

Multistakeholder Co-operative (Somerset Rules)

Amended for common ownership, and with only user members having voting rights

Registered under the Industrial and Provident Societies Acts 1965-1978

“A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

“Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.”

International Co-operative Alliance Statement on the Co-operative Identity

These rules should be read in conjunction with the following policies that the rules require the co-operative to develop and adopt:

Membership procedure (see 1.6a)

and the following policies that are required in the event of the co-operative undertaking certain activities:

Procedures for the withdrawal and transfer of shares (see 1.7, 1.8 b and c, 4.3)

Procedures in the event of the death or bankruptcy of shareholders (see 1.9 and 1.8.b)

Policy on investments (see 2.7c, 6.3 and 4.7a)

Standing orders for the Commonwealth Council (see 6.7c)

and the following policies that may be adopted at the discretion of the general meeting or committee:

- Standing orders for general meetings, including proxy voting (see 2.3 and 4.4)
- Standing orders for the committee (see 2.3)
- Standing orders for meetings of members belonging to a single class (see 1.5c and 2.7e)
- Expulsion procedure (see 1.8b)
- Equal opportunities policy (see 2.7c and 4.7a)
- Health and safety policy (see 2.7c and 4.7a)
- Corporate social responsibility policy (see 2.7c and 4.7a)

and the following reports that the co-operative is required to prepare:

- Quarterly management accounts (see 5.3b)
- Annual financial accounts (see 5.4)
- Annual social accounts (see 5.4d, 7.2 and 7.3)

Contents:

1	Membership	(Classes, applications, withdrawal and transfer, cancellation)
2	Democracy	(Meetings, resolutions, committee, quorum)
3	Application of profits	(Annual profits, division on dissolution)
4	Independence	(Outside interests, key decisions)
5	Education	(Public identity, information, accounts, annual return)
6	Co-operation	(Purchasing and investments, Commonwealth Council)
7	Sustainable development	(Social accounts, social accounting panel)

Amended paragraphs

2.7

3.3

3.4

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I. Open and voluntary membership of the co-operative

- 1.1. The name of the co-operative is:
- 1.2. The registered office of the co-operative is at:
- 1.3. The objects of the co-operative are to carry on any industry, business or trade in accordance with co-operative principles in order to achieve this mission:
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.....
.....
and the aims described in 1.4, 2.1, 3.1, 4.1, 5.1, 6.1 and 7.1 below.
- 1.4. The co-operative has the aim of building membership within its stakeholder groups, and ensuring that its membership fully reflects the diversity of those groups and of the wider community.

1.5. Classes of membership

- a) The membership of the co-operative will be made up of persons drawn from one or more categories of stakeholder, corresponding to the different type of involvement those stakeholders have with the co-operative.
- b) User members, who are the main beneficiaries of the co-operatives services and have only limited access to profits, play the principal role in the direction of the co-operative. Non-user members are subject to limits on their powers.
- c) Each class of share will be available to particular stakeholders and may have distinct rights and powers. The co-operative will convene a consultative meeting of the members in a class if requested to do so by five or more of those members; such a meeting shall have no decision making powers.
- d) A person or organisation that has membership under more than one class will be requested to withdraw, cancel or transfer shares such that they have membership in one class only. If after three months this has not been done, the secretary may cancel the minimum number of shares necessary in order to ensure compliance.
- e) Each class has a unique number, and where a person would be eligible to join in more than one class, membership will be allocated to the lowest numbered class that they are eligible for, unless the committee specifically permits otherwise.
- f) The user membership classes are as follows:
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- g) The non-user membership classes are as follows:
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1.6. Applications for membership

- a) The co-operative is open to applications for membership in the appropriate class without discrimination, subject to
 - i. the willingness of the applicant to take on the responsibilities of membership that have been agreed by the committee,
 - ii. completion of any application procedure that may have been agreed by the committee, which may include a reasonable probationary period
 - iii. the right of the committee to refuse membership where it believes there is good reason to do so.
- b) The minimum shareholding for membership in each class will be specified from time to time by the committee, and will not exceed 50 for user members.
- c) The maximum shareholding for any person is 50,000, or the maximum permitted by law, whichever is lower. Non-transferable shares may be allotted by the committee, as described above, subject only to this limit. Transferable shares may only be allotted by the committee in accordance with a resolution passed at a general meeting.

I.7. Withdrawal and transfer of shares

- a) Classes of shares numbered are withdrawable. Requests for withdrawal must be made in writing to the Secretary. Withdrawals will be made in the order in which the requests were received. Rights of withdrawal may be suspended, either for a fixed period of time or indefinitely. Withdrawable shares may be reduced in value by the committee in the event that independent accountants certify that the co-operative's liabilities, plus issued withdrawable share capital, have become more than the value of its assets.
- b) Shares held by non-user members in classes numbered are transferable. Transfers will be registered on receipt of a completed deed of transfer, provided that the transferee is eligible for membership in that class. The committee may refuse to register the transfer of a share to a person of whom they do not approve.
- c) Non-transferable shares are par shares priced at £1, with no possibility of exceeding that value.
- d) Shares may be converted between classes on request at the discretion of the committee, provided that the holder of shares is eligible for membership of the class to which they are transferring.
- e) All issues and transfers of shares are subject to the limits and regulations imposed by law; the committee will obtain independent, expert advice before making any issue of shares.

I.8. Cancellation of membership

- a) In the event that any member has a debt owing to the co-operative, the co-operative may set off any sum standing to the member's credit including any loan money, interest, dividends. It may also retain shares, preventing withdrawal or transfer, until the debt has been settled.
 - b) Membership of the co-operative will be cancelled under the following circumstances:
 - i. at the discretion of the committee, if a year has elapsed during which the member would not have met any criteria for membership that were in force at the time that they joined;
 - ii. on receipt of a written request by the member for the cancellation of their own membership;
 - iii. if, over a period of two years, reasonable attempts to communicate with the member (including a written warning that membership may be cancelled if no response is received) elicit no response.
 - iv. if the member is a corporate body, and has been wound up, has gone into liquidation or has otherwise ceased to function according to its own rules;
 - v. if the member is expelled. The member in question must be given written warning, and sufficient time to prepare an appeal to a general meeting or the Commonwealth Council. An expulsion requires a special resolution at a general meeting, in which neither the member in question nor any member of their family may vote. Following such a vote, the expelled member may not be readmitted to any class of membership without a further resolution at a general meeting.
 - vi. if the member dies.
 - c) If a holder of withdrawable shares has their membership cancelled, and rights of withdrawal are suspended, then they will be issued the equivalent amount of loanstock with a closing date no more than two years from the date of cancellation.
- I.9. Members may in accordance with the law nominate an individual or individuals to whom the full value of their property in the co-operative should be transferred in the event of the co-operative receiving proof of the member's death. If there is no nominee, then all property held by a deceased member shall be transferred to their personal representative upon request. The co-operative will also transfer property in the co-operative held by a bankrupt member to their trustee in bankruptcy upon receipt of a valid claim.
- I.10. A register of members is kept at the registered office, and will include:
- a) the name and address of every member;
 - b) the number and class of shares held by each member;
 - c) any loans or other property held by members;
 - d) the date on which the member's name was entered on the register, and the date on which they ceased to be members;
 - e) the names and add addresses of committee members and officers of the co-operative, the positions held by them, and the dates on which those appointments began and ended.
- The information in (b) and (c) above will not be available for general viewing by members or by non-members.

2. Democracy

- 2.1. The co-operative has a general aim of consulting with, empowering and serving its membership
- 2.2. The sovereign body of the co-operative is the general meeting, which will appoint a committee to manage the co-operative, and may convene a Commonwealth Council to provide oversight.
- 2.3. The business of the general meeting and committee is governed by such standing orders as may be adopted by a general meeting; these will remain in force until they are amended or repealed by a general meeting. Such standing orders may not contradict these rules but may allow for the taking of a vote (other than a vote on procedure) to be deferred to allow for the development of consensus.
- 2.4. Where shares are held by an organisation (incorporated or unincorporated), its rights will be exercised by a person who is nominated by that organisation in accordance with their rules. That person will cease to do so if for any reason that nomination is no longer sustained by the member organisation.
- 2.5. The committee will appoint a Secretary and a Treasurer, unless an appointment has been made by a general meeting.

2.6. General meetings

- a) Within each class of membership, voting at general meetings is on the basis of one member, one vote.
- b) General meetings will be convened by the committee as follows:
 - i. Annual General Meetings, held within six months of the close of the co-operative's financial year;
 - ii. at the request of the Commonwealth Council;
 - iii. at the request of 20 per cent of the membership (rounded up), 30 per cent of the membership in any one class (rounded up), or twenty members;
 - iv. in the event of the number of elected committee members falling below three, or in the event that more than one quarter of the committee members are not user members;
 - v. in the event that the committee fails to secure the appointment of a secretary and a treasurer;
 - vi. at any other time deemed appropriate by the committee.
- c) All members, and any auditor or accountants appointed by the co-operative, will be notified of the time and place of the general meeting in writing to their registered address or (where the member has expressly consented) by electronic communication, no less than fourteen days before the date of the meeting. The notice must inform members how to propose resolutions and stand for election. This rule may be waived only with the consent of all members.
- d) If a resolution is to be proposed at a general meeting that under these rules or the law would require more than a majority of votes to pass, its content must be available to members on request no less than seven days before the general meeting.

2.7. Resolutions at general meetings

- a) All members have the right to propose resolutions.
- b) Votes will be conducted on a show of hands; at any point during the general meeting, any member may request that the result of any vote be verified with a count.
- c) Resolutions require a clear majority of the vote at the general meeting to be in favour to pass, except:
 - i. The following resolutions require only a third of the vote to pass: the committee to be elected in accordance with 2.8 (b); the committee to draw up and publish policies regarding social investment of liquid assets, equal opportunities, health and safety and/or corporate social responsibility, without any specification as to the content of those policies; a co-operative council to be convened, without any specification as to its composition.
 - ii. resolutions to expel a member require two thirds of the vote to pass.
 - iii. resolutions to change the conditions attached to shares; amend the rules; give the committee the power to allot transferable shares (which must specify a period of time after which it will lapse, and limits to the number of shares that may be allotted); or to wind up, dissolve or convert the society (on which only user members may vote); require three quarters of the vote to pass.
 - iv. resolutions specified otherwise in law.
- d) If there are fewer than three members in any class of user membership, then the voting strength, expressed as a percentage of the voting strength of user members, of each class will be the proportion of user members in that class. Otherwise it will be fixed as follows:

class number	% voting strength (totalling 100%)
.....
.....
.....

Non-user members shall have no voting rights in general meetings.

- e) Members in each class have a choice of methods of casting their votes:

- i. convening a meeting of members in that class prior to each general meeting of the co-operative and agreeing how to cast their block vote on each resolution to be decided. The size of the block vote for each class would be as specified in 2.7 (d).
- ii. voting individually at each general meeting, with the strength of each vote reduced proportionately if there would otherwise be more votes cast by that class than the limits in 2.7 (d) permit. Where no preference has been expressed, this is the default.

2.8. Committee of management

- a) The maximum number of committee members is twelve, and the minimum number is three.
- b) For so long as the number of user members is less than ten, all user members will be automatically appointed to the committee unless they decline to accept the appointment, and 2.8 (c) will not apply. If a resolution is put to a general meeting to suspend this rule, and require all candidates to be elected according to 2.8 (c), it will require one third of the vote to be passed.
- c) At annual general meetings, some or all committee members will resign and face re-election. The first annual general meeting shall determine whether at that and all subsequent annual general meetings
 - i. all committee members will resign, or
 - ii. half of the committee, being those who have served longest, will resign, or
 - iii. a third of the committee, being those who have served longest, will resign.
 This decision may be altered by resolution at any general meeting.
- d) All members have the right to stand as candidates, and to nominate candidates that are willing to stand. Resolutions to elect each candidate nominated in accordance with standing orders to the committee will be voted on in turn until there are no vacancies remaining. Candidates will be voted on in order of number of nominations received, or otherwise as specified in standing orders.
- e) No one can serve on the committee if they:
 - i. have resigned in writing to the secretary
 - ii. are not a member, or the nominated representative of a member organisation
 - iii. are removed from office by a resolution passed by a general meeting
 - iv. fail to attend three consecutive meetings without adequate explanation
 - v. commit fraud, or any act of financial impropriety, or failed to disclose when standing for election any previous offence of this type.
 - vi. are bankrupt or otherwise prohibited by law from acting as a director of a company or society
- f) The committee may also appoint other officers in addition to the Secretary and Treasurer, and form subcommittees, as it sees fit, and in accordance with any standing orders. Officers shall have the powers and duties specified by law and by the committee, and may be removed by the committee.
- g) Committee members and officers may be reimbursed for any expenses incurred in the course of carrying out their duties. Committee members and officers may be paid wages, but only for services actually performed for the co-operative, and in accordance with a pay policy adopted by the committee.

2.9. Quorum

- a) No business will be transacted at any meeting unless a quorum is present. A quorum is present if
 - i. there are three or more user members present; and
 - ii. one tenth of the members in each class (this figure being rounded to the nearest whole number, and no more than ten) are present.
- b) A quorum is present at a committee meeting if three committee members are present.

3. Application of Profits

- 3.1. The co-operative has the general aims of creating common wealth, building an indivisible reserve and providing a return on investment no more than is necessary to attract and retain the capital it requires.
- 3.2. The co-operative may borrow funds up to a maximum of £10,000,000 and may issue debt securities provided that this does not amount to receiving money on deposit. Any interest paid on funds borrowed from members or private individuals will not exceed 3% above the base lending rate of the co-operative's bankers. The co-operative will not transfer assets for less than full consideration, except for the purposes specified in 3.3 below.

3.3. Application of annual profits

Profits of the co-operative will be applied as follows:

- a) no less than 50% of profits will be transferred to a general reserve for the continuation and development of the co-operative, and for making payments for social or charitable purposes;
- b) to pay co-operative dividends to user members, on the basis of an equitable policy that recognises each member's contribution to the co-operative's business during the period in which the profit was generated and which may make allowance for such relevant factors as length of membership;
- c) to pay interest on members' shares and investments at a rate not exceeding 3% above the base lending rate of the co-operative's bankers from time to time.
- d) No amendment to these rules will be made that could result in the percentage in 3.3 (a) being reduced.

3.4. Division on dissolution

In the event of the winding up or dissolution of the co-operative the assets of the co-operative will first, according to law, be used to satisfy its debts and liabilities. In the event that any assets remain to be disposed of after its liabilities are satisfied, these assets will be applied as follows:

- a) first, the residual assets will be distributed amongst the holders of withdrawable shares in proportion to the shares each holds within the co-operative at the time of dissolution, up to a maximum of the par value of the shares (unless their value has been reduced under rule 1.7 (a), in which case the limit is this reduced value);
- b) second, holders of other shares will be paid their par value if sufficient funds are available, and in proportion to their holding if not;
- c) third, all the remaining assets will be transferred to a common ownership enterprise(s), or to an asset locked organisation(s) supporting common ownership enterprises or other objects of the co-operative, as may be nominated by the members at the time of or prior to the dissolution. If no such organisation is nominated, the assets will be transferred to Co-operatives UK Ltd (registered number IP027083R).
- d) In the event that for whatever reason any residual assets cannot be transferred as described above, they will be given for charitable purposes.
- e) No amendment to the rules will be made that could reduce the amount of assets transferred under 3.4 (c), or allow for their transfer to an organisation with no asset lock.

4. Autonomy and independence

- 4.1. The co-operative has the general aims of maintaining its autonomy and independence and empowering members and other stakeholders at the most local level possible.
- 4.2. Non-user members may not vote on any proposal to convert the co-operative to a company.
- 4.3. Withdrawable shares or debt securities will not be issued, or loans received, if it would result in one natural person holding more than a quarter of all withdrawable share capital, or of all debts; or if it would exceed the limits specified in 1.6 (c).
- 4.4. Proxy voting at general meetings will be permitted on special resolutions and on other resolutions that have been given in full with the notice for the general meeting, provided that it is in accordance with standing orders for general meetings.
- 4.5. Outside interests on the committee**
 - a) If, following a general meeting, the number of committee members is less than the maximum, other persons may be co-opted by the committee to fill vacancies. No one may be elected or co-opted to the committee if doing so would result in user members forming less than 75% of the committee.
 - b) Any committee members that have been co-opted to the committee will resign or stand for election at the next available general meeting.
 - c) All committee members will, on taking office, indicate in a register of interests any material interests they have, or positions that they hold in other organisations, that might cause conflict with the objects of the co-operative. All committee members will declare any such conflict of interest that they have in respect of any business before the committee and will not vote in respect of that matter unless
 - i. the conflict is shared with a majority of committee members, or
 - ii. the Commonwealth Council determines that the interest will not lead to significant conflict.
- 4.6. The committee will regularly review all contracts and undertakings to ensure that the co-operative continues to be controlled by its membership.
- 4.7. Key decisions**
 - a) The committee, on behalf of the co-operative, may make any contract, and carry on any activity, that is within the law and in the opinion of the committee, may benefit the co-operative's objects, including the contracting of loans and debt securities and the investment of funds. However, the following issues are designated 'key decisions':
 - i. The sale, transfer or disposal of assets worth in excess of £250,000 in a single transaction.
 - ii. The adoption of budgets and business plans covering a period of 12 months or more (except that the committee members may proceed to implement a budget or business plan if, in their opinion, prolonged consultation could be damaging to the business)
 - iii. the purchase of more than 20% of the shares in another business
 - iv. a mortgage or charge on its property with a value in excess of £100,000
 - v. issuing loanstock, debentures or other securities with a value of more than £50,000
 - vi. setting up subsidiary companies, societies and other organisations
 - vii. setting dividend and interest rates, borrowing in excess of £250,000, or at rates exceeding 2% above the lending rate of the co-operative's bankers.
 - viii. setting the proportion of profits to retain in the co-operative
 - ix. significantly altering the terms and conditions of employees, or making compulsory redundancies
 - x. A substantial alteration of policies on membership applications, co-operative dividends, pay, social investments, health and safety, equal opportunities and corporate social responsibility.
 - b) Any key decision that is authorised by a resolution at a general meeting may be implemented immediately without further consultation. If no such resolution is passed, then
 - i. If a Commonwealth Council (see 6.7 below) has been convened, key decisions must be brought to its attention no less than two weeks before they come into effect; and if a majority of the Commonwealth Council request further consultation, the proposal may not be enacted until the committee and the Commonwealth Council both have a majority in favour.
 - ii. If a Commonwealth Council has not been convened, then notice of the key decision must be brought to the attention of the membership by means of a public notice, electronic communication or other communication likely to be received by most members in sufficient time for a general meeting to be called by the members (in accordance with 2.6 b) before the decision comes into effect.

5. Education

5.1. The co-operative has a general aim of educating its members and the public in the principles of co-operation.

5.2. Public identity

- a) The co-operative will mention its registered name in legible characters in all notices, advertisements and other official publications, in all business letters, and in all invoices and receipts. If the registered name does not include the word 'co-operative', then in all the co-operative's official publications, the co-operative will clearly identify itself as either a co-operative, democratic social enterprise, or community enterprise.
- b) At least once a year, the co-operative will provide at least one communication to its members that either lists the co-operative principles, profiles other co-operative bodies, or advises members how they can become more involved in one or more other co-operatives.
- c) The co-operative's accounts will separately identify
 - i. total expenditure each year directly relating to education and promotion of co-operation, and
 - ii. expenditure made for charitable or non-trading purposes relating to the co-operative's objects.

5.3. Provision of information

- a) A copy of these rules, and any amendments made to them, will be given free of charge to every member on admission or on request. The committee will accommodate any reasonable request to explain or clarify the meaning of the rules, and justify its interpretation of them.
- b) The following information will be recorded, retained and made available at no charge to members
 - i. agendas and minutes of general meetings, committee meetings and Commonwealth Council meetings
 - ii. quarterly management accounts (unless the annual turnover of the co-operative is below £10,000)
 - iii. annual returns and any other documents submitted to the Financial Services Authority
 - iv. job descriptions and contracts of employment of staff employed
 - v. documents relating to the member making the request
 - vi. other documents with the agreement of the committee. If the committee refuses such as request, it must explain what reason it has for withholding the information.
- c) No information will be provided to a member or any other person, or made available for general viewing, that would disclose details of the financial transactions of another member with the co-operative, other than with their permission.

5.4. Presentation of accounts

- a) During each financial year, the co-operative will appoint a person qualified to the standard required by law who is neither a member nor an employee of the co-operative to audit the Co-operative's accounts and balance sheet for the year.
- b) The committee will appoint such a person whenever a vacancy arises, and the appointment will be confirmed at the next available general meeting, and at every annual general meeting.
- c) If the law permits the co-operative to be exempted from the obligation to appoint a qualified auditor, the general meeting will consider a resolution to apply the exemption each year. Such a resolution will be passed only if 80 per cent of votes are in favour, and less than ten per cent against.
- d) If the accounts, any social accounts as specified in 7.2, and any accompanying report from the auditor or social reporting panel are not available at an annual general meeting, or they are not accepted by a general meeting, another general meeting will be called within two months to consider them.

5.5. Annual Return

Every year, and in accordance with the requirements of the law, the Secretary will send the annual return relating to the society's affairs for the required period to the Financial Services Authority, together with

- i. a copy of any auditor's report for that period that may be required by law;
- ii. a copy of each balance sheet made during that period.

6. The wider co-operative movement

- 6.1. The co-operative has the general aim of supporting the development and growth of the co-operative movement.
- 6.2. In preparing contracts for the purchase of goods and services larger than £1,000, the committee should ensure that other co-operative enterprises are given a reasonable opportunity to bid alongside other potential suppliers.
- 6.3. If the liquid assets and investments of the co-operative exceed £10,000, the committee will prepare a policy on social investment, which includes a process for identifying and considering investment in other co-operatives, and ethical criteria for all investments relevant to the objects of the co-operative.
- 6.4. The committee has the power to make any investments it considers prudent, subject to any policy on investments that may be in force.
- 6.5. A designated person should have overall responsibility for relations with the wider co-operative movement, and should maintain contacts with national and regional co-operative organisations.
- 6.6. No agreement will be entered into with any enterprise, co-operative or otherwise, that would have the effect of exploiting a monopoly or other dominant market position to the detriment of members, customers or suppliers.

6.7. The Commonwealth Council

- a) The Commonwealth Council may be convened by the committee, or by a resolution at a general meeting that secures one third of the vote. Until such time as it is convened in this way, its functions are carried out by the committee.
- b) The common wealth council will be free to consider any matter affecting the co-operative, and may challenge or express a view to the committee members on any matter, and may summon any employee or officer of the co-operative to attend their meetings and answer questions relating to the business of the co-operative.
- c) The size and procedures of the Commonwealth Council will be determined by its standing orders, which will be prepared by the committee but may then be amended by the general meetings.
- d) Invitations to apply for membership will be issued to the following groups, unless they are specifically excluded by a resolution of the general meeting:
 - i. Those eligible for membership under 1.5 (f) and 1.5 (g);
 - ii. Employees, volunteers, service users, and investors;
 - iii. Anyone who was previously a member of the co-operative within the last five years;
 - iv. Any co-operative that may be considered relevant due to geography, similarity, common membership or trading relationship;
 - v. Suppliers and customers that may be held to have a long standing relationship with the co-operative; and
 - vi. Communities in which the co-operative is located.
- e) Applications for membership will be considered by the Commonwealth Council (or by the committee, if the Commonwealth Council has yet to be formed) according to the standing orders in force, subject to the requirements that
 - i. the process of selection for membership of the Commonwealth Council should be fair, transparent, and non-discriminatory; and
 - ii. members of any one group listed in 6.7 (d) should not have a majority of votes on the council.
- f) In the event of any dispute between members of the co-operative, a sub-committee of the Commonwealth Council may be formed and may require the disputants to make reasonable efforts to attend. If the disputants request arbitration from the Commonwealth Council, it will provide a ruling in accordance with its standing orders. If for any reason this process does not resolve the dispute, then if the disputants are agreed it may be referred to the County Court (or in Scotland, the Sherriff).

7. Sustainable development

7.1. The co-operative has the general aim of evaluating its impact on the community and the environment in which it operates, and developing policies that reduce harmful impacts and increase positive impacts.

7.2. Social accounts

- a) The committee is responsible for preparing annual social accounts. These will consist of quantitative and qualitative data relating to the agreed indicators of achievement. They should cover, and clearly distinguish between, outputs (what the co-operative has done), outcomes (what the direct effects of this have been) and impacts (what indirect changes can be reasonably attributed to the co-operative's activities in this and previous years).
- b) The indicators used should clearly correspond to the aims and objects in these rules, and should allow where possible for comparison with other accounting periods.

7.3. Social accounting panel

- a) At least one month before being presented to the annual general meeting, the social accounts will be verified by a social accounting panel which will consider
 - i. to what extent the accounts are comprehensive
 - ii. whether the information gathered is reliable and reasonably interpreted
 - iii. whether the indicators used should be changed in order to better correspond to the aims and objects of the co-operative
 - iv. whether the aims and objects of the co-operative remain relevant or require modification
- b) The panel should be chaired by an independent, qualified social auditor, unless a general meeting allows for the current or following year's social audit panel to be
 - i. chaired by a lay social auditor, or
 - ii. chaired by a member of the co-operative, in which case the chair of the panel may not be a committee member, unless more than half the members of the co-operative are committee members.
- c) The panel will be made up of members of the co-operative nominated by the commonwealth council. If the membership of the co-operative is more than 20, there will be at least three members of the panel in addition to the chair.

Signatures of founder members:

Full names in block capitals:

Secretary:



Somerset Co-operative Services CIC

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