

# STOKES CROFT LAND TRUST – SHARE INTEREST POLICY

## 1: AIM:

To determine how annual interest on shares will be calculated and paid.

## 2: APPROACH:

- 2:1 The SCLT Board will decide the interest rate payable for shares held in the current financial year to be ratified by members at the AGM following the close of that financial year. Interest payments cannot be agreed in advance by decree of the FCA, hence ratified at the AGM once the financial year has ended.
- 2:2 In determining the interest rate, the SCLT Board will also take into account the capital requirements of any new projects in the pipeline. The 2021 share offer document outlined an aim to pay 3% interest on shares.
- 2:3 Interest payments below £6 will be paid into a share interest account and held there until there is enough interest accumulated to purchase an additional £1 share which will be added to the members share account. Share interest statements and an annual share statement shall be sent to members in these cases. Fully paid up new shares purchased with accumulated interest in a share interest account will attract interest at the rate agreed for the financial year during which the new shares were held and thereafter until withdrawal. This was outlined in the terms and conditions of the 2021 share offer document.
- 2:4 Interest payments of £6 and over will ideally be paid (by BACS wherever possible) to members in the month following the AGM which ratifies the interest rate.
- 2:5 Interest is paid gross of tax to UK resident members and it is their responsibility to pay any tax due to HMRC. Interest is paid net of tax to non-UK resident members and the Society is responsible for paying this tax to HMRC.
- 2:6 Members may decide to waive their right to interest via a signed letter to the Society Secretary and may cancel this waiver at any time prior to interest being paid into members share interest accounts or bank accounts.
- 2:7 This policy complies with the Co-operative & Community Benefit Societies Act 2014, the guidance on share withdrawal set out in the FCA's FG15/12 Guidance, the 2021 share offer document and with the Primary Rules of SCLT.

## 3: DEPLOYMENT

- 3:1 The SCLT Board will consider the Interest rate to be recommended to the AGM at the same time it considers: the amount available for share withdrawals / repayments; alternative capital finance and capital requirements of any new project pipeline once the financial year end has passed, ideally May time.
- 3:2 This Interest rate will be announced at the forthcoming AGM, to be held prior to the end September after the end of the financial year end, along with the available amount for share withdrawals.
- 3:3 The Treasurer will calculate the interest payments due and pay by bank transfer (usually in the month after the interest rate is agreed at AGM) and, where appropriate, any interest under £6 shall be allocated to members share interest accounts (or to purchase new £1 shares where they can be fully paid up) in lieu of payment. (See 2:3 & 2:4 above)
- 3:4 The Treasurer / Society Secretary will send out member share interest account statements and share account statements where there has been a change to either the share interest account total or the number of shares held in the relevant financial year. This will be sent via Mailchimp.

- 3:5 It is the responsibility of the member to inform the Society Secretary / Treasurer of any changes to bank details in writing with a signature and proof of ID may be requested.
- 3:6 In any cases, where a bank transfer fails, interest due on shares held in the relevant financial year shall be added to either the members share interest account and the member notified and requested to send an updated bank mandate form.
- 3.7 The Treasurer / society secretary shall endeavour to gain bank mandates from as many members whose interest payment is in line with the amount required to be paid out as opposed to being added to share accounts.

#### **4: REVIEW**

4:1 This policy will be amended as necessary in the light of experience or following feedback in order to improve practice

4:2 Any changes to this policy must be approved by the SCLT Board

Agreed at SCLT Board on