Capital Comparison Table

Capital	Balance Sheet	Redemption	Investor Risk	Co-op risk	Distribution rights
Retained earnings	Equity	None	N/A	N/A	N/A
Shares	Liability (long term)	Repayable at fixed value if member leaves co-operative or co-operative is wound up. Subject to ranking	Shareholders risk reduction on share value if co- operative net asset value is less than issued share capital	Risk of repayment if members leave	Payment of limited dividends subject to board declaration
Co-operative Capital Units (structured as permanent capital)	Equity	Irredeemable, repaid on winding up subject to ranking	Same risk as share capital	Risk of undue stakeholder influence	Dividends subject to board declaration: and see note below
Co-operative Capital Units (structured as debt)	Liability (short or long term depending on redemption date)	Repayable according to terms of issue	Risk of default by co-operative	Default by co-operative may trigger early repayment	Interest payable quarterly, half yearly or annually. Interest is tax deductible
Debentures/Notes	Liability (short or long term depending on redemption date)	Repayable according to terms of issue	Risk of default by co-operative	Default by co-operative may trigger early repayment	Interest payable quarterly, half yearly or annually. Interest is tax deductible
Bank debt	Liability	Repayable according to loan terms	Risk of default by co-operative	Default by co-operative may trigger early repayment and loss of any secured assets	Interest payable monthly, Interest is tax deductible

Note: For co-operatives that meet the definition of 'co-operative company' in s117 of the *Income Tax Assessment Act 1936*, dividends are either tax deductible or may be distributed as franked dividends. Capital repayments as well as interest on certain government loans may be tax deductible.