

Central England Co-operative

A photograph of a middle-aged Black man with a full grey beard and glasses, smiling and looking off to the side. He is wearing a blue button-down shirt and holding a black folder. He stands in front of a red brick house with a white-framed window and a black mailbox with a gold number '39'. The scene is outdoors with trees and foliage in the background.

INTERIM REVIEW 2020

Our Family of Businesses

242

Food Stores

20

Petrol Filling Stations

1

Distribution Hub

132

Funeral Homes

2

Masonry Showrooms

1

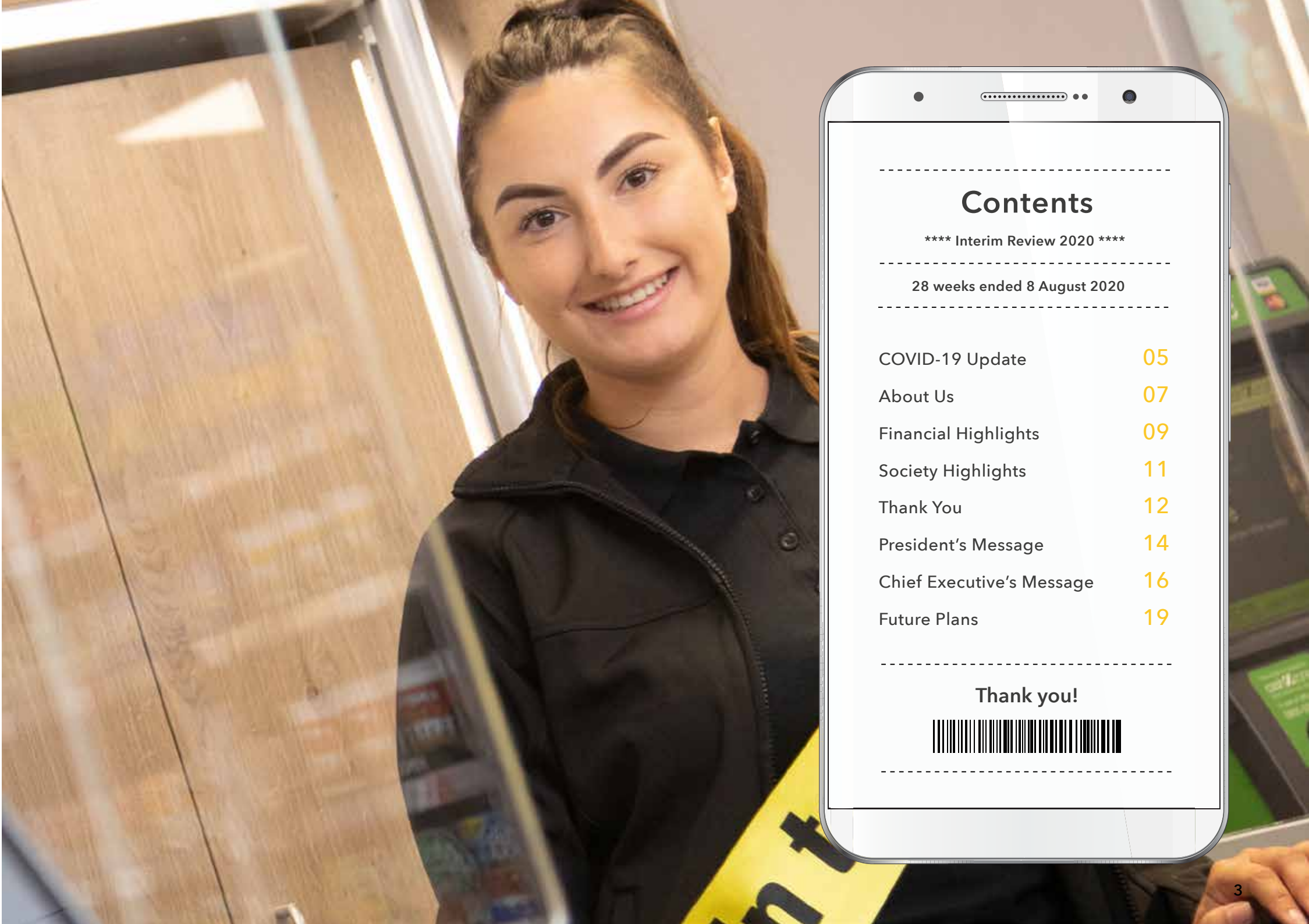
Coffin Factory

1

Crematorium

6

Florist Shops



Contents

**** Interim Review 2020 ****

28 weeks ended 8 August 2020

COVID-19 Update	05
About Us	07
Financial Highlights	09
Society Highlights	11
Thank You	12
President’s Message	14
Chief Executive’s Message	16
Future Plans	19

Thank you!





Our colleagues have been leading the way to ensure customers and members stay safe when shopping for vital food and essentials

Covid-19 Update



Provided over **7,000 frontline colleagues** with **over three million items of PPE** to keep them and customers safe

Revamped our



to provide urgent financial support to help groups deal with the impact of Covid-19



Hired **850 temporary colleagues** to support stores and funeral homes at the height of the pandemic



Launched an urgent food bank appeal to support our charity partners after a major fall in donations at the same time as a spike in demand



Rewarded frontline colleagues with an **extra week's pay** and enhanced discount for going above and beyond for their communities



Community Food Hub and Call and Collect initiative **supported over 2,000 vulnerable people** in less than three months

Made major donations to FareShare and Dementia UK to make sure their vital work in the community could continue and **delivered 'thank you' packages to over 1,000 care homes and hospices** to reward staff for their hard work

Overhauled our **membership offering** to ensure we could still support our members via virtual classes and new services



Newly refitted stores, like our Skegby Road Food Store, in Nottingham, and brand new stores continue to provide new offerings for local communities

About Us

We are a
successful,
independent,
community-based
co-operative owned
by our members



Our proud heritage
dates back over

165
YEARS

We operate
OVER
400
trading outlets

We trade
in over
16
countries



As a responsible business, we continually
seek opportunities to improve the
environment and contribute to the wellbeing
of local communities



We invest 1% of our
trading profit into
supporting local groups
and good causes through
our Community Dividend Fund



We employ
7,750 PEOPLE



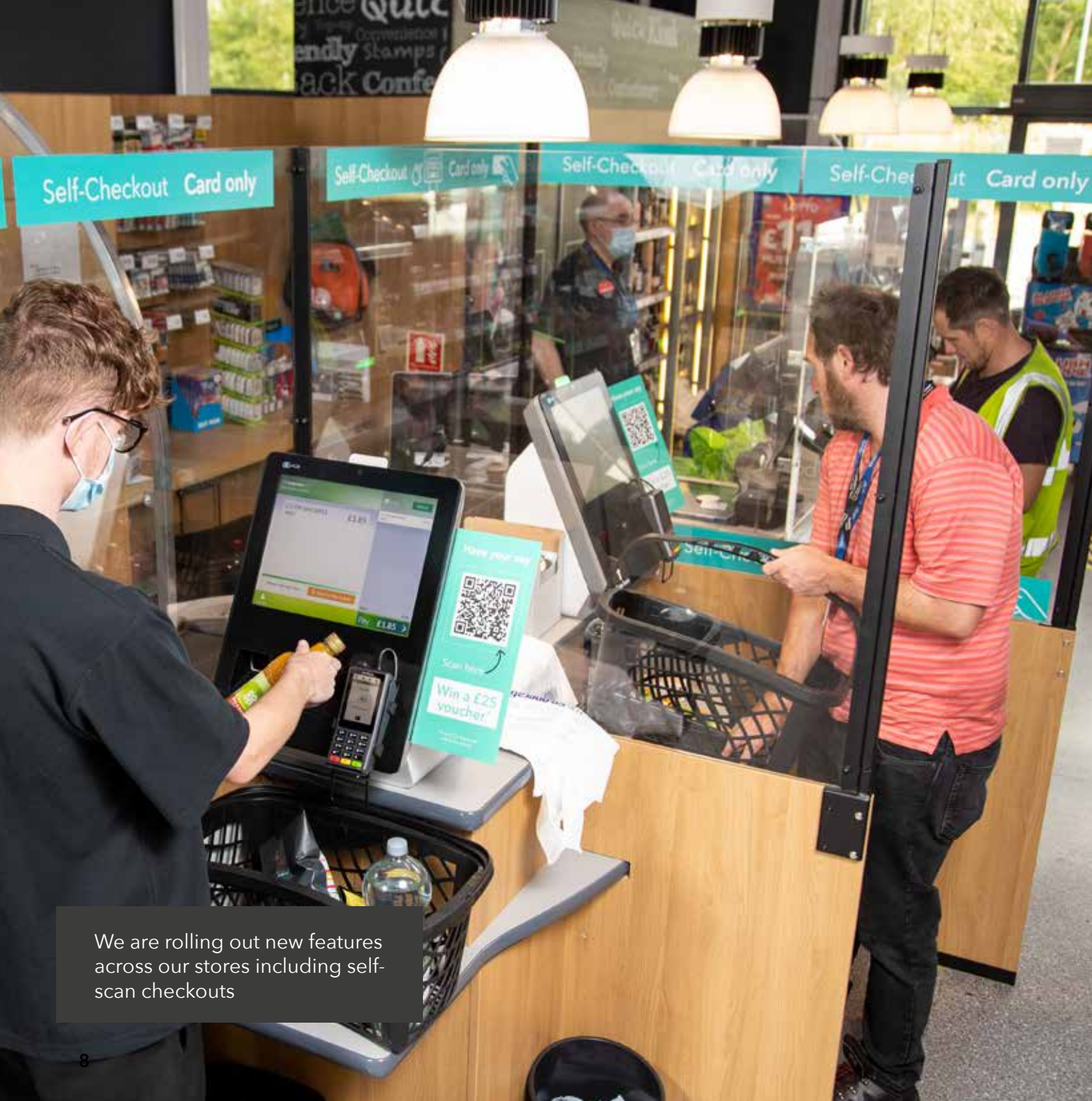
WE  U

**Our colleagues
are at the heart of
our business**

We are guided by
the internationally
recognised
co-operative
values

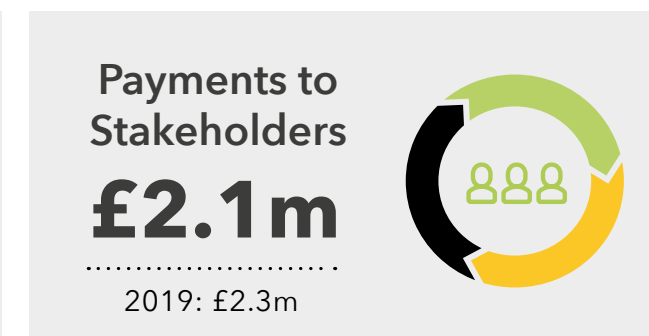
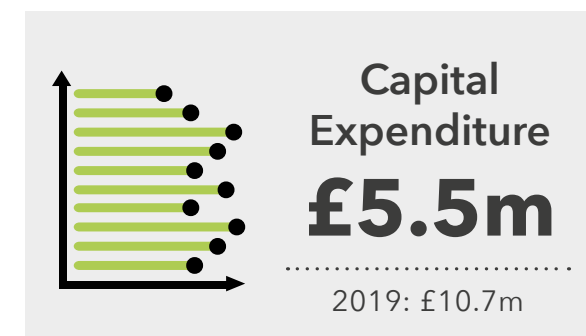
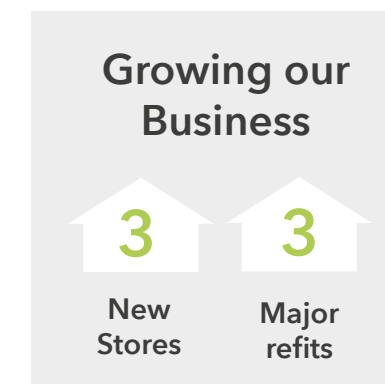
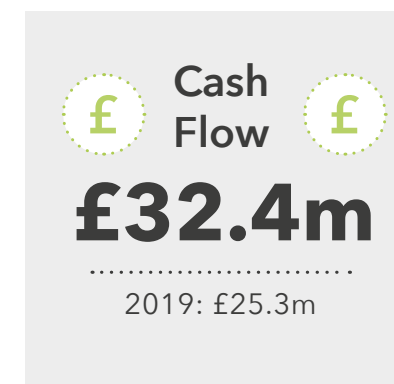
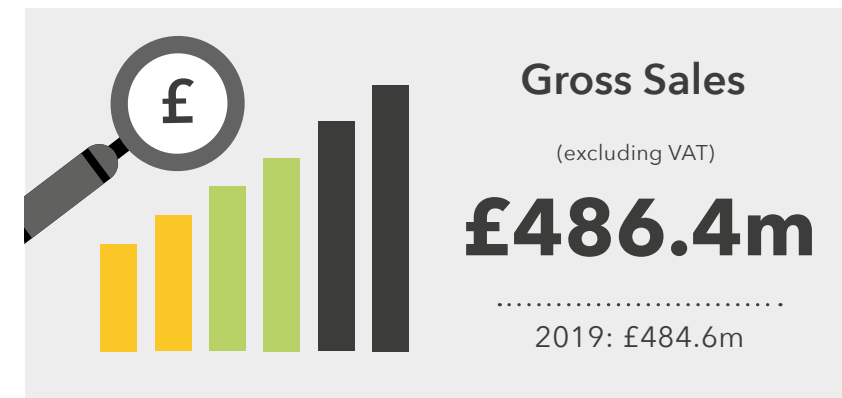


Self-help
Self-responsibility
Democracy
Equity
Equality
Solidarity



We are rolling out new features across our stores including self-scan checkouts

Financial Highlights





We have continued some member groups during the pandemic through the innovative use of technology or even by holding socially distanced events outside

Society Highlights

We have
shared out
£81,000

between **51**
local good causes
as part of our



FAIRTRADE

We hosted a range
of **events and**
activities to mark
Fairtrade Fortnight and
Co-operatives Fortnight



We held our third
Women's Voices Event
tackling a range of
subjects to
mark International
Women's Day



We joined forces with
other co-operatives
and retailers to
campaign for the
Government to change
legislation to better
protect our colleagues
from threats and
violence

Our ground-breaking
work with FareShare
Midlands has now
seen **our food**
redistribution project
help create over one
million meals for
people in need



Our ongoing effort
to minimise our
environmental impact
has seen our carbon
footprint reduce by

72%
(since 2010)



Thank you



Message from our President

As my extended term as President comes to an end I want to pay tribute to all parts of our wonderful independent co-operative Society.

We are living through unprecedented times where our co-operative values and principles have shone through more than ever.

The Board is truly grateful to and in awe of our amazing colleagues who have been leading the way with their incredible fortitude and commitment across all parts of the Society.

We've had to adapt to the rapidly changing circumstances and we've changed in lots of ways: virtual Board meetings, regular updates with the Executive Team and we have spent time reviewing our longer-term strategy in the context of the current environment. Who knows what the future holds and what is 'normal' anymore?

These challenging times saw us complete the transfer of 16 of the Society's travel branches, and the colleagues who work within them, to Midcounties Co-operative. This decision was reached after very careful consideration by the Board and Executive Team, coupled with the opportunity to continue to offer a

co-operative travel solution to our members and customers.

In June we held our first ever online Members' Meeting, successfully attracting over 1,400 attendees. Many Membership activities have adapted too - line dancing on Facebook Live, Tai chi on Zoom, calligraphy, floristry and gardening classes and a very popular online weekly quiz hosted by one of our drama groups. Our painting group has also continued with weekly tutor-set homework and an online gallery to share each other's work.

We've also relaunched our Community Dividend Fund scheme to provide immediate financial support to help local good causes, groups and charities deal with the crisis.

Just prior to the lockdown in March, we hosted the Society's third successful 'Women's Voices' event for International Women's Day. This was held at the National Memorial Arboretum in Alrewas and was attended by over 120 women from across the co-operative sector and beyond.

We participated in Co-operatives Fortnight in June and July by highlighting various activities across the Society to support

communities and showcase some great acts of co-operation by colleagues throughout the Coronavirus pandemic. This included the setting up of five community hubs in Burton, Derby, Leicester, Lichfield and Stafford, working collaboratively with local councils and organisations to deliver packages of food and essentials to vulnerable people.

Working with other co-operatives and The Co-operative Party, we continue to lobby the Government to do more to protect retail colleagues who face physical and verbal threats and violence at work.

I hope our April 2021 Members' Meetings are mainly face to face and that all our member activities can resume in the new year.

It has been an immense privilege to be your President during these uncertain times.



Elaine Dean
Society President



Message from our Chief Executive

Thank you to all our colleagues for their heroic efforts, especially those on the frontline, working at our food stores, funeral homes, crematorium, coffin factory and distribution centres. I will never forget the job that they have done and continue to do during these difficult times.

Thank you also to our Board, our members, our customers and our communities for their support and for working with us during this pandemic to ensure we stay safe and well.

Safety has always been our top priority, and we have invested in a number of measures to ensure we have been able to provide a secure environment for our colleagues, members and customers. We deployed additional security guarding where necessary, installed protective screens at our check-out areas and kiosks, and implemented the wearing of face coverings. We secured and provided PPE and hand sanitiser, organised additional refrigeration for the care of the deceased and we deployed new computer hardware and software to facilitate home working. These necessary additional costs have been significant to our business, amounting to £9.3 million in the first half of the year, although the Society has received £5.4m in Government support in the form of business rates relief, property grants and furlough payments for a limited number of colleagues.

Our biggest business is our food business and it has proved most resilient during Covid-19. The increased demand has been significant, and the Society has performed strongly with an increase in like-for-like food sales of over 20% during the early weeks of lockdown. This performance has been incredible compared to results announced by other retailers in the UK. While demand continues to be high, it has slowed during poorer weather and as restrictions have been eased. Even so, the Society's food business remains in a strong position for the future.

Our fuel business suffered considerably with declines of 75% at the peak of the pandemic. As restrictions have been eased, sales have risen.

Increased demand in our funeral business followed the peak period in our food business. Our colleagues adapted very quickly to new ways of working. This included significant IT development to facilitate remote arrangements by telephone and online. As well as coping with Covid-19, the funeral team has responded to an industry-wide Competition and Markets Authority investigation into the supply of funeral services and Financial Conduct Authority investigation into the selling and regulation of funeral plans.

Our travel business was understandably impacted by the current situation. On the back of the collapse of Thomas Cook in 2019, and the continued failure of a number of other travel operators, we took the difficult but pragmatic decision to transfer our travel business to Midcounties Co-operative travel, maintaining member benefits by continuing to offer travel services.

Each and every colleague had the opportunity of taking a role with Midcounties Co-operative, or within our food or funeral businesses.

Our sizeable property portfolio, including retail and residential properties, has been impacted, resulting in the Society collecting just over half of rental income in the last two quarters.

Trading in the first half of 2020 generated sales of £486.4m (2019: £484.6m) and Trading Profit of £19.3m (2019: £11.4m). This has been an incredibly strong performance in the first half of the year which has been driven significantly by our food business.

As restrictions are eased, demand is likely to be reduced in our food business. The death rate is now at a five year low and we are therefore working hard to control costs, drive efficiencies and accelerate our digital initiatives.

The second half of the year and 2021 are likely to be incredibly challenging as we adapt to life

with Covid-19, potentially without a trade deal with Europe, an economic recession and rising unemployment.

Our Executive and Leadership teams will continue to adapt quickly to implement new initiatives and be agile in identifying new market opportunities.

We have achieved significant improvement in our gender equality, and, as we move towards a fairer Society, we will extend our equality plan.

We continue to campaign for the protection of our colleagues who find themselves a victim of crime. We will continue to fight until there is a change in the law that protects our frontline teams in the same way that it protects emergency workers.

While there are significant challenges ahead, we are in a very strong position, with a solid balance sheet and talented people to build a sustainable Society for all.



Debbie Robinson
Chief Executive






We continue to grow our business in our communities by trying out new concepts, such as a partnership with Insomnia Café, seen here at our Littleover Food Store, in Derby

Future Plans



We are continuing to INVEST in energy efficient new sites

as well as refurbishing existing locations to provide a better experience for customers and ensuring we offer vital services to the local community



We are rolling out NEW technology

to make shopping easier such as **self-scan checkouts and scan and go**



We are revamping our website

so we can make use of **new developments** such as being able to plan your funeral online



We are looking to forge exciting links with new partners

that share our ethos and co-operative values and principles

We are **experimenting with new ideas** and formats such as rolling out community cafes in several of our stores



Registered Office: Central House, Hermes Road,
Lichfield, Staffordshire WS13 6RH

Registered society under
the Co-operative and Community
Benefit Societies Act 2014.
Registered No 10143R

Designed and produced by:

Central England Co-operative

This report is printed on paper from responsible
sources using vegetable based inks and is fully
recyclable and bio-degradable.