

## Cockfield Village Group Ltd

### Share Interest Policy

**A shareholding in the Cockfield Village Group Ltd (the ‘Society’) should be regarded as a long-term investment in our community, to save and secure valuable community assets – the Plough & Fleece pub and Cockfield Village Stores – and to maximise their benefits for the community for years to come.**

Investments in the Society should not be driven by personal financial gain. Nevertheless, a key feature of a Community Benefit Society is its capacity to pay interest to Members on their invested capital.

In this context, it is important for Members and prospective investors to consider the following points:

- The Society’s governance rules specify that the Society may pay interest on share capital up to a maximum (per annum) of 5%, or 2% above the Bank of England base rate, whichever is greater. The Management Committee shall propose the rate of interest to be paid in any year and this shall be approved by resolution at the Annual Members’ Meeting to be held after completion of the statutory accounts.
- Any interest payments shall be made from trading profits and are at the sole discretion of the Management Committee, having due regard to the long-term interests of the Society, the need to maintain prudent reserves and the Society’s commitment to community benefit.
- No interest will be paid until after three years of share ownership. The Management Committee will consider whether interest payments can be initiated thereafter, subject to a review of the financial situation of the Society, the need to maintain prudent reserves, and having due regard for the Society’s interests and goals as set out in the Society’s rules. Any interest payments may be less than the maximum allowable under the Society’s rules and may be zero.
- Payment of any interest due to Members will be made as soon as possible following approval at an Annual Members Meeting.
- Interest may be paid in cash (usually by bank transfer) or alternatively – at the Member’s election:
  - For the purchase of additional shares in the Society,



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- o May be waived by the shareholder to the Society to further its aims for the community.
- Any interest payable to Members withdrawing their shares shall be calculated to the date of share withdrawal and shall be paid at the same time as any interest payments are made to continuing shareholders.
- Any interest paid to Members is to be treated as payment for the use of their capital and is neither a form of profit distribution nor of capital gain.
- Interest shall be paid gross of any taxes that may be applicable. Members are responsible for advising HMRC of any interest earned on their shareholding.
- Cockfield Village Group Limited has adopted the Plunkett Model Rules, and these are available on our website; **[cockfieldvillagehub.co.uk](http://cockfieldvillagehub.co.uk)**