

# Midlands Co-operative Society Limited

Interim Report and Financial Information  
**10 August 2013**

## Registered Office

Midlands House, Hermes Road, Lichfield, Staffordshire, WS13 6RH  
Registered under the Industrial and Provident Societies Acts 1965 to 2002. Registered No 10143R  
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The **co-operative**

# Our Values

## Co-operation:

Our co-operative principles are at the heart of our actions

## Improvement:

Always getting better at what we do

## Recognition:

Rewarding the efforts and achievements of our colleagues

## Customers:

We listen to our customers to constantly provide great service

## Honesty:

Openness and honesty as a way of working

## Success:

Driving commercial success through effective leadership and teamwork

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# Highlights

## Sales\*

**£386.7m**

## Capital expenditure

**£24.0m**

## Operating cash flow

**£29.7m**

## New openings

**5 food stores  
2 funeral homes**

\* Gross sales (excluding VAT)



# Board of Directors, Management Executive and Advisors

## Board of Directors

### President

John Maltby @ @ #

### Vice-President

Frank Croft #

Michael Althorpe

Elaine Dean #

Peter Dean @

Dave Ellgood @

Robin Farrell #

Philip Fee

Kevin Hepworth

John Howells @ @

Maria Lee @ @ @ #

Helen Lees

Angela Loughran

Keith Redfern @

Peter Smith @

Stuart Unwin @

@ Member of the Audit Committee

@ Member of the Community Dividend Selection Committee

@ Member of the Remuneration Committee

# Member of the Rules & Practices Committee

## Management Executive

**Martyn Cheatle** Chief Executive

**Tony Carroll** Deputy Chief Executive

**James Watts** Secretary

**David Grady** Chief Financial Officer

**Paul Webb** Funeral

**Ian Callaghan** Property

**Tracey Orr** Human Resources

**Mark Ruttle** Information Solutions

## Auditors

Deloitte LLP

Four Brindleyplace

Birmingham

B1 2HZ

## Bankers

Co-operative Bank plc

118-120 Colmore Row

Birmingham

B3 3BA

## Registered Office

Midlands House

Hermes Road

Lichfield

Staffordshire

WS13 6RH

Telephone: 01543 414140

Fax: 01543 415813

www.midlands.coop

Registered No. 10143R

# Directors' Interim Report

“The first half of 2013 saw Midlands Society named as Co-operative of the Year, the UK’s most prestigious co-operative accolade”

The Board of Directors is pleased to present the Interim Report to Members for the 28 weeks ended 10 August 2013.

## Business Activities

The Society’s principal business activities are Food retailing, Petrol Filling Stations and Funeral Services. In addition, the Society has interests in motor dealerships, specialist vehicle construction, coffin manufacture and farming and manages a significant investment property portfolio that underpins the returns from trading activities. The Society has a minority interest in a joint venture company formed in October 2011 that brought together all parts of the Society’s Travel business with those of The Co-operative Group and Thomas Cook’s UK retail shop network.

## Interim Statement of Group Trading Activities

The financial information set out on pages 7-10 is unaudited, but has been independently reviewed by the Society’s auditors, whose Independent Review Report appears on page 11.

## Trading and Financial Review

The Board is pleased to report an encouraging performance in the first half of 2013 that saw Midlands Society named as Co-operative of the Year, the UK’s most prestigious co-operative accolade, at Co-operative UK’s 2013 national awards ceremony held in Cardiff in June.

This coveted award is presented to the society that has demonstrated overall excellence in all aspects of running a successful co-operative. The award recognised Midlands Society’s achievements as the UK’s most profitable independent retail co-operative society, its strong business performance and the contribution made to members, local communities and the environment.

To be named the UK Co-operative of the Year is an honour the Society is extremely proud to achieve, and represents an important landmark in pursuit of the Society’s vision ‘to be the UK’s best consumer co-operative society by making a real difference to our members and our communities’.

In a busy and eventful first half of the year, the Society welcomed members and colleagues of Shepley Industrial & Provident Society, in West Yorkshire, following a transfer of engagements to become part of Midlands Co-operative.

The rebranding and full refurbishment of Shepley food store commenced immediately after the transfer, providing the Shepley community with a much improved, new format village supermarket.

Whilst consumer confidence and market conditions have remained challenging in 2013, gross sales (excluding VAT) during the first half of the year increased by 8% to £386.7 million compared to the same period in the prior year, driven by the Society’s ambitious growth strategy. Significant investment during the first half included the opening of five new food stores, two new funeral homes and refurbishment activity across the business. The Society has now opened or acquired 35 new trading outlets since the launch of the ‘One Vision’ strategy in 2011. Further openings are planned for the second half of 2013 and beyond, reflecting the Society’s strong pipeline of development sites.

The Group Revenue Account shows total trading profit from continuing businesses, before exceptional items, of £13.6 million (2012 interim: £16.3 million). The reduction in trading profit largely reflects a decrease in corporate dividend received from The Co-operative Group, the impact of absorbing inflationary increases on the cost base and downward pressure on margins in the Food business. This margin trend reflects the Society’s ambition to remain relevant and competitive at a time when price is the key feature of food retailing.





# “The award recognised our achievements as the UK’s most profitable independent retail co-operative society”

The Society’s capital expenditure programme continues to be supported by strong cash flow from operating activities, backed by the strength of the asset base. This was again the case in the first half of 2013 when capital expenditure totalled £24.0 million while still leaving positive cash balances of £38.7 million and a total net asset value of £251.0 million.

The strong underlying trading performance continues to demonstrate the Society’s resilience to withstand the most demanding and competitive conditions, and underlines the Board’s confidence in the business strategy that continues to provide the framework for future growth.

Retail food stores achieved a solid performance against the backdrop of the difficult economic environment and fierce competitive conditions. Sales of £308.1 million (excluding VAT) increased by 9.2% compared to the prior year, and reflected continued growth in convenience stores, fuel sales and new store openings. This performance is driven by the hard work of the Society’s colleagues, whose outstanding efforts were again recognised by the Retail team winning three awards at the 2013 Convenience Tracking Programme Awards held in May: Best Top-up Retailer; Best Beer, Wine and Spirits Retailer; and Best Overall Convenience Retailer.

Initiatives implemented during the first half of the year have included the introduction of a new fuel supplier and Co-operative branding across the Society’s petrol filling stations, the launch of membership points on members’ fuel purchases and the roll-out of new product ranges in bakery, fresh meat and fish categories. Further new product lines will be introduced during the second half of the year including food-to-go, chilled ready meals, pies and pizzas, as part of a major overhaul of the Co-operative own-brand food range. The roll-out of the improved own-brand range, under the new name of ‘Loved by Us’, continues to be complemented by the Society’s commitment to source local products across the trading area.

The Society’s development programme has seen the opening of four new food stores at Chasetown in Staffordshire, Hallwood Road in Kettering, Thringstone and Wigston in Leicestershire, together with the acquisition of a fuel station and convenience store business in Wirksworth, Derbyshire. Early trading performance at the new stores has been very positive, giving confidence for further new store openings planned for the second half of the year. Elsewhere, investment in the existing estate continues to generate encouraging sales growth, with a further 11 major store refurbishments completed in the first half of the year.

Following the difficult decision at the beginning of the year to close the Society’s Fashion & Home business, all of the stores were closed by the end of July, with the exception of the store at Raunds in Northamptonshire, which has been refurbished and re-ranged to complement the Society’s nearby food store in the town. The closedown process ran smoothly across all sites from a people, product and property perspective.

The Board wishes to place on record its sincere appreciation to all Society Fashion & Home colleagues for their hard work, commitment and professionalism during the closedown operation.

Since the closure of the Fashion & Home stores during the first half of the year, the Society has focused resources on the potential letting or disposal of these premises. It is pleasing to report that interest has been expressed in a significant number of these premises, with one successfully let and another nearing completion.

Investment in the Society’s Distribution Centres in Leicester has included the purchase of seven new vehicles, with three vehicles displaying special signage to promote the Society’s corporate charity, Newlife Foundation for Disabled Children. A major upgrade of the Society’s warehouse management system is underway, with the first phase of the implementation planned for early 2014. The new system will strengthen the service provided to food stores through the implementation of latest voice pick technology to further improve product availability and delivery accuracy.



**Colleagues celebrate the opening of Hallwood Road Food Store, Kettering**



**Roll-out of The Co-operative Florist brand continues**



**Shepley food store following refurbishment**



**Communities came together at the opening of the Islamic Funeral Services**

# “Significant investment during the first half included opening five new food stores and two new funeral homes”

Funeral produced a very strong performance in the first half of 2013 with each part of the business; funeral homes, floral, masonry, coffin manufacture and crematorium all trading well. Funerals conducted showed an increase of 4.7% compared to the same period in the prior year, with market share remaining broadly consistent. New funeral homes were opened at Wigston in Leicestershire and Acocks Green in Birmingham. The Society also opened a new funeral service for the Islamic community in and around Birmingham.

A further eight Funeral homes have been refurbished and converted to ‘The Co-operative Funeralcare’, with the Co-operative brand also extended to a number of the Society’s Florist and Masonry sites.

Substantial investment was made in the Funeral fleet, with 18 new vehicles delivered into the business during the first half of the year. The new vehicles demonstrate the Society’s commitment to provide the highest levels of service to families in their time of need.

Within the coffin manufacturing business, work has commenced to introduce a lean manufacturing process to drive further improvements in efficiencies and product quality.

Improved sales in the Society’s Transport businesses largely reflect an increase in new car volumes at the Society’s motor dealerships. Nationally, market conditions have continued to recover in 2013 with an increase in new car registrations being largely driven by improved consumer demand.

At Leicester Carriage Builders, the Society’s specialist vehicle construction business, the major transformation programme launched last year to introduce improved design and production processes has achieved encouraging results in 2013, with a significant reduction in end-to-end production timescales. In June, the Board approved plans to relocate the business to an improved facility in Leicester. This significant investment will enable the business to achieve further efficiencies, increase capacity and strengthen its competitive position in the market.





**A rededication service marks the opening of Wigston Funeral Home**



**New Co-operative 'Loved by Us' range**



**New Co-operative branding introduced at our filling stations**

This annual measure of responsible business management is the UK's leading and most in depth voluntary benchmark of corporate responsibility.

With the CR delivery framework now in place and taking key learnings from the comprehensive feedback in BITC's CR Index report, the Society is focusing on identifying the CR programmes that will deliver the CR Strategy by making a real difference to our members and our communities.

The Society's two year colleague elected partnership with Newlife Foundation has entered its second year and has now raised over £230,000 and helped 114 children to date in the Society's trading area.

**Outlook**

Looking ahead, some early signs of recovery in the UK economy are encouraging although have yet to translate into household budgets. The consumer environment is expected to remain subdued until such time that real earnings begin to grow. In the meantime, the Society's clear strategy, capital investment programme and strong financial position continues to lay the foundations for the future and further enhance the Society's profile as a modern, successful co-operative business.

**Stakeholder Distributions**

The distributions from trading profit recognise and reward the three key groups of members, colleagues and the community for their contribution to the Society.

The Membership Card records points for purchases from the Society and, based on trading in the first half of the year, the Board proposes an interim dividend of 1 pence per point for member purchases up to 10 August 2013.

This represents a decrease of 0.1 pence in the dividend rate and reflects the reduction in trading profit in the period. The proposed dividend will be paid in Co-operative vouchers shortly after approval at the Interim Members' Meeting. The Colleague Dividend approved by the Members at the Annual Meeting was distributed to qualifying Society colleagues in June 2013.

The 'Making a Difference' Community Dividend distributes 1% of trading profits to the communities served by the Society. In 2013, £254,000 is being distributed to community groups and good causes across the Midlands, taking the total amount granted since inception of the scheme to £1.9 million.

**Appreciation**

The Board, as always, wishes to record its sincere appreciation to all colleagues for their efforts in contributing to the Society's continued success and to all members and customers for their loyal support.

On behalf of the Board of Directors:

- John Maltby**, President
- Martyn Cheatle**, Chief Executive
- Jim Watts**, Secretary

26 September 2013

“Our clear strategy, capital investment programme and strong financial position continues to lay the foundations for the future success of Midlands Co-operative”

The Society's property portfolio continues to trade in a difficult market, with both lettings and lease renewals remaining challenging. A number of investments have been made during the first half of the year in institutional grade properties and tenants. In addition, a number of properties that do not meet the Society's long term investment property strategy have been targeted for disposal in line with an ongoing review of the portfolio. A continuing programme of investments and disposals designed to strengthen the asset base and income profile will continue through the remainder of this year.

The property team continue to support the Society's growth strategy through the purchase of new sites and business acquisitions, alongside a robust store refurbishment programme. The new store pipeline remains strong despite an increasingly aggressive approach by competitors and a more challenging planning environment.

The Society's mobile promotional vehicle continues to be used across a number of events promoting membership and community, including its attendance at Co-operative Congress in June 2013, a variety of food & drink festivals and a charity awareness week in July which helped to raise £5,000 for the Society's corporate charity, Newlife Foundation for Disabled Children.

Society Members who have registered their membership card at [www.members.coop](http://www.members.coop) continue to receive regular email newsletters, keeping them up to date with news and events across the Society and exclusive member offers.

Building on the launch of our new Corporate Responsibility (CR) Strategy, in May the Society was delighted to be awarded a Bronze ranking in Business in the Community's (BITC's) Corporate Responsibility Index (CR Index).





# Group Revenue Account

For the 28 weeks ended 10 August 2013

	August 2013	August 2012		January 2013	
	Total 28 Weeks (unaudited) £'000	Continuing 28 Weeks (unaudited) £'000	Discontinued 28 Weeks (unaudited) £'000	Total 28 Weeks (unaudited) £'000	Total 52 Weeks (audited) £'000
<b>GROSS SALES</b> (including VAT)	<b>424,039</b>	390,347	-	390,347	731,726
Less Value Added Tax	(37,383)	(32,458)	-	(32,458)	(62,043)
<b>GROSS SALES</b> (excluding VAT)	<b>386,656</b>	357,889	-	357,889	669,683
<b>TURNOVER</b>	<b>384,110</b>	356,838	-	356,838	663,635
Cost of sales	(272,266)	(245,922)	1,132	(244,790)	(461,483)
<b>GROSS PROFIT</b>	<b>111,844</b>	110,916	1,132	112,048	202,152
Expenses	(98,247)	(94,608)	-	(94,608)	(176,716)
<b>TRADING PROFIT BEFORE EXCEPTIONAL ITEMS</b>	<b>13,597</b>	16,308	1,132	17,440	25,436
Exceptional expense	(612)	(301)	-	(301)	(8,528)
<b>TRADING PROFIT</b>	<b>12,985</b>	16,007	1,132	17,139	16,908
Profit / (loss) on disposal of fixed assets	96	(26)	-	(26)	193
Profit / (loss) on disposal of businesses	2	-	(23)	(23)	(83)
<b>PROFIT BEFORE INTEREST AND TAXATION</b>	<b>13,083</b>	15,981	1,109	17,090	17,018
Net interest payable	(1,295)			(2,927)	(1,270)
Other finance income	1,473			3,939	3,879
<b>PROFIT BEFORE PAYMENTS TO AND ON BEHALF OF STAKEHOLDERS</b>	<b>13,261</b>			18,102	19,627
Payments to and on behalf of stakeholders	(2,775)			(2,931)	(4,316)
<b>PROFIT BEFORE TAXATION</b>	<b>10,486</b>			15,171	15,311
Taxation	(3,495)			(5,767)	(5,269)
<b>RETAINED PROFIT</b>	<b>6,991</b>			9,404	10,042

# Group Balance Sheet

As at 10 August 2013

	August 2013 (unaudited)		August 2012 (unaudited)		January 2013 (audited)	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>						
Intangible assets		29,678		26,831		30,240
Tangible assets		313,542		308,348		298,996
Investments		47,368		42,637		44,662
		<b>390,588</b>		<b>377,816</b>		<b>373,898</b>
<b>CURRENT ASSETS</b>						
Stocks	34,964		38,278		37,174	
Debtors	35,939		41,761		44,211	
Cash at bank and in hand	38,684		55,891		38,608	
	<b>109,587</b>		<b>135,930</b>		<b>119,993</b>	
<b>CREDITORS</b>						
Amounts falling due within one year						
Creditors	(67,323)		(66,326)		(62,915)	
Borrowings	(26)		(32)		(35)	
	<b>(67,349)</b>		<b>(66,358)</b>		<b>(62,950)</b>	
<b>NET CURRENT ASSETS</b>		<b>42,238</b>		<b>69,572</b>		<b>57,043</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>432,826</b>		<b>447,388</b>		<b>430,941</b>
<b>CREDITORS</b>						
Amounts falling due in more than one year						
Creditors	(139,964)		(139,087)		(139,275)	
Borrowings	(87)		(107)		(87)	
	<b>(140,051)</b>		<b>(139,194)</b>		<b>(139,362)</b>	
Provisions for liabilities and charges	(5,209)		(7,436)		(7,968)	
Net pension liability	(36,520)		(5,957)		(36,038)	
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<b>251,046</b>		<b>294,801</b>		<b>247,573</b>
<b>CAPITAL AND RESERVES</b>						
Share capital	15,991		16,646		16,602	
Revaluation reserve	21,338		35,883		21,102	
Revenue reserve	213,717		242,272		209,869	
<b>MEMBERS' FUNDS</b>	<b>251,046</b>		<b>294,801</b>		<b>247,573</b>	

# Group Cash Flow Statement

For the 28 weeks ended 10 August 2013

	August 2013 28 Weeks (unaudited)		August 2012 28 Weeks (unaudited)		January 2013 52 Weeks (unaudited)	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>29,723</b>		31,966		37,423
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>						
Interest and dividends received		466		406		871
Interest paid		(3,688)		(3,321)		(5,644)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(3,222)</b>		(2,915)		(4,773)
<b>CORPORATION TAX (PAID) / RECEIVED</b>		<b>(57)</b>		-		840
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>						
Purchase of tangible fixed assets		(21,749)		(7,854)		(17,538)
Purchase of fixed asset investments		(2,706)		(3,002)		(5,027)
Disposal of tangible fixed assets		1,018		61		775
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(23,437)</b>		(10,795)		(21,790)
<b>ACQUISITIONS</b>						
Purchase of businesses		(2,201)		(1,306)		(11,139)
Overdraft acquired		-		-		(695)
<b>Net cash outflow for acquisitions</b>		<b>(2,201)</b>		(1,306)		(11,834)
<b>DISPOSALS</b>						
Sale of business		-		(1,823)		(1,883)
<b>Net cash outflow for disposals</b>		<b>-</b>		(1,823)		(1,883)
<b>CASH INFLOW / (OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING</b>		<b>806</b>		15,127		(2,017)
<b>FINANCING</b>		<b>(730)</b>		(519)		(658)
<b>INCREASE / (DECREASE) IN CASH IN THE YEAR</b>		<b>76</b>		14,608		(2,675)
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET CASH</b>						
Increase / (decrease) in cash in the year		76		14,608		(2,675)
Cash inflow from movement in debt and lease financing		9		565		582
Change in net cash resulting from cash flows		85		15,173		(2,093)
<b>Opening net cash</b>		<b>38,486</b>		40,579		40,579
<b>Closing net cash</b>		<b>38,571</b>		55,752		38,486

# Notes to the Accounts

1. The financial information does not constitute statutory accounts and is not audited.
2. The interim statement has been prepared on the basis of the accounting policies set out in the 2012/13 statutory accounts.
3. Gross Sales and Turnover

	Gross Sales (excluding VAT)			Turnover		
	August 2013 (unaudited) 28 Weeks £'000	August 2012 (unaudited) 28 Weeks £'000	January 2013 (audited) 52 Weeks £'000	August 2013 (unaudited) 28 Weeks £'000	August 2012 (unaudited) 28 Weeks £'000	January 2013 (audited) 52 Weeks £'000
Retail	308,140	282,279	532,170	305,594	281,228	526,122
Wholesale	40,699	38,853	71,869	40,699	38,853	71,869
Funeral	17,316	16,095	29,300	17,316	16,095	29,300
Transport	14,656	13,838	23,686	14,656	13,838	23,686
Other	60	403	1,005	60	403	1,005
Rent received from investment properties	5,785	6,421	11,653	5,785	6,421	11,653
<b>Total</b>	<b>386,656</b>	<b>357,889</b>	<b>669,683</b>	<b>384,110</b>	<b>356,838</b>	<b>663,635</b>

# Independent Review Report

## Independent Review Report to the members of Midlands Co-operative Society Limited

### Introduction

We have been engaged by the Group to review the non-statutory interim financial statements in the half-yearly financial report for the 28 weeks ended 10 August 2013 which comprises the Group Revenue Account, Group Balance Sheet, Group Cash Flow Statement related notes 1 to 3. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the non-statutory interim financial statements.

This report is made solely to the Society in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Group those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our review work, for this report, or for the conclusions we have formed.

### Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the non-statutory interim financial statements and other information contained in the interim financial report in accordance with the basis of preparation and accounting policies in Note 2 to the non-statutory interim financial statements and for determining whether this basis of preparation is appropriate in the circumstances.

### Our responsibility

Our responsibility is to express to the Group a conclusion on the non-statutory interim financial statements in the half-yearly financial report based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the non-statutory interim financial statements in the half-yearly financial report for the 28 weeks ended 10 August 2013 is not prepared, in all material respects, in accordance with the basis of preparation and accounting policies in Note 2 to the non-statutory interim financial statements.

Deloitte LLP  
Chartered Accountants  
Birmingham, United Kingdom  
27 September 2013

# Notice of Interim & Special Meetings

The Interim & Special Meetings of Members will be held as follows:

## Eastern Region - Tuesday 15 October 2013 at 7.00 p.m.

**COALVILLE** • Snibston Discovery Museum, Ashby Road, Coalville. LE67 3LN

**LEICESTER** • The 1880 Suite, Caterpillar Stand, Leicester Tigers, Aylestone Road, Leicester. LE2 7TR

## Southern Region - Wednesday 16 October 2013 at 7.00 p.m.

**KETTERING** • The Rutland Suite, Kettering Park Hotel, Kettering Parkway, Kettering. NN15 6XT

**MARKET HARBOROUGH** • The Conference Centre, Three Swans Hotel, High Street, Market Harborough. LE16 7NJ

**MELTON MOWBRAY** • Pera Conference Centre, Nottingham Road, Melton Mowbray. LE13 0PB

## Northern Region - Tuesday 22 October 2013 at 7.00 p.m.

**CHESTERFIELD** • Ringwood Suite, Ringwood Hall Hotel, Ringwood Road, Brimington, Chesterfield, Derbys. S43 1DQ

**DERBY** • The Carriage Shop Theatre, Derby College, The Roundhouse, Roundhouse Road, Pride Park, Derby. DE24 8JE

**EASTWOOD** • Eastwood Hall, Hayley Conference Centre, Mansfield Road, Eastwood. NG16 3SS

## Western Region - Wednesday 23 October 2013 at 7.00 p.m.

**BIRMINGHAM** • International Convention Centre (ICC), Broad Street, Birmingham. B1 2EA

**BURTON ON TRENT** • The Albion Suite, Burton Albion Football Club, The Pirelli Stadium, Princess Way, Burton on Trent. DE13 0AR

**STAFFORD** • Tillington Hall Hotel, Eccleshall Road, Stafford. ST16 1JJ

## Members are requested to note the following:

- **TO GAIN ADMISSION:** Members must present their **valid share book or valid membership card** and have held at least £1 in their share account for at least six months prior to the date of the meeting.
- **DOCUMENTS:** Details of the Election and the business of the Special Meeting, including Rule amendments and explanatory notes, are contained in separate documents, copies of which are available from the Registered Office (01543 421309), Society food stores and on the Society's website: [www.midlands.coop](http://www.midlands.coop)
- **REFRESHMENTS:** Tea, coffee and biscuits will be available prior to the meeting from 6.15 p.m.
- **AT THE CONCLUSION OF THE MEETING:** • Members are invited to remain for tastings of Co-operative food products, including where possible, locally sourced products, and take the opportunity to talk to Directors and Regional Committee members on an informal basis.



# Agenda of Interim & Special Meetings

1. **Minutes** of the Annual Meeting of Members held 23, 24, 30 April and 1 May 2013, including Results of Elections.
2. **Interim Report** of the Board of Directors.
3. **Appointment of Auditors:** Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ
4. **Distribution of Trading Surplus – Proposed Members' Interim Dividend.**
5. **Membership & Community, including Member Relations Interim Report.**
6. **Elections – declaration of results:** Election of one Members' Delegate from each Region to attend Co-operative Congress 2014.
7. **To receive written Members' Delegates Reports.**

**AT THE CONCLUSION OF THE ORDINARY BUSINESS, A SPECIAL MEETING WILL BE HELD TO SET OUT DETAILS OF THE PROPOSED MERGER OF MIDLANDS CO-OPERATIVE SOCIETY AND ANGLIA REGIONAL CO-OPERATIVE SOCIETY, AND TO CONSIDER AND APPROVE THE ADOPTIONS OF RULE AMENDMENTS TO FACILITATE THE MERGER.**

## THE FOLLOWING RESOLUTION IS SUBMITTED TO MEMBERS FOR APPROVAL:

"THAT the Rules of the Society are amended in accordance with the document presented to this meeting, subject of the members of Anglia Regional Co-operative Society Limited agreeing to transfer its engagements to Midlands Co-operative Society Limited, and the payment of compensation for loss of office to any serving Director, Regional Committee members or Regional Member Relations Committee member who does not become a Director or Membership & Community Council member in 2014 or is (in the circumstances set out in the supporting document) unsuccessful in elections to the Board of Membership & Community Councils in 2015 or 2016, be approved."

J. Watts, Secretary - 27 September 2013

# Minutes

## of the Annual Meeting of Members held in 2013:

### Eastern Region - Tuesday 23 April 2013 at 7.00 p.m.

**COALVILLE** • Snibston Discovery Museum, Ashby Road, Coalville • 102 members present • Stuart Unwin in the Chair  
**LEICESTER** • Caterpillar Stand, Leicester Tigers, Aylestone Road, Leicester • 151 members present • John Howells in the Chair

### Southern Region - Wednesday 24 April 2013 at 7.00 p.m.

**KETTERING** • The Kettering Park Hotel, Kettering Parkway, Kettering • 75 members present • Phil Sawford in the Chair  
**MARKET HARBOROUGH** • The Conference Centre, Three Swans Hotel, High Street, Market Harborough • 60 members present • Maria Lee in the Chair  
**MELTON MOWBRAY** • Pera Conference Centre, Nottingham Road, Melton Mowbray • 54 members present • Michael Althorpe in the Chair

### Northern Region - Tuesday 30 April 2013 at 7.00 p.m.

**CHESTERFIELD** • The Legends Lounge, the b2net Stadium, Chesterfield Football Club, Sheffield Road, Chesterfield • 104 members present • Kevin Hepworth in the Chair  
**DERBY** • The Carriage Shop Theatre, Derby College, The Roundhouse, Roundhouse Road, Pride Park, Derby • 108 members present • Elaine Dean in the Chair  
**EASTWOOD** • Eastwood Hall, Hayley Conference Centre, Mansfield Road, Eastwood • 86 members present • Peter Dean in the Chair

### Western Region - Wednesday 1 May 2013 at 7.00 p.m.

**BIRMINGHAM** • International Convention Centre (ICC), Broad Street, Birmingham. B1 2EA • 145 members present • Paul Singh in the Chair  
**BURTON ON TRENT** • The Albion Suite, Burton Albion Football Club, The Pirelli Stadium, Princess Way, Burton on Trent • 121 members present • Dave Ellgood in the Chair  
**STAFFORD** • Tillington Hall Hotel, Eccleshall Road, Stafford • 86 members present • Helen Lees in the Chair

# Minutes

## Continued

1. **Apologies** received were read to the meetings at respective venues.
2. **Minutes** - The minutes of the Interim Meeting of Members held 9, 10, 16 and 17 October 2012 were approved as a correct record.
3. **Report of the Board of Directors** - Resolved: "That the Directors' Report & Financial Statements, together with the Annual Report of the Remuneration Committee, for the year ended 26 January 2013 be adopted".

The Derby Members' Meeting requested that the record of votes on the Annual Report of the Remuneration Committee at that meeting be recorded: Derby Meeting - 21 in favour; 26 against; 19 abstentions.

4. **Appointment of Auditors** - Appointed: PricewaterhouseCoopers, Donington Court, Pegasus Business Park, Castle Donington, East Midlands, DE74 2UZ.
5. **Distribution of Trading Surplus** - The Board of Directors proposed the following distributions from trading surplus:

Members' Dividend: 1.1 pence per point*	632,000
Colleagues' Dividend	1,272,000
Community Dividend	254,000

\* On purchases made between 12 August 2012 and 26 January 2013

The proposed distributions were approved by majority.

6. **Membership & Community, including Member Relations Annual Report** - The Member Relations Annual Report for the year ended 26 January 2013 was received and adopted.
7. **Society Co-operative Party Councils** - Annual Reports & Accounts (Midlands Northern, Midlands Eastern & Southern and Midlands Western Regions) were received and noted.
8. **Elections** - The results of the following Elections were received and noted (see following pages for further details):
  - Election of Members & Employee Members to Regional Committees
  - Election of Members to Regional Member Relations Committees
  - Election of Members to Society Co-operative Party Councils (Midlands Northern, Midlands Eastern & Southern and Midlands Western Regions)
9. **Reports of Members' Delegates** - Written reports of Members' Delegates on their attendance at Co-operative Congress 2012 were received.

# Results of Elections – April / May 2013

## 1. Election of Regional Committee Members (for three years except where stated):

<b>Eastern Regional Committee:</b>	<b>Four Members:</b> (3 for 3 years; 1 for 2 years)	<b>Elected unopposed:</b> John Howells Vicky Howells Stuart Unwin Barry Walne
	<b>One Employee Member:</b>	<b>Elected:</b> Sean Clothier <b>Not Elected:</b> Shirley Arnold
<b>Southern Regional Committee:</b>	<b>Three Members:</b>	<b>Elected unopposed:</b> Gaye Duncombe Peter Smith Glenda Weston
	<b>One Employee Member:</b>	<b>Elected unopposed:</b> Michael Althorpe
<b>Northern Regional Committee:</b>	<b>Three Members:</b>	<b>Elected unopposed:</b> John Briggs Elaine Dean Peter Dean
	<b>One Employee Member:</b>	<b>Elected:</b> Matt Garton <b>Not Elected:</b> Tanya Noon
<b>Western Regional Committee:</b>	<b>Three Members:</b>	<b>Elected:</b> Richard Bickle Helen Lees Keith Redfern <b>Not elected:</b> Paul Singh
	<b>Two Employee Members:</b> (1 for 3 years; 1 for 2 years)	<b>Elected unopposed:</b> Adrian Dunn (2 years) John McGlade

## Results of Elections – April / May 2013

## 2. Election of Members' Representatives to serve on Regional Member Relations Committees (for three years except where stated):

<b>Eastern &amp; Southern Regions Member Relations Committee</b>	<b>Eastern Region Two Members:</b>	<b>Elected Unopposed:</b> Pamela Clayfield Ann Sleath
	<b>Southern Region Four Members:</b> (2 for 3 years; 1 for 2 years; and 1 for 1 year)	<b>Elected unopposed:</b> Steve Boud Helen Chadwick 2 vacancies
<b>Northern Region Member Relations Committee:</b>	<b>Chesterfield One Member:</b>	<b>Elected unopposed:</b> James Knight
	<b>Derby One Member:</b>	<b>Elected unopposed:</b> Liz Lomas
	<b>Ilkeston One Member:</b>	No nominations received
	<b>NEMCO One Member:</b>	<b>Elected unopposed:</b> Sharon Brown
<b>Western Region Member Relations Committee:</b>	<b>Birmingham Two Members:</b>	<b>Elected unopposed:</b> Richard Bickle Kate Palser
	<b>Burton Two Members:</b>	<b>Elected unopposed:</b> Sue Robinson <b>Not Elected:</b> Susan Williams-Jones
	<b>Stafford &amp; Stone One Member:</b>	<b>Elected unopposed:</b> Laurence Braithwaite

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### 3. Election of Members to serve on the Society Party Councils

(all candidates elected unopposed):

**Midlands Eastern & Southern Region -**  
for 2 years except where stated:

<b>Coalville</b> <b>Two Members:</b>	Sean Sheahan Frank Straw
<b>Kettering</b> <b>One Member:</b>	Peter Weston
<b>Leicester</b> <b>Two Members:</b>	Patricia Stuttard Robert Wood
<b>Market Harborough</b>	No vacancies
<b>Melton Mowbray</b> <b>One Member:</b>	Maureen Forshaw

**Midlands Northern Region -**  
for 1 year:

<b>Derby</b> <b>Four Members:</b>	Madge Eccles William Hall Joseph Kavanagh Dave Roberts
<b>NEMCO</b> <b>Three Members:</b>	John Banks Marlene Bennett Celia Cox

**Midlands Western Region -**  
for 1 year:

<b>Greater Midlands</b> <b>Five Members:</b>	Janet Marsh Philip O'Shea Nicholas Stephens Reginald Stone Vacancy
<b>Stafford &amp; Stone</b> <b>Two Members:</b>	Norman Liddle Vacancy

# Important Dates in 2014

Set out below are the dates of the Society's Members' Meetings 2014. Subject to members' approval of rule amendments at the Special Meeting in October 2013 to facilitate the proposed merger of Midlands Co-operative Society and Anglia Regional Co-operative Society, direct elections to the Board of the newly merged Society will be held in April/May 2014.

Precise arrangements, including exact venues for meetings and voting in elections, will be given on the due dates by notices in stores and on the Society's website [www.midlands.coop](http://www.midlands.coop)

**Elections to the new Membership & Community Councils will be held in October 2014.**

### Annual Meeting of Members:

<b>Eastern Region:</b> Coalville and Leicester	Tuesday 23 April
<b>Southern Region:</b> Kettering, Market Harborough and Melton Mowbray	Wednesday 24 April
<b>Northern Region:</b> Chesterfield, Derby and Eastwood	Tuesday 30 April
<b>Western Region:</b> Birmingham, Burton and Stafford	Wednesday 1 May

