

statutory reserve ,Cooperative, members, patronage refund, surplus,
limited interest on capital service, production or worker , open
membership, democratic control, , continuous education and co-
operation among co-operatives , deficit, honoraria,

Ais a group of people who got together
to meet their economic, social and cultural needs.

A co-operative is owned and controlled by its

The different types of co-operative societies can be divided between
.....co-operatives andco-
operatives.

There are six (6) principles of co-operatives-

1). membership should be open to all those who wish to
join and use the service provided as long as they are prepared to accept
the responsibilities of membership.

2). Co-operative societies are formed
voluntarily by a group of people are controlled by its members and
democratically operated by them.

3)..... This process is designed to make members
better able to guide their co-operatives in a dynamic business
environment. As a result, co-operatives offer training to their members,
directors and staff informing the public of what they are and what
they do.

4) The focus of investing in a co-operative society is not on the return on investment, but on the use of services provided.

5). It is felt that co-operative organisations can best serve the interests of their members and communities if they work together at local, national and international levels.

6)..... The returns from the operations of a co-operative society belong to the members, and therefore should be distributed to them in such a manner that no member gains at the expense of the others.

The excess of income over expenditure is called a, while the excess of expenditure over income is referred to as a

..... (voluntary payments as an appreciation for services performed) paid to members of the committee of management are treated as an appropriation of profit, not an expense.

A is created based on legal requirements. Special reserves may be created for a specific named purpose eg. Fixed Asset Reserve and Building Reserve.