Co-Op's
(The quick version)

Helping grow your community

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Who are Lincolns?

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Who am I?

- 1 of 6 Partners
- 15 Years experience in public practice
- Registered Company Auditor
- Have been involved in setting up numerous Co Op's to date
- Current client base spans tax, business advisory, NFP & audit for Agri & Business clients

What is your community missing, losing or lacking?

Hairdressers

Mechanics

Auto Electricians

Accommodation

General store closing?

Pub closing?

"What can the community do to provide these opportunities or keep these businesses open?"

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Co Op's – The Community Investment Vehicle

- Allows a group of people or community to come together and meet a common need be it business, social or cultural
- Democratic member control. Votes are based on membership not investment
- Can pay dividends of profits to shareholders if it wants to, not a requirement though
- Can continue existing as long as you have members willing to drive it along
- Treated like a company in all other aspects except ASIC reporting

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Other Structures

Unit Trust

- Voting is determined by $ investment. Big pockets can takeover and lose the community voice
- No ASIC reporting but can still be subject to ASIC reporting rules potentially

Company limited by shares (Pty Ltd)

- Registered with ASIC and subject to ASIC reporting rules potentially
- Voting is determined by $ investment. Big pockets can takeover and lose the community voice
- Sale of shares must be reported with ASIC and more paperwork & reporting

When does it work?

- Depends on how active people want to be
- Co Op’s can own and run a business – More risk, More reward, Much more Work
- Co Op’s can own property and lease to another business – Less risk, Less Reward, Much less work
- Examples of Co Op’s there is 69 Co Op’s registered in WA currently
- CBH, Mt Barker Co Op, GNP 360, WAMMCO

Challenges

ACTIVE DRIVERS ON THE BOARD

ENOUGH FUNDS INVESTED TO CARRY OUT PROJECTS

VISION AND PRIORITIES OF PROJECTS

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Next Steps

- Forming group of people, 5 members
- Decide on type, Distributing or Non-Distributing & with or without Share Capital
- Identify 1 or more primary activities. Mission statement or purpose
- Membership decisions
- Draft your rules
- Lodge documents & fees with Department

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Any questions?

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