



**Plunkett
Foundation**



Dealing with profit: Share
withdrawal, rainy days and
giving back to your
community

Alan Collard
Plunkett Adviser

#ComBizTogether

Dealing with Profit

- Aimed at trading businesses
- Session designed to help you to understand how to manage income and profits when you're operating successfully
 - dealing with share withdrawal;
 - paying interest on share capital;
 - setting up charitable funds;
 - reinvestment.



Dealing with Profit

- Participative session
- Not here to tell you what I think you want to hear
- Let's discuss issues relevant to you
- Everyone will have:
 - A valuable input
 - or
 - A valuable question



Dealing with Profit

- Share Withdrawals
 - After any restricted period
 - Member to request
 - 3 months' notice
 - Is there a restriction on amount to be withdrawn in any year?
 - Establish a Share Withdrawal Policy and make available to Members
 - Set up a Membership Policy
 - **Remember:**
 - **Withdrawals can only be made from surpluses or new share sales**



Dealing with Profit



- **Pay Interest**
 - **Rewarding your Supporters**
 - Recognises the support of members
 - Your Rules will set out the parameters
 - The Board proposes and the Membership disposes
 - Options for payment
 - **Remember:**
 - Interest is payable from surpluses

Dealing with Profit



Reinvestment

Improving your asset

- Your Business and Community Impact Plans should explain your needs
- Equipment replacement
- Get feedback from customers and shareholders
- Opportunity to involve members
- Creates dynamic society

Dealing with Profit



- **Set up a Community Fund – Community Impact**
 - Support local organisations:
 - Sponsor a sports team
 - Help with environmental activities
 - Work with a Parish or Town council to improve play facilities
 - Help the local school or pre-school with things such as sports equipment, notepads etc
 - Develop a Grants Policy, encourage applications



Dealing with Profit

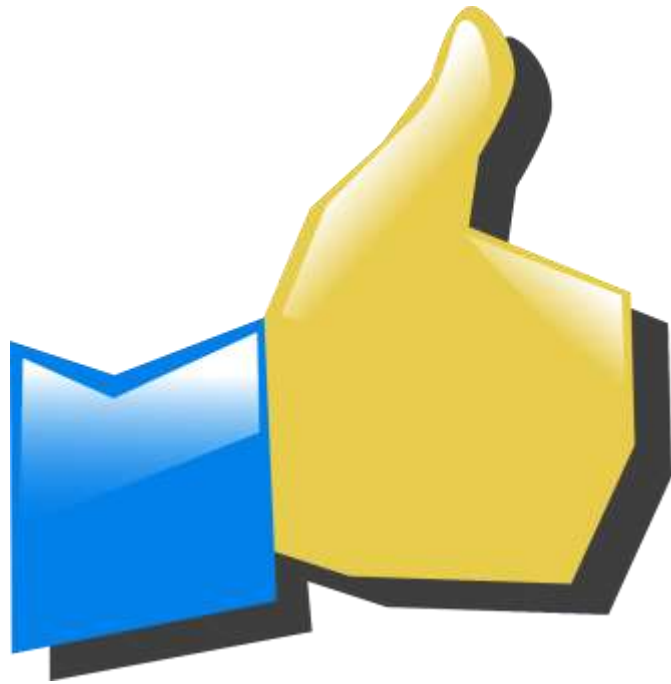
Contingencies/ Rainy Day Funds

- Prepare for the unplanned and unexpected
 - Structural problems – roofs, drains etc
 - New legal requirements – H&S, food hygiene
 - Drop-off in trade
 - Cost of living challenges
 - Pandemics
- Include in Reserves Policy



Dealing with Profit

- So, we have 5 main uses of Profits:



- Share Interest
- Share Withdrawal
- Reinvestment
- Distribution within your community
- Create a Rainy Day reserve

Dealing with Profit

- Now it's your turn for:

Questions?

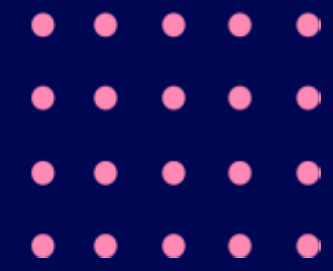


Observations?



Comments?





Plunkett Foundation provides practical advice, support and training to help communities establish and run successful community businesses with long-term survival rates.

To get information and support for your community business, please contact the Plunkett Helpline on 01993 630022 or info@plunkett.co.uk