

Midlands Co-operative Society Limited

Interim Report and Financial Information
11 August 2012

The **co-operative**
good for everyone

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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Board of Directors, Management Executive and Advisors

Board of Directors

President

Paul Singh [®]#[Ⓢ]

Vice-President

Maria Lee [Ⓢ][Ⓢ]#

Michael Althorpe

Frank Croft [Ⓢ]#

Elaine Dean #

Peter Dean [Ⓢ]

Dave Ellgood

Robin Farrell

Kevin Hepworth

John Howells [Ⓢ]

Liz Lomas [Ⓢ]

John Maltby [Ⓢ]#

Marta Mayhew [Ⓢ]

Helen Lees

Keith Redfern [Ⓢ]

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 and Advisors

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 Ruttley Information Solutions

Auditors

PricewaterhouseCoopers LLP,
Donington Court, Pegasus Business Park,
Castle Donington, East Midlands. DE74 2UZ

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

“Positive trading performance in the first half of 2012 demonstrates the Society's resilience to withstand the most demanding conditions”

The Board of Directors is pleased to present the Interim Report to Members for the 28 weeks ended 11 August 2012.

Business Activities

The Society's principal business activities are Food and Fashion & Home retailing, 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 the joint venture company formed in October 2011 that brought together all parts of the Travel businesses of the Society and The Co-operative Group with Thomas Cook's UK retail shop network.

Interim Statement of Group Trading Activities

The financial information set out on pages 7 to 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 2012, with trading profit in continuing businesses, before exceptional items, increasing to £16.3 million (2011: £16.2 million) and gross sales in continuing businesses, excluding VAT, rising by 5% to £357.9 million.

The Group Revenue Account shows total trading profit, before exceptional items, of £17.4 million (2011: £18.9 million) and includes £1.1 million relating to Discontinued Businesses (2011: £2.6 million). Items included within Discontinued Businesses relate to the Society's former Travel business that was transferred into a joint venture with The Co-operative Group and Thomas Cook in October 2011. The Society has supported the integration of the joint venture through the provision of transitional services and the subsequent planned handover of functions including finance, IT, payroll, HR operations, and property services. Society Members have the opportunity to earn membership points on purchases made at Co-operative Travel shops.

As expected, challenging conditions have continued in 2012 with household incomes remaining under sustained pressure from high fuel prices, low wage increases and unemployment fears. Consumer confidence remains fragile as a result of the longest economic downturn for many decades.

Prospects for recovery continue to be impacted by ongoing uncertainty in the Eurozone and weak global and domestic demand. Recent economic forecasts indicate only a modest upturn in the second half of the year, carrying through to further gradual improvement in 2013.

The positive trading performance again demonstrates the Society's resilience to withstand the most demanding conditions and underlines the Board's confidence in the business strategy that continues to provide the framework for future growth.

The Society continues to generate strong cash flow from operating activities, backed by the strength of the asset base, to invest in viable opportunities to develop trading locations. This was again evident in the first half of 2012 when capital expenditure and investment in business acquisitions totalled £9.2 million while still leaving positive cash balances of £55.9 million and a total net asset value of £294.8 million.

The Board remains fully aware of the significant costs of funding the outstanding liabilities of the pension scheme following the major step taken to close the defined benefit scheme in July 2011. The January 2012 Annual Report included details of an asset backed funding structure that was implemented in January 2012 as part of the strategy to address the scheme deficit over the medium term. The Society's funding obligations under this arrangement of £106.9 million are included in the Balance Sheet within Creditors, offset by a deferred tax asset of £17.5 million. As a result of this arrangement, the pension liability on an FRS17 basis has reduced to £6.0 million from £83.6 million at August 2011.

Retail food stores achieved increased sales and profitability in intensely competitive conditions and despite experiencing the wettest summer for 100 years. Strong growth in convenience stores and increased fuel sales were partly offset by continued pressure in larger food stores. The improvement in convenience store sales reflects the focus on maintaining consistently high operational standards throughout the food store estate, with emphasis on reducing queue times and improving product availability. The Society's Retail team were again recognised by winning two more awards at the Convenience Tracking Programme Awards ceremony held in May: Best Chilled and Fresh Retailer and Best Top Up Mission Retailer. The Society also reached the finals of the prestigious Grocer Gold Awards for Employer of the Year.

The rollout of ambient local product ranges, branded as “A Taste of...”, has been completed and work is underway to extend this offer across fresh food categories, deli’s and café’s. The importance of a strong price and promotional package remains a key feature of the Society’s food store ranges, supported by CRTG sales and marketing activity. The proportion of food sales that are on promotion is 40% and is a clear reflection of the increasingly challenging market.

The Society’s development programme has seen the opening of two new food stores at Barton under Needwood in Staffordshire and at Launceston Road, Wigston in Leicester, together with the completion of two acquisitions; a fuel station with convenience store in Bakewell and a convenience store in Oakwood, Derbyshire. The Society has also acquired a newsagent in Turnbull Drive, Leicester which has allowed the extension of the Society’s existing store. 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 18 store refurbishments completed in the first half of the year.

Following successful trials last year, the rollout of automated store ordering based on sales has commenced across the food store estate, providing stores with greater focus on stock control combined with improvements in central product ordering and range management.

The Society’s Fashion & Home stores experienced a significant decline in sales as a result of continued pressure on discretionary spending and the growing impact of the internet in the non-food sector. Home categories have seen customers switch to “mend and make do” products such as rugs instead of carpets and mattresses instead of beds. The wet summer weather also reduced the opportunity to drive sales of outdoor products. Whilst aggressive promotional activity has continued across the high street, the Society has achieved sales increases in fashion categories through the introduction of new strong brands and ranges, often ahead of local competition. Profit margins have been squeezed across all product groups as a consequence of matching competitor promotions, necessitating the operation of robust cost controls throughout the trading operation.

“Retail food stores achieved increased sales and profitability in an intensely competitive environment”



Manager Simon Sprigg celebrating the refurbishment at Groby Road foodstore in Leicester



The Society won the Sustainability Award 2012 from Birmingham Chamber of Commerce Group



Locally sourced products are available in our foodstores



Rollout of The Co-operative Funeralcare brand continues

Investment in the Society's Distribution Centres in Leicester has included the replacement of four new vehicles, two of which include special signage to promote the International Year of Co-operatives. In addition, all three distribution sites have been re-branded to incorporate 'The Co-operative' brand and new environmentally friendly energy efficient lighting has been installed at the main ambient warehouse. The Society's Distribution operation provides stores with a smooth and uninterrupted supply of chilled and ambient products. The flexibility of the operation to respond to increased store demand was again demonstrated in the run up to the Golden Jubilee weekend celebrations in June.

Funeral produced a solid performance in the first half of 2012 with each arm of the business; funeral homes, floral, masonry, coffin manufacture and crematorium, all trading well. Funerals conducted showed an increase of 1.7% against the previous year with like for like market share remaining in line with last year. A new funeral home was opened at Dronfield Woodhouse in Derbyshire and a further funeral business was acquired in Leicestershire with homes in Countesthorpe and Aylestone. A further nine homes have been refurbished and converted to 'The Co-operative Funeralcare', bringing the total number of branded funeral homes to 45. Continued investment in training and development of Society colleagues has been recognised with the renewed accreditation of the Investors in People standard. Within the coffin manufacturing business, FSC (Forest Stewardship Council) accreditation has been achieved, underlining the Society's commitment to Corporate Responsibility.

“A further nine homes have been refurbished and converted to The Co-operative Funeralcare brand”

The first half of the year saw the launch of the new 'The Co-operative Florist' brand, with the Society's florist shop in Leicester becoming the first in the country to introduce the new brand. This was closely followed by the Society's florist branch at Burton upon Trent with further conversions planned for the second half of the year.

Improved sales and profitability in the Society's Transport businesses reflect the benefit of actions taken to address performance against the continued backdrop of subdued market conditions. New car volumes at the rebranded Lincoln dealership have improved, driven by growth in the Citroen and Mazda franchises. Sales at Lincoln have also been complemented by the recent introduction of the Chrysler and Jeep brands, with early performance exceeding expectations.



The Co-operative Florist brand launched in Leicester and Burton



Chief Executive Martyn Cheatle and local Councillor Ed Sharkey open the Society's new foodstore in Barton under Needwood

At Leicester Carriage Builders, the Society's specialist vehicle construction operation, the slowdown in local authority orders has led to increased focus to attract new business. This has resulted in a successful tender to secure a sizeable contract for security vehicles.

The Society's investment property portfolio continues to operate in challenging conditions, with the growing number of business failures lowering demand and confidence on the high street. The first half of the year has seen no new investments although a number of acquisition targets have been identified for the second half. The residential property market has held up well and the Society has invested in the portfolio in order to improve the estate.

The Property team continue to support growth activity across the Society with the acquisition of going concerns and development of new sites. The opportunity led strategy continues to deliver a healthy pipeline of stores.

Alongside the acquisition process, support of the Society's organic growth programme has seen the completion of several store refits and investment in new energy efficient equipment including new refrigeration and environmental systems, the trial of chiller doors in food stores and enhanced lighting schemes. In addition, solar panels have been installed at the Business Support Centre in Lichfield to further reduce the Society's carbon footprint.

Initiatives to encourage a growing, thriving membership has seen the launch of the updated Members' website, providing members with facility to track membership points, amend personal details and view forthcoming events. The Society has also developed a 'state of the art' mobile events trailer to promote the benefits of membership at new store openings and other promotional events. The trailer has been designed and built at Leicester Carriage Builders and will be on display at 'Co-operatives United' in Manchester at the end of October to celebrate the 2012 International Year of Co-operatives.

“Our clear, long-term strategy and financial strength ensures the Society is well positioned for future growth”

As part of its commitment to support the International Year, the Society has pledged US\$250,000 to the Global Development Co-operative, an initiative which will provide affordable loans to co-operatives in developing countries to expand through capital and infrastructure projects. In the International Year, the Society is proud to support this groundbreaking initiative which will provide an important legacy in empowering people to lift themselves out of poverty.

Looking ahead, the economic outlook is expected to remain challenging, with recovery likely to be long and slow. The return of consumer confidence, increasing employment levels and improvements in the housing market will be key factors in determining the scale and pace of recovery. The Society remains in a very strong financial position to trade and grow through the current difficult market conditions, with a clear strategy and substantial funds in place to develop the business for the future.

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 1.1 pence per point for member purchases up to 11 August 2012. This will be paid in Co-operative vouchers shortly after approval at the Interim Members' Meeting. The Colleague Dividend approved by Members at the Annual Meeting was distributed to qualifying Society colleagues in June 2012.

The 'Making a Difference' Community Dividend distributes 1% of trading profits to the communities served by the Society. In 2012, £266,000 is being distributed to community groups and good causes across the Midlands, taking the total amount granted since inception of the scheme to £1.7 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:

- Paul Singh**, President
- Martyn Cheate**, Chief Executive
- James Watts**, Secretary

20 September 2012



Our distribution vehicles celebrate the 2012 International Year of Co-operatives



Solar panels fitted at the Business Support Centre in Lichfield



New Members' website launched

Group Revenue Account

For the 28 weeks ended 11 August 2012

	August 2012			August 2011			January 2012
	Continuing 28 Weeks (unaudited) £'000	Discontinued 28 Weeks (unaudited) £'000	Total 28 Weeks (unaudited) £'000	Continuing 28 Weeks (unaudited) £'000	Discontinued 28 Weeks (unaudited) £'000	Total 28 Weeks (unaudited) £'000	Total 53 Weeks (audited) £'000
GROSS SALES (including VAT)	390,347	-	390,347	371,103	171,206	542,309	937,636
Less Value Added Tax	(32,458)	-	(32,458)	(30,291)	(372)	(30,663)	(58,854)
GROSS SALES (excluding VAT)	357,889	-	357,889	340,812	170,834	511,646	878,782
TURNOVER	356,838	-	356,838	337,019	24,640	361,659	675,939
Cost of sales	(245,922)	1,132	(244,790)	(230,954)	(10,294)	(241,248)	(458,985)
GROSS PROFIT	110,916	1,132	112,048	106,065	14,346	120,411	216,954
Expenses	(94,608)	-	(94,608)	(89,820)	(11,714)	(101,534)	(190,404)
TRADING PROFIT BEFORE EXCEPTIONAL ITEMS	16,308	1,132	17,440	16,245	2,632	18,877	26,550
Exceptional (expenses) / gain	(301)	-	(301)	8,244	(159)	8,085	5,558
TRADING PROFIT	16,007	1,132	17,139	24,489	2,473	26,962	32,108
Loss on disposal of fixed assets	(26)	-	(26)	(10)	-	(10)	(106)
(Loss) / profit on disposal of businesses	-	(23)	(23)	816	(123)	693	5,877
PROFIT BEFORE INTEREST AND TAXATION	15,981	1,109	17,090	25,295	2,350	27,645	37,879
Net interest (payable) / receivable			(2,927)			292	956
Other finance income / (costs)			3,939			(71)	377
PROFIT BEFORE PAYMENTS TO AND ON BEHALF OF STAKEHOLDERS			18,102			27,866	39,212
Payments to and on behalf of stakeholders			(2,931)			(2,550)	(4,001)
PROFIT BEFORE TAXATION			15,171			25,316	35,211
Taxation			(5,767)			(3,027)	(8,936)
RETAINED PROFIT			9,404			22,289	26,275

Group Balance Sheet

As at 11 August 2012

	August 2012 (unaudited)		August 2011 (unaudited)		January 2012 (audited)	
	£'000	£'000	£'000	£'000	£'000	£'000
FIXED ASSETS						
Intangible Assets		26,831		28,081		27,584
Tangible Assets		308,348		306,055		307,639
Investments		42,637		31,116		39,635
		<u>377,816</u>		<u>365,252</u>		<u>374,858</u>
CURRENT ASSETS						
Stocks	38,278		34,634		36,281	
Debtors	41,761		34,372		49,921	
Cash at Bank and in Hand	55,891		69,155		41,283	
	<u>135,930</u>		<u>138,161</u>		<u>127,485</u>	
CREDITORS						
Amounts falling due within one year						
Creditors	(66,326)		(87,555)		(62,417)	
Borrowings	(32)		(44)		(76)	
	<u>(66,358)</u>		<u>(87,599)</u>		<u>(62,493)</u>	
NET CURRENT ASSETS		<u>69,572</u>		<u>50,562</u>		<u>64,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>447,388</u>		<u>415,814</u>		<u>439,850</u>
CREDITORS						
Amounts falling due in more than one year						
Creditors	(139,087)		(33,950)		(138,296)	
Borrowings	(107)		(524)		(628)	
	<u>(139,194)</u>		<u>(34,474)</u>		<u>(138,924)</u>	
Provisions for Liabilities and Charges	(7,436)		(11,632)		(7,854)	
NET ASSETS EXCLUDING PENSION LIABILITY		<u>300,758</u>		<u>369,708</u>		<u>293,072</u>
Pension Liability	(5,957)		(83,603)		(2,894)	
NET ASSETS INCLUDING PENSION LIABILITY		<u>294,801</u>		<u>286,105</u>		<u>290,178</u>
CAPITAL AND RESERVES						
Share Capital	16,646		16,540		16,502	
Revaluation Reserve	35,883		36,835		35,883	
Revenue Reserve	242,272		232,730		237,793	
MEMBERS' FUNDS	<u>294,801</u>		<u>286,105</u>		<u>290,178</u>	

Group Cash Flow Statement

For the 28 weeks ended 11 August 2012

	August 2012 28 Weeks (unaudited)		August 2011 28 Weeks (unaudited)		January 2012 53 Weeks (unaudited)	
	£'000	£'000	£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES		31,966		44,532		39,983
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE						
Interest and dividends received	406		403		1,119	
Interest paid	(3,321)		(47)		(26)	
Net cash (outflow) / inflow from returns on investments and servicing of finance		(2,915)		356		1,093
CORPORATION TAX RECEIVED		-		-		1,553
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT						
Purchase of tangible fixed assets	(7,854)		(13,068)		(25,233)	
Purchase of fixed asset investments	(3,002)		(2,753)		(5,277)	
Disposal of tangible fixed assets	61		709		1,085	
Net cash outflow from capital expenditure and financial investments		(10,795)		(15,112)		(29,425)
ACQUISITIONS						
Purchase of businesses	(1,306)		(6,414)		(8,883)	
Net cash outflow for acquisitions		(1,306)		(6,414)		(8,883)
DISPOSALS						
Sale of business	(1,823)		-		(260)	
Cash disposed	-		-		(8,412)	
Net cash outflow for disposals		(1,823)		-		(8,672)
CASH INFLOW / (OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING		15,127		23,362		(4,351)
FINANCING		(519)		(106)		(265)
INCREASE / (DECREASE) IN CASH IN THE YEAR		14,608		23,256		(4,616)
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET CASH						
Increase / (decrease) in cash in the year	14,608		23,256		(4,616)	
Cash inflow from movement in debt and lease financing	565		21		57	
Non-cash movement	-		-		(173)	
Change in net cash resulting from cash flows	15,173		23,277		(4,732)	
Opening net cash		40,579		45,311		45,311
Closing net cash		55,752		68,588		40,579

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 2011/12 statutory accounts.
3. Gross Sales and Turnover

	Gross Sales (excluding VAT)			Turnover		
	August 2012 (unaudited) 28 Weeks £'000	August 2011 (unaudited) 28 Weeks £'000	January 2012 (audited) 53 Weeks £'000	August 2012 (unaudited) 28 Weeks £'000	August 2011 (unaudited) 28 Weeks £'000	January 2012 (audited) 53 Weeks £'000
Retail	282,279	269,861	516,022	281,228	266,068	508,811
Wholesale	38,853	38,605	72,342	38,853	38,605	72,342
Funeral	16,095	15,092	28,032	16,095	15,092	28,032
Transport	13,838	12,709	24,408	13,838	12,709	24,408
Other	403	28	648	403	28	648
Rent received from investment properties	6,421	4,517	9,457	6,421	4,517	9,457
Total Continuing Activities	357,889	340,812	650,909	356,838	337,019	643,698
Discontinued Activities - Travel	-	170,834	227,873	-	24,640	32,241
Total	357,889	511,646	878,782	356,838	361,659	675,939

Independent Review Report

Independent review report to the members of Midlands Co-operative Society Limited

Introduction

We have been engaged by Midlands Co-operative Society Limited (the 'Society') to review the non-statutory interim financial statements for the 28 week period ended 11 August 2012, which comprises the Group Revenue Account, Group Balance Sheet, Group Cash Flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Society in accordance with the terms of our engagement. These non-statutory interim financial statements have not been prepared in accordance with the requirements of Industrial Provident Society Act 1965 and are not the statutory financial statements of the Society. The non-statutory interim financial statements do not disclose all the information or comply in all respects with applicable accounting standards which would be necessary for them to show a true and fair view.

Directors' responsibilities

The non-statutory interim financial statements and other information contained in the Interim Report is the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the non-statutory interim financial statements and other information contained in the interim 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 a conclusion on the non-statutory interim financial statements based on our review. This report, including the conclusion, has been prepared for and only for the Society in accordance with our terms of engagement. Our report may not be made available to any other party without our prior written consent. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 enquiries, 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 for the 28 week period ended 11 August 2012 are 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.

PricewaterhouseCoopers LLP
Chartered Accountants
20 September 2012
East Midlands

Notes:

- a. The maintenance and integrity of the Society's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Notice of Interim Meeting

The Interim Meeting of Members will be held as follows:

Eastern Region - Tuesday 9 October 2012 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 10 October 2012 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 16 October 2012 at 7.00 p.m.

CHESTERFIELD • The Legends Lounge, the Proact Stadium, Chesterfield Football Club, Sheffield Road, Chesterfield. S41 8NZ

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 17 October 2012 at 7.00 p.m.

BIRMINGHAM • The Lakeside Centre, Aston University, Aston Triangle, Birmingham. B4 7ET (Use Car Park 12)

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:

- **REFRESHMENTS:** Tea, coffee and biscuits will be available prior to the meeting from 6.15 p.m.
- **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.
- **AT THE CONCLUSION OF THE MEETING:** Members are invited to remain for cheese and wine and take the opportunity to talk to Directors and Regional Committee members on an informal basis.

Agenda

1. Minutes of the Annual Meeting of Members held 24, 25 April and 1, 2 May 2012, including Results of Elections.

2. Interim Report of the Board of Directors.

3. Distribution of Trading Surplus - Membership Card Interim Dividend

The Board of Directors proposes the following interim dividend: **1.1 pence per point.**

4. Member Relations Interim Report.

5. Elections – declaration of results

Election of one Members' Delegate from each Region to attend Co-operative Congress 2013.

J. Watts, Secretary
14 September 2012

Minutes

of the Annual Meeting of Members held in 2012:

Eastern Region - Tuesday 24 April 2012 at 7.00 p.m.

COALVILLE • Snibston Discovery Museum, Ashby Road, Coalville • 93 members present • Stuart Unwin in the Chair

LEICESTER • The Grand Hall, St Martin's House, 7 Peacock Lane, Leicester • 124 members present • Rod Findley in the Chair

Southern Region - Wednesday 25 April 2012 at 7.00 p.m.

KETTERING • The Kettering Park Hotel, Kettering Parkway, Kettering • 79 members present • Marta Mayhew in the Chair

MARKET HARBOROUGH • The Conference Centre, Three Swans Hotel, High Street, Market Harborough • 51 members present • Maria Lee in the Chair

MELTON MOWBRAY • Pera Conference Centre, Nottingham Road, Melton Mowbray • 59 members present • Michael Althorpe in the Chair

Northern Region - Tuesday 1 May 2012 at 7.00 p.m.

CHESTERFIELD • The Legends Lounge, the b2net Stadium, Chesterfield Football Club, Sheffield Road, Chesterfield • 71 members present • Elaine Dean in the Chair

DERBY • The Carriage Shop Theatre, Derby College, The Roundhouse, Roundhouse Road, Pride Park, Derby • 93 members present • Peter Dean in the Chair

EASTWOOD • Eastwood Hall, Hayley Conference Centre, Mansfield Road, Eastwood • 86 members present • Kevin Hepworth in the Chair

Western Region - Wednesday 2 May 2012 at 7.00 p.m.

BIRMINGHAM – The Lakeside Centre, Aston University, Aston Triangle, Birmingham • 127 members present • Frank Croft in the Chair

BURTON ON TRENT - The Albion Suite, Burton Albion Football Club, The Pirelli Stadium, Princess Way, Burton on Trent • 88 members present • Dave Ellgood in the Chair

STAFFORD - Tillington Hall Hotel, Eccleshall Road, Stafford • 80 members present • Paul Singh in the Chair

Continued...

Minutes

of the Annual Meeting of Members held in 2012:

- 1. Apologies** received were read to the meetings at respective venues.
- 2. Minutes** of the Interim Meeting of Members held 11, 12, 18 and 19 October 2011 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 28 January 2012 be adopted".
- 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 – 2nd Half Year	£1.10 per 1,000 points
	£'000
Colleagues' Dividend 2011/12	1,327
Community Dividend 2011/12	266

The proposed distributions were approved by majority.

- 6. Member Relations Annual Report** - The Member Relations Annual Report for the year ended 28 January 2012 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)
 - Election of Members' Delegates to Co-operative Congress 2012

Results of Elections – April / May 2012

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

Eastern Regional Committee:

Two Members:

Elected unopposed:
Susan Alcock
Vacancy

Three Employee Members:

(2 for 3 years; 1 for 2 years)

Elected:
Robin Farrell
Andrea Findley
Paul Dawswell (2 years)
Not Elected:
Mo Mohandas

Southern Regional Committee:

Two Members:

Elected unopposed:
John Kibble
Maria Lee

Two Employee Members:

Elected unopposed:
David Brown
Nathan Shepherd

Northern Regional Committee:

Three Members:

(2 for 3 years; 1 for 1 year)

Elected:
Dave Beeston
Patricia Goodwin
John Briggs (1 year)
Not elected:
Richard Watson

Two Employee Members:

Elected:
Dave Elliott
Philip Fee
Not Elected:
Martin Lee

Western Regional Committee:

Two Members:

Elected:
Frank Croft
Angela Loughran
Not elected:
Richard Bickle

Three Employee Members:

(2 for 3 years; 1 for 1 year)

Elected:
Simone Comelio
Richard Hughes
John McGlade (1 year)
Not Elected:
Stephen Payne

Continued...

Results of Elections – April / May 2012

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

Eastern & Southern Regions Member Relations Committee

Eastern Region Three Members:

Elected:
John Howells
Alison Lenton
Stuart Unwin
Not Elected:
Nutan Modi

Southern Region Three Members:

Elected unopposed:
Janice Blair
Maria Lee
Vacancy

Northern Region Member Relations Committee:

Chesterfield One Member:

Elected unopposed:
Lynda Oliver

Derby Two Members: (1 for 3 years; 1 for 2 years)

Elected unopposed:
Su Moore
Lynn Greenhouse (2 years)

Ilkeston Two Members: (1 for 3 years; 1 for 1 year)

Elected unopposed:
Teresa Winfield
Vacancy

NEMCO Two Members: (1 for 3 years; 1 for 1 year)

Elected unopposed:
Richard Watson
Vacancy

Western Region Member Relations Committee:

Birmingham Three Members:

Elected unopposed:
Linda Chew
Dave Ellgood
Neil Franklin

Burton Two Members:

Elected unopposed:
Neil Durrant
Chris Herbert

Stafford & Stone Two Members:

Elected unopposed:
Sue Bennett
Norman Liddle

Continued...

Results of Elections – April / May 2012

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:

Coalville

One Member:

(for 1 year)

Vacancy

(no nominations received)

Kettering

One Member:

John Forshaw

Leicester

Three Members:

(2 for 2 years; 1 for 1 year)

Robin Bennett

Roy Stuttard

Robert Wood (1 year)

Market Harborough

One Member:

Roger Berrington

Melton Mowbray

No vacancies

Midlands Northern Region -

for 1 year:

Derby

Four Members:

Madge Eccles

William Hall

Joseph Kavangah

Dave Roberts

NEMCO

Three Members:

Marlene Bennett

Celia Cox

Vacancy

Midlands Western Region -

for 1 year:

Greater Midlands

Five Members:

Janet Marsh

Philip O'Shea

Nicholas Stephens

Reginald Stone

Vacancy

Stafford & Stone

Two Members:

Norman Liddle

Vacancy

Continued...

Results of Elections – April / May 2012

4. Election of Members' Delegates to attend Co-operative Congress 2012 (one Delegate required from each Region):

Eastern Region:

Elected:
Robin Bennett
Not elected:
Alison Lenton

Southern Region:

Elected:
John Sarson
Not elected:
Peter Weston

Northern Region:

Elected unopposed:
Dave Roberts

Western Region:

Elected:
Linda Chew
Not elected:
Daphne Stone

Important Dates in 2013

Set out below are the dates of the Society's Members' Meetings and the Election to Regional Committees in 2013.

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 website www.midlands.coop


Elections to Regional Member Relations Committees will be held at the same time as Regional Committee Elections.

Election of Regional Committees, Regional Member Relations Committees:

Last Date for Receipt of Nominations:	Friday 8 March
Nominations to be displayed by:	Friday 29 March
Voting at Branches (where necessary):	
Eastern Region:	} Friday 19 April & Saturday 20 April
Southern Region:	
Northern Region:	} Friday 26 April & Saturday 27 April
Western Region:	
Voting at Annual Meeting:	See dates below

Annual Meeting of Members:

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



Registered Office

Midlands House, Hermes Road, Lichfield, Staffordshire, WS13 6RH

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