areas



Empower supporters to own their own sports clubs or communities their local leisure centre

CO-OPERATIVE  
**alternatives**

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