

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 FEBRUARY 2022

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RADSTOCK CO-OPERATIVE SOCIETY LIMITED

COMPANY INFORMATION

Directors	Graham Jeffery - President Jeremy Fricker - Vice President Sue Barnard Suzanne Burgess Craig Doughty Jonathan Rich Derek Roberts Lynda Robertson Chris Warren Audit Committee - Jeremy Fricker, Sue Barnard, Suzanne Burgess & Lynda Robertson Remuneration & Benefits Committee - Graham Jeffery, Jeremy Fricker & Sue Barnard Pension Trustees - Graham Jeffery, Craig Doughty, Jonathan Rich & Chris Warren
Chief Executive/Secretary	Don Morris CMIIA FCCA
Company number	1159R
Registered office	3 Wells Hill Radstock Somerset BA3 3RQ Telephone: 01761 431555 Fax: 01761 436187 Website: www.radstock.coop E-mail: enquiries@radstock.coop
Auditor	Old Mill Audit Limited Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD
Bankers	Barclays Bank 4 Queen Street BATH BA1 1HE

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

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RADSTOCK CO-OPERATIVE SOCIETY LIMITED

PRESIDENT'S STATEMENT FOR THE PERIOD ENDED 26 FEBRUARY 2022

The year 2021 was another challenging year for the Society but ultimately one that saw our colleagues continue to serve our members and customers with dedication and professionalism. We are immensely proud that during the year we were not forced to close any of our stores due to the impact of the COVID-19 pandemic. On behalf of the Board of Directors may I take this opportunity to thank all colleagues for all their hard work and commitment.

The Society has submitted all the required reports to satisfy the RADCO redevelopment pre-commencement conditions and, subject to final approval from the local planning authority, will proceed to demolish and clear the site. The Society is anticipating that demolition can commence in early summer 2022.

The Society's profitable performance from all trading operations during the trading year is pleasing to note including the improved farm position.

The Society's Employees Superannuation Scheme has seen a marked improvement with the net balance sheet liability at the end of the year reducing by £951k to £482k from £1.4m details of which are included in Note 30 in this financial statement.

The Annual General Meeting in June 2021 was our first hybrid meeting as requested by many of our members. The meeting was a success with remote access allowing a more inclusive event.

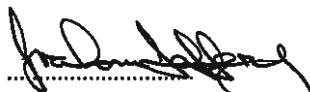
Membership of the Society continues to expand, 916 new members were admitted to membership of the Society during the year with the total confirmed membership as at 26 February 2022 standing at 20,129.

The Society distributed dividends of £66,550 to members during the 2021/22 trading year, redeemable at the point of sale.

During 2021/22 the Society partnered with Bath Mind and Age UK Bath & North East Somerset as the member charities, due to the high demand on their support within our local communities during the pandemic we donated £1,100 to each cause. The involvement from colleagues within stores through donations and fundraising activities raised over £8,500. There was a charity sky dive raising over £1,300 and a colleague charity football match raising over £1,500 for MIND. With National charity collections for Dorothy House, The Poppy Appeal, and Children In Need.

Not only do we demonstrate the Society's relevance and its place in the communities we serve we also take our place at a national level in the co-operative movement. Our CEO, Don Morris currently holds the position of Chairman for Co-operativesUK. Co-operativesUK is the voice for the UK's thousands of independent co-ops. They support co-ops to start up and thrive along with providing access to expert advice, events and training. Don took up the role of Chair at the 2020 June AGM and was re-elected in June 2021 and at this year's Co-op Retail Conference your Board of Directors and CEO represented Radstock Co-operative Society at the only annual event designed specifically for co-operative retailers. Speaking on a panel alongside CEO's from Lincolnshire Co-operative, Midcounties Co-operative, the Co-op Group & Co-operatives UK; Don discussed 'business for good' and access to services and advice that's vital to small businesses.

It gives me enormous pleasure, on behalf of your Board of Directors to thank all our members and customers for their continued trading support.



Graham Jeffery - President
Director

28th April 2022

Dated

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Review of the business and future developments

As a trading year, 2021 will be remembered as a year of two halves. For the first six months of the year, whilst Covid-19 restrictions were in-place, we continued to see exceptionally high demand in our stores. As the year progressed and restrictions eased, we witnessed trading returning to more conventional patterns. Supply issues across the UK were a feature of 2021. Due to strong relationships with local suppliers the Society was in a position to supplement our offering, helping to keep our stores as well stocked as possible.

The supply issues of 2021 are not yet behind us but as we progress into 2022 availability of product is improving. Covid-19 restrictions have eased but whilst new variants are emerging, we continue to adopt best practice across the Society. Increasing costs of goods and materials and latterly fuel has increased operating costs and has had a downwards pressure on Gross Profit but again, was carefully managed by the business. Against this backdrop it is pleasing to note that all trading operations were profitable in the year. The trading year 2022 will bring a number of new and increasing challenges for both the Society and our customers as household budgets are squeezed. The Society has budgeted for rising labour costs including the National Insurance increase as well as the continued rising costs of goods, materials and fuel. We do not underestimate the challenges ahead but take comfort from the knowledge that the Society is in good shape to face the challenges of 2022 and beyond.

Gross takings during the financial year amounted to £51.3m (2020/21: £55.9m). On a like for like basis (closure of the Frome store with all colleagues successfully redeployed and the move from RADCO to Marcroft) Gross takings were £48.9m compared with a prior year of £52.0m. The Society made a trading surplus for the year of £158k (2020/21: surplus £644k). This position when the surplus of £142k from the Farm (2020/21: £40k loss) and the contribution from our property surplus of £70k (2020/21: £141k) are applied leads to an operating surplus of £370k (2020/21: £745k surplus). After the revaluation of our investment properties and finance costs the surplus before distributions stands at £580k (2020/21: £708k).

The Society took the opportunity in the year to purchase the freehold of our store in Highbridge, Somerset from the Joint Venture (JV) with our development partners. The store which opened in February 2020 makes a great addition to the property portfolio as well as being a very popular community store.

The dairy farm had a year of consolidation following the £3m farm development and produced a very welcomed surplus for the year. The farm also attracted an important visit from the Governor of the Bank of England, Andrew Bailey. The visit included a trip to see the rotary parlour and observe the milking process in action. The installation of a 70-point rotary carousel last year, at the time, this was the largest of its type in the country. The milk produced on the farm is distributed across the country as part of the National Co-operative milk supply. The parlour has improved the herd wellbeing and created a calm environment which the cows have benefited from. Using new technology and automation has massively helped the business to grow and we are extremely proud of the improvements we have made and continue to make.

Turning now to future developments, the demolition of the former RADCO superstore is planned for early Summer 2022. The Society liaising closely with Bath & North East Somerset planners have been working hard to satisfy all pre-commencement condition approvals. With site demolition and clearance, we can progress our ambitious plans to develop a brand-new purpose-built supermarket along with complimentary retail units, residential houses and apartments and office space in a mixed-use development. Investment in technology is a key strategy of the business as we move into 2022. After successful pilot projects, we will install self-scan checkout tills across the estate to compliment our existing till points. Our members and customers will have the option to be served by a member of staff or the convenience of self-checkout. The Society will also make a significant investment in electronic shelf edge labels to improve customer service by freeing colleagues from paper label changes to focus on our customers whilst also reducing costs.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

As has been the pattern for the past couple of years, the challenges the business has faced have come thick and fast but which the Society has successfully negotiated. We are in a strong position and will continue to invest in our future. Once again it gives me great pleasure to thank all colleagues for their hard work and commitment and to thank our members and customers for their continued trading support.



.....
Don Morris CMIIA FCCA
Chief Executive
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Principal Risks and Uncertainties

The Society continually monitors risks to its strategies from both internal and external sources. Risks are categorised along financial, operational, property and Society wide areas and their potential impact assessed and scored. Principal risks include the threat of competition from other major food retailers, over-reliance on the Co-operative Retail Trading Group and the impact on margin economics. The Board recognises this risk and has committed to a strategy of investment aimed at protecting the core business.

Financial Risk Management

The Board considers the liquidity and credit risk not to be material given the healthy net current asset position of the business. However, the level of cash balances does give exposure to risks in movements in interest rates. Management has treasury management policies in place to review the rate of return achieved on cash investments.

By order of the board



.....
Don Morris CMIIA FCCA
Secretary
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RADSTOCK CO-OPERATIVE SOCIETY LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 26 FEBRUARY 2022

The directors present their annual report and financial statements for the period ended 26 February 2022.

Principal activities

The Society's principal activities continue to be food and non food retailing. In addition the Society has farming and it manages a portfolio of investment properties, receiving rental income in relation to these commercial and residential properties.

Business Model

The Society's model to generate and preserve value is to:

- equip to succeed with continued development to our store offerings, our digital strategy, business continuity plans, while honouring environmental considerations;
- engage with our members through statutory annual reporting and developing membership engagement;
- engage with our colleagues in order to develop and adapt recruitment and retention in-line with performance and economic conditions;
- maintain financial control through retained earnings, property portfolios and liquid investments;
- redevelop the Radstock site, honouring the Society's commitment to the future of the town;
- continue to grow our retail estate, and invest in our current stores so that we are always meeting the needs of our members and customers; and
- to build on the success of the farm enhancements and improve performance through internal and external growth.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Graham Jeffery - President

Jeremy Fricker - Vice President

Sue Barnard

Suzanne Burgess

Craig Doughty

Jonathan Rich

Derek Roberts

Lynda Robertson

Chris Warren

Results and distributions

The results for the period are set out on page 22.

The distributions made by the Society recognise and reward members for their trade with the Society. The Dividend Card records points earned for purchases from the Society.

Directors' insurance

The Society maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Society.

Supplier payment policy

The Society's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Society's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Society's performance. The Society is an Equal Opportunities Employer.

The Society retained the Investors in People Silver Award in 2021. This confirms that the Society is a good place to work, is an ethical employer and cares and contributes to the community.

Future developments

Going Concern

Budgets and forecasts have been prepared and considered for a period of at least twelve months after the signing date and support the adoption of the going concern basis.

After taking into account the trading performance, the strength of the balance sheet and the cash balances held by the Society, the Directors have a reasonable expectation that the Society has adequate resources to continue in existence for the foreseeable future. There are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. For this reason, they continue to adopt the going concern basis in preparing the Society's Financial Statements in accordance with Section 5.4 of the Co-operatives UK Limited's Corporate Governance Code.

Auditor

In accordance with the company's articles, a resolution proposing that Old Mill Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Board Certification

Having taken all the matters considered by the Board and brought to the attention of the Board during the year, we are satisfied that the annual report and accounts, taken as a whole, is fair, balanced and understandable.

The Board's Strategic Report to Members and the Statement of Corporate Governance are hereby signed on behalf of the Board and the Financial Statements and notes on pages 22 to 53 are hereby signed on behalf of the Board of Directors pursuant to Section 82(1) of the Co-operative and Community Benefit Societies Act.

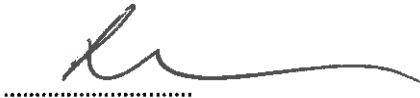
RADSTOCK CO-OPERATIVE SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 26 FEBRUARY 2022

By order of the board



Graham Jeffery - President
Director



Don Morris CMIIA FCCA
Chief Executive/Secretary

Date: 28th APRIL 2022

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BOARD OF DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 26 FEBRUARY 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Co-operative and Community Benefit Societies Act 2014 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the Society for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law the Directors are also responsible for preparing a Directors' Report that complies with those Acts. The Directors are responsible for the maintenance and integrity of the Society's website.

The Directors confirm they have complied with the above requirements in preparing the financial statements.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE

FOR THE PERIOD ENDED 26 FEBRUARY 2022

The role of the Board is to effectively govern the co-operative; it is accountable to its membership and is collectively responsible for the long-term success of the business in accordance with the International Co-operative Alliance Values and Principles.

Directors	Graham Jeffery - President Jeremy Fricker - Vice President Sue Barnard Suzanne Burgess Craig Doughty Jonathan Rich Derek Roberts Lynda Robertson Chris Warren
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Sub Committees of the Board

Audit Committee	Jeremy Fricker Sue Barnard Suzanne Burgess Lynda Robertson
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Remuneration & Benefits Committee	Graham Jeffery Jeremy Fricker Sue Barnard
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Pension Trustees	Graham Jeffery Craig Doughty Jonathan Rich Chris Warren
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Senior Management Team	Don Morris - Chief Executive/Secretary Alan Jackson - Head of Retail Operations Vicki Przytocky - Head of Human Resources (resigned 26/03/2021) Claire Shaw - Head of Finance & IT
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Corporate Governance is the system by which an organisation is directed and controlled at the most senior levels in order to achieve its objectives and meet the necessary standards of accountability and probity.

Guidance on achieving the highest possible standards of governance is contained in the Combined Code on Corporate Governance issued by the Financial Reporting Council in 2012 and other relevant standards and directives. As a Co-operative and Community Benefit Society (formerly an Industrial and Provident Society until August 2014), Radstock Co-operative Society Limited is not required to adhere to the provisions of the revised Combined Code. However, Co-operativesUK, the apex body for co-operative enterprises in the UK, has issued a Corporate Governance Code ('the Code') for consumer co-operatives with which it requests voluntary compliance. This Code is based on the principles contained in the Combined Code but is tailored to the particular governance characteristics found in consumer co-operative societies.

It is the Board's objective to comply with Co-operatives Corporate Governance Code as far as practicable in the Society's particular circumstances.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Areas of non compliance are the establishment of a Search Committee, Interim Report, refreshing the Board, a written Board diversity policy, position of Chief Executive and Secretary being held by one individual, and co option of professional external directors. The Society has not conformed to the Code in these areas.

The summary that follows highlights the main features of the corporate governance arrangements in the Society that the directors believe are most appropriate for the organisation at this time.

Our Members

Co-operatives are member-owned democratic organisations and the Board has sought to encourage members to play their part in the governance of the business and improve membership participation. The Board considers membership issues on a regular basis and reviews the Society's performance in this area.

The Board welcomes contested elections and encourages the participation of the membership in the electoral process. It is recognised that the involvement of a participatory membership is central to our co-operative identity and the Board is keen to attract potential future directors.

Elections to determine who will serve on the Board are held ahead of the Annual General Meeting each year. All members are entitled to vote in such elections. Members vote in person at any of the Society's retail stores on specified election polling days. Election results are announced at the Society's Annual General Meeting which is publicised to members in all retail stores.

The Annual General Meeting is used to communicate with the members and encourage them to exercise their democratic rights and their active participation. Annual Statutory accounts are available to all members at least 14 days prior to the Annual General Meeting. The Society ensures that all notified amendments to the membership register are promptly updated.

The Board

The Board of Directors consists of up to nine members who are directly elected from, and by, the membership. To be eligible to stand for election to the Board of Directors, an individual must be a member with a share account balance of a minimum of £50 for two years. Any member can nominate another member who meets the criteria to stand for election. Directors are elected for a maximum of three years in line with the recommendations of the Co-operative Corporate Governance Code. The Society does not have a policy of co-opting professional external directors onto the Board. The Board appoints, or reappoints, the President and Vice President on an annual basis.

Name	First Elected	Term Expires
Sue Barnard	2016	2022
Jonathan Rich	2014	2022
Chris Warren	2016	2022
Suzanne Burgess	2017	2023
Jeremy Fricker	2008	2023
Derek Roberts	2011	2023
Craig Doughty	2015	2024
Graham Jeffery	2014	2024
Lynda Robertson	2015	2024

Directors' fees are approved by the Society's members. The current fee levels were recommended to the membership and approved by them in November 2020. In addition to their fees, directors are able to claim expenses reasonably incurred in carrying out Society business.

The Board is led by the President, who is also the Chairman, and who should ensure that the Board is in effective control of the Society's affairs and alert to its obligations to its members. The Chairman should promote an effective working relationship between directors and encourage the active engagement and participation of all the members of the Board.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

The Board is responsible for ensuring that business is conducted in the best interests of the Society and its members and in accordance with co-operative values and principles. In particular, the Board determines the vision and strategies of the Society and ensures that policies and organisational structures are in place to deliver the long term objectives.

The Board also ensures that the Society's actions comply with the Society's rules, relevant laws and regulations. The Board meets at least monthly, with additional sub-committee meetings on a regular scheduled basis.

The Board as a whole assumes responsibility for membership engagement. It reviews existing member activity, member research and feedback and develops proposals for membership engagement and development programmes which it monitors and reviews. The Board is responsible for plans for membership communication and membership benefits and for the strategic direction of community support.

The Society maintains appropriate directors' and officers' liability cover in respect of legal action against its directors and officers. The arrangements are reviewed periodically.

The Board has established two standing committees: an Audit Committee and a Remuneration and Benefits Committee. The Board determines the powers delegated to its sub-committee and receives regular reports from them. The President and three directors serve as Trustees of the Pension Scheme along with four elected representatives of the Scheme's members (Member Nominated Trustees). We currently hold 2 vacancies.

Detailed Board and Committee papers are distributed in advance of the meetings to provide the opportunity for directors to fully prepare for meetings. The Minutes of all Board meetings are circulated to all directors. The Board receives regular presentations from management at its meetings to increase directors' understanding of the business. Where directors require clarification and advice outside of the expertise of management the Society's rules provide that they may take independent professional advice at the Society's expense in furtherance of their duties.

The Society's directors have attended the following Board and Committee meetings during the period.

Director	Main Board	Audit Committee	Remuneration & Benefits Committee	Employees' Superannuation Fund
Graham Jeffery (P)	13 (13)		3 (3)	3 (3)
Jeremy Fricker (VP)	13 (13)	4 (4)	3 (3)	
Sue Barnard	12 (13)	4 (4)	2 (3)	
Suzanne Burgess	13 (13)	2 (2)		
Craig Doughty	12 (13)			3 (3)
Jonathan Rich	13 (13)			3 (3)
Derek Roberts	10 (13)			
Lynda Robertson	12 (13)	4 (4)		
Chris Warren	13 (13)	2 (2)		3 (3)

The number in brackets indicates the total number of meetings the director was eligible to attend during the period.

Directors are inducted into their role; they are briefed and informed in order to enable them to carry out their duties effectively. The Society has developed an induction process detailing board issues, directors' duties and the Society's business.

During the year, the Board undertook a training event facilitated by an external body, on Essential Co-op Director training.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)
FOR THE PERIOD ENDED 26 FEBRUARY 2022

The changes in directors during the period are as follows:

Craig Doughty	re-elected / unopposed on the 15 June 2021 (3 year term)
Graham Jeffery	re-elected / unopposed on the 15 June 2021 (3 year term)
Lynda Robertson	re-elected / unopposed on the 15 June 2021 (3 year term)

The Audit Committee

The principal role of the Audit Committee is to help the Board fulfil its obligations in respect of financial reporting, risk management and internal control principles. The Audit Committee considers value for money across the expenditure of the business as a whole.

The Audit Committee has documented Terms of Reference which include its role, responsibilities, membership and authority delegated to it by the Board. Under its terms of reference, the Audit Committee:

- monitors the integrity of the Society's financial statements, including its annual reports;
- reviews the consistency of, and any changes to, accounting policies and methods on a year-on-year basis;
- reviews the effectiveness of the Society's internal controls and risk management system, risks are identified and reviewed on an annual basis;
- monitors and reviews the effectiveness, independence and objectivity of the internal audit function outsourced to South West Audit Partnership Limited, in the context of the Society's overall risk management system. It is responsible for approving their remit, their appointment and removal, and management's responsiveness to the findings and recommendations of the internal auditor;
- reviews the Society's whistle-blowing procedures, ensuring that appropriate arrangements are in place for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters;
- monitors the effectiveness of the external audit process and makes recommendations to the Board in relation to the appointment, reappointment and remuneration of the external auditor; and
- ensures that an appropriate relationship between the Society and the external auditor is maintained, including reviewing non audit services and fees.

The Committee comprises four directors. The Chairman of the Committee is Jeremy Fricker. In accordance with the Code neither the Chairman of the Board nor the Chief Executive Officer sits on this Committee and employee directors are barred from membership.

The Audit Committee discharged its responsibilities by considering the above issues during the four meetings held in the year. At the start of the year the Audit Committee reviewed their internal auditors programme and agree to focus on areas in order to mitigate risk and ensure robust management and financial controls are in place. The Audit Committee reviewed capital expenditure on projects and discussed and updated the risk register.

The Audit Committee worked with the external auditors, Old Mill, to agree accounting and reporting policy and approved the statutory accounts.

The Committee considered significant issues in relation to the financial statements following on from their review of the risk register and the increasing cost prices and availability of goods within the Retail Sector. The areas identified were supplier payments, credit control and price margins. The Audit Committee wished to seek reassurance that the controls and procedures the Society had in place safeguarded suppliers and customers, as well as seeking comfort over procedures and policies for when price margins may require being amended due to inherent cost price movements, and a report for each was presented to the Audit Committee.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Financial reporting to the Board and Senior Management Team comparing actual revenues to budgets and forecasts with gross profit margins has been available to monitor progress of all trading sectors of the Society. The Co-operative Muller milk contract provides the Society with some protection against the severe fluctuations of the milk price. The pension scheme liability has been calculated by external actuaries, a full three year valuation completed in 2020, with management and external auditors checking the assumptions used.

These internal findings and results are then communicated to the external auditor for further review. A full external audit report is presented to the Audit Committee, which reports on their findings and areas they feel should also be addressed. The Audit Committee meets with the external auditor to review and discussed the audit review and check all significant issues been considered. How the external auditors have addressed these significant issues is shown in the Independent Auditor's report.

The Committee met both the external auditor and the internal auditor. Both the external and internal auditors have direct access to the President and the Chairman of the Committee at all times and the Committee meets with the Society's external auditor at least once each year. The Chair of the Audit Committee presents the minutes of the Committee's meeting to the Board after each meeting. Committee minutes are also circulated to all directors.

The Society has a policy of allowing the external auditor to provide other services to the Society on the provision that it does not impair its independence. The Board reviews the independence of the external auditor through monitoring of the level and nature of non-audit services. Fees paid to the external auditor are disclosed in note 11.

A resolution to reappoint Old Mill Audit LLP will be proposed at the forthcoming Annual General Meeting.

Internal Control

The Society continues to operate under the Co-operative Corporate Governance Code, under which the Board of Directors is collectively responsible for the system of internal control and for reviewing its effectiveness.

In order to assist the Board in discharging its duties in monitoring and assessing risks to the business it has an Audit Committee. The Audit Committee's responsibilities include receiving reports from the internal and external auditors, in addition to meeting with internal and external auditors and such external advisers as deemed necessary.

Systems are designed to manage and minimise risks to the business but can provide only reasonable but not absolute assurance against material misstatement or loss.

Control Environment

The Society is committed to the highest standards of business conduct and seeks to maintain the standards throughout the Society. The Society has developed an appropriate management and organisation structure with defined lines of responsibility and delegation of authority for planning, controlling and monitoring the business operations.

Risk Monitoring and Management

The Board and Executive Management have responsibility for identifying the key business risks facing the Society and for the development of appropriate policies and procedures to manage these risks. During the period under report the business risk register was updated. Risks have been scored in terms of both impact and the likelihood of each risk crystallising.

The Audit Committee has completed an annual review of the risk register and the effectiveness of the Society's risk management and internal control systems. The Audit Committee confirms that actions are in place or are being under taken to limit the risks and remedy any weaknesses in internal controls which have been identified throughout the year.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Information and Communication

The Society undertakes periodic strategic reviews, including the evaluation of business alternatives. Senior management prepare annual budgets, and performance against budget is actively monitored at store and cost centre level. Results are presented to the Board on a regular basis, and consequently the Society's performance is continually monitored and remedial action taken where required.

Control Procedures

Society control procedures are designed to produce complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud.

Capital projects and asset acquisitions and disposals require Board approval. The Board receives reports regularly on capital asset movements. Commitments, which require the use of the Society's seal, are authorised by the Board.

Monitoring

During the period under report the Society worked with South West Audit Partnership Limited as its internal audit provider. The Audit Committee has received the results of an internal review and will approve internal audit plans for the forthcoming year. Management continues to monitor the internal control environment.

The Society has a documented Whistleblowing procedure in place that has been reviewed by the Audit Committee.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

KEY CO-OPERATIVE, ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

FOR THE PERIOD ENDED 26 FEBRUARY 2022

As a responsible retailer the Society is keen to monitor its environmental and corporate social responsibility. One such measurement framework is the Co-operative Movement's Key Social and Co-operative Performance Indices. The Society is working towards being able to report against all of the following areas:

No	Area	Measurement	Outcome
1	Member economic involvement	Trade (£) conducted with members as a proportion of turnover (%)	There were no practical mechanism to apply this measurement in 2021/22.
2	Member democratic participation	Number of members voting in elections and as a % of total membership	Nominations from 3 candidates for 3 vacancies on the Board were received. Directors returned un-opposed.
3	Participation of employees and members in training and education schemes	All types of training	Employees attended 3,179 training events (2020/21: 2,097) equating to 447 full days during 2021/22 (2020/21: 233.50). The impact of COVID-19 has seen an increase in remote learning via platforms such as MS Teams / Zoom in addition to controlled face-to-face sessions. The training events completed include the following: Mental health awareness, Compliance, IGD New Manager Skills, First Aid, Accounting course; AAT level 4, ACAS; Investigations, GDPR, Dignity at Work, Food handling, and HR related course; CIPD level 3 diploma. We have re-commenced the trainee manager and trainee supervisor programme following a pause due to the impact of the pandemic which provides a valuable talent pool.
4	Staff injury and absentee rates	Staff injury rates/number of accidents/number reportable. Total absentee rate	During 2021/22, there were 33 accidents (2020/21: 27) of which 4 was reportable (2020/21: 1). The average employee absence rate for 2021/22 was 3.64% per period (2020/21: 3.93%).
5	Staff profile - gender and ethnicity % where data supplied	% male/female and non-white British employees	Of our employees 67% are female and 33% are male (2020/21: 67% female, 33% male). Employees with ethnic origin other than white British are 0.7% (2020/21: 1.3%).

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

KEY CO-OPERATIVE, ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

6	Customer satisfaction %	Number of customers comments	We aspire to 100% customer satisfaction. The Society records feedback from customers, these are made up of suggestions or recommendations, negative and positive comments. During 2021/22 56% of all comments were positive and suggestions, with 44% negative. The negative comments received were predominantly COVID-19 related. The positive comments were related to good customer service. The Mystery shopper partnership resumed in 2021/22 with the Society achieving an overall 94% success rated.
7	Considerations of ethical issues in procurement and investment decisions	Qualitative Description of how these factors are considered in the course of business	The Society is a member of the Federal Retail and Trading Services (FRTS) and shares the procurement policy of that body. The ethical trading policy and procedures in FRTS address the issues of sound sourcing, animal welfare, food integrity and health and ecological sustainability. On the Society's own dairy farm in Hardington, livestock are treated in accordance with the highest standards of animal welfare. A major farm investment project was completed in the year and provides significant benefits both in terms of animal welfare and environmental impact.
8	Investment in community and co-operative initiatives	Annual proportion of pre-tax investment in community activities as a proportion of surplus before tax %	During 2021/22 the Society partnered with Bath Mind and Age UK B&NES as the member charities, due to the high demand on their support within our local communities during the pandemic we donated £1,100 to each cause. The involvement from colleagues within stores through donations and fundraising activities raised over £8,500. There was a charity sky dive raising over £1,300 and a colleague charity football match raising over £1,500 for MIND. With National charity collections for Dorothy House, The Poppy Appeal, and Children In Need.
9	Waste recycled/reused as % of waste arising	% of recycled/reused	100% of all packaging waste (cardboard and plastic) is recycled through the FRTS distribution centres.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

KEY CO-OPERATIVE, ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS (CONTINUED) **FOR THE PERIOD ENDED 26 FEBRUARY 2022**

10	Net carbon dioxide (CO2) emissions arising from operations	Annual CO2 emissions associated with energy used for all on-site operations i.e. offices / shops	During 2020/21 we purchased energy from our electrical and gas supply contract, which provides energy from renewable sources. This resulted in 848 tonnes of CO2 using the basis of measurement taken from the government conversion factors for company reporting. We have 39 hectares of forest on our farm estate at Hardington. This equates to approx. 210 tonnes of CO2 captured each year according to forestry Commission guidelines for UK woodlands. The actual capture depends upon climate, age and type of forest and the soil. A hectare of trees captures 1-10 tonnes of CO2 per year.
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RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REMUNERATION & BENEFITS COMMITTEE

FOR THE PERIOD ENDED 26 FEBRUARY 2022

The Remuneration and Benefits Committee is pleased to present its Report to members for the 52 week period ended 26 February 2022.

This report will be put to an advisory vote at the AGM.

The Committee is responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Society's Chief Executive, the Society's Secretary, and other members of the senior management team. In doing so it takes into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the senior management team of the Society are provided with an appropriate remuneration package to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Society.

The Remuneration and Benefits Committee met on the 7 June 2021, 24 August 2021 and 21 October 2021. The Committee plans to meet at least once a year and at such other times as the Chair of the Committee shall require or if requested by two members of the Committee.

The Committee comprises three directors. The Chairman of the Committee is Graham Jeffery. The other Committee members are Jeremy Fricker and Sue Barnard. In accordance with the Corporate Code of Best Practices published by Co-operativesUK employee directors are not allowed to sit on the Committee. The fundamental principle that no Executive should be present for any part of a meeting when their own terms and conditions are being discussed has been fully observed.

The Committee is accountable to the Board and reports on its activities at the next Board meeting following a committee meeting. All significant decisions made by the Committee are endorsed by the Board before implementation. The minutes of all Committee meetings are given to the Board for review.

Independent External Advice

The Committee's principal external adviser is the Co-operative Employers Association; its services have been utilised during the past year by the Society.

The Committee is also empowered to seek additional independent external advice whenever it deems necessary.

No external advice other than that obtained from the Co-operative Employers Association has been sought in the past year.

Service Contract

There has been no change in the service contract arrangements of our senior management team during the year. The Chief Executive's notice period is one year.

Pension Benefits

There has been no change to the pension arrangements of our senior management team during the year.

Senior Management Team Emoluments

Details of the total remuneration of the senior managers are given in the table below.

Title	Chief Executive Officer £	Head of Retail Operation £	Head of Human Resources £	Head of Finance & IT £
Salary	189,722	103,552	8,129	76,955
Employers Pension Contributions	15,501	8,345	403	6,139
Total Emoluments	205,223	111,897	8,532	83,094

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REMUNERATION & BENEFITS COMMITTEE (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Directors' Emoluments

The rules of the Society require that the fees and expenses paid to directors are approved by the Society's members. The current annual fees payable to directors are set out below.

Directors are reimbursed all reasonable expenses incurred while carrying out their duties for the Society.

Name	Fees 2021/22	Expenses 2021/22	Total Emoluments
	£	£	2021/22 £
Graham Jeffery	5,000	-	5,000
Jeremy Fricker	4,100	398	4,498
Sue Barnard	3,400	-	3,400
Suzanne Burgess	3,400	-	3,400
Craig Doughty	3,400	-	3,400
Jonathan Rich	3,400	-	3,400
Derek Roberts	3,400	-	3,400
Lynda Robertson	3,400	-	3,400
Chris Warren	3,400	-	3,400

By order of the Board



Graham Jeffery - President and Chair of the Remuneration & Benefits Committee
Director

28 APR 2022

Dated

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RADSTOCK CO-OPERATIVE SOCIETY LIMITED

Opinion

We have audited the financial statements of Radstock Co-operative Society Limited (the 'Society') for the period ended 26 February 2022 which comprise the Revenue Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 26 February 2022 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the committee of management with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of management are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RADSTOCK CO-OPERATIVE SOCIETY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the committee of management

As explained more fully in the committee of management's responsibilities statement, the committee of management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the committee of management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee of management are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Society and the industry in which it operates, and considered the risk of acts by the Society that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to: The Co-operative and Community Benefit Societies Act 2014, Trading Standards, Licensing, Environmental Health and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RADSTOCK CO-OPERATIVE SOCIETY LIMITED

Use of our report

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's 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 Society and the Society's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Old Mill Audit Ltd

Tim Lerwill BSc BFP FCA (Senior Statutory Auditor)
for and on behalf of Old Mill Audit Limited
Statutory Auditor

18/5/2022
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Bishopbrook House
Cathedral Avenue
WELLS
Somerset
BA5 1FD

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ENDED 26 FEBRUARY 2022

		Period ended 26 February 2022 £	Period ended 27 February 2021 £
	Notes		
Gross takings		51,300,634	55,884,618
Less agency and concession turnover		(7,807,198)	(7,953,509)
Gross sales (including VAT)		43,493,436	47,931,109
Value added tax		(4,454,797)	(4,785,840)
Retail turnover	5	39,038,639	43,145,269
Cost of Sales		(28,898,412)	(31,487,863)
Gross Profit		10,140,227	11,657,406
Other operating income	5	744,288	1,049,683
Retail expenses	6	(10,726,071)	(12,062,867)
Trading surplus		158,444	644,222
Farm surplus/(deficit)	7	142,012	(40,355)
Non trade property surplus	8	69,639	141,226
Operating surplus		370,095	745,093
Revaluation gain on investment properties	11	276,832	32,366
Interest receivable and similar income	9	2,119	2,647
Interest payable and similar expenses	10	(68,757)	(72,081)
Surplus before distributions		580,289	708,025
Share interest		(923)	(921)
Donations		(2,462)	(45,852)
Surplus before tax		576,904	661,252
Taxation	15	(449,400)	(191,565)
Surplus for the period		127,504	469,687
Other comprehensive income			
Actuarial gain on defined benefit pension schemes		781,000	214,000
Tax relating to other comprehensive income		(576,497)	(160,345)
Total comprehensive income for the period		332,007	523,342

The profit and loss account has been prepared on the basis that all operations are continuing operations.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BALANCE SHEET AS AT 26 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	16		71,479		103,759
Tangible assets	17		18,693,124		18,523,858
Investment properties	18		4,206,832		3,780,000
Investments	19		54,769		54,769
			<u>23,026,204</u>		<u>22,462,386</u>
Current assets					
Stocks	20	3,062,843		2,568,969	
Debtors	21	1,051,391		1,251,583	
Investments	22	2,671,214		2,769,141	
Cash at bank and in hand		1,109,984		1,458,967	
		<u>7,895,432</u>		<u>8,048,660</u>	
Creditors: amounts falling due within one year	23	(4,111,713)		(3,704,518)	
Net current assets			<u>3,783,719</u>		<u>4,344,142</u>
Total assets less current liabilities			<u>26,809,923</u>		<u>26,806,528</u>
Creditors: amounts falling due after more than one year	24		(2,339,643)		(2,582,112)
Provisions for liabilities	27		(3,272,875)		(3,359,299)
Net assets			<u>21,197,405</u>		<u>20,865,117</u>
Capital and reserves					
Called up share capital	28		269,945		269,664
Revaluation reserve			5,874,307		6,299,033
Profit and loss reserves			15,053,153		14,296,420
Members' funds			<u>21,197,405</u>		<u>20,865,117</u>

The financial statements were approved by the board of directors and authorised for issue on 28th April 2022 and are signed on its behalf by:



Graham Jeffery - President
Director



Don Morris CMIIA FCCA
Chief Executive/Secretary

Company Registration No. 1159R

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 26 FEBRUARY 2022

	Notes	Share capital £	Revaluation reserve £	Revenue account £	Total £
Balance at 1 March 2020		267,740	6,440,608	13,631,503	20,339,851
Period ended 27 February 2021:					
Surplus for the period		-	-	469,687	469,687
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	214,000	214,000
Tax relating to other comprehensive income		-	(141,575)	(18,770)	(160,345)
Total comprehensive income for the period		-	(141,575)	664,917	523,342
Issue of share capital	28	3,733	-	-	3,733
Reduction of shares	28	(2,730)	-	-	(2,730)
Other movements		921	-	-	921
Balance at 27 February 2021		269,664	6,299,033	14,296,420	20,865,117
Period ended 26 February 2022:					
Surplus for the period		-	-	127,504	127,504
Other comprehensive income:					
Actuarial gains on defined benefit plans		-	-	781,000	781,000
Tax relating to other comprehensive income		-	(424,726)	(151,771)	(576,497)
Total comprehensive income for the period		-	(424,726)	756,733	332,007
Issue of share capital	28	1,877	-	-	1,877
Reduction of shares	28	(2,519)	-	-	(2,519)
Interest on equity share		923	-	-	923
Balance at 26 February 2022		269,945	5,874,307	15,053,153	21,197,405

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 26 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	33	1,043,028		2,911,069	
Interest paid		(68,757)		(72,081)	
Net cash inflow from operating activities		974,271		2,838,988	
Investing activities					
Purchase of tangible fixed assets and investment property		(1,347,890)		(1,336,808)	
Proceeds on disposal of tangible fixed assets		2,700		6,000	
Movement in current asset investments		97,927		(1,003,978)	
Interest received		2,119		2,647	
Net cash used in investing activities		(1,245,144)		(2,332,139)	
Financing activities					
Increase in members' share capital		281		1,924	
Receipt of bank loan		-		518,750	
Repayment of bank loan		(78,391)		(19,511)	
Net cash (used in)/generated from financing activities		(78,110)		501,163	
Net (decrease)/increase in cash and cash equivalents		(348,983)		1,008,012	
Cash and cash equivalents at beginning of period		1,458,967		450,955	
Cash and cash equivalents at end of period		1,109,984		1,458,967	

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 FEBRUARY 2022

1 Accounting policies

Company information

Radstock Co-operative Society Limited is a Society limited by shares incorporated in the United Kingdom and registered in England under the Co-operative and Community Benefit Society Act 2014. The registered office is 3 Wells Hill, Radstock, Somerset, BA3 3RQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefit Society Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

In light of the current coronavirus pandemic, the directors have reviewed likely future developments and remain of the opinion that there is no reason to believe that the Society will have to cease activities as a result of inadequate financial resources, or any other foreseeable event, within a period of at least 12 months from the date of the approval of these accounts.

The Society's business activities, together with the factors likely to affect future development, performance and position are set out in the Board's Report to Members. This report further describes the financial position of the Society; its cash flows, liquidity position and borrowing facilities; the Society's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

Budget and forecasts have been prepared and considered for a period of at least 12 months after the signing date and support the adoption of the going concern basis.

After taking into account the trading performance, the strength of the balance sheet and the cash balances held by the Society, the directors have a reasonable expectation that the Society has adequate resources to continue in existence for the foreseeable future, being a period of at least 12 months from issuing these financial statements. There are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Society to continue as a going concern. For this reason, they continue to adopt the going concern basis in preparing the Society's Financial Statements in accordance with Section D1.1 of the Co-operatives UK Limited's Corporate Governance Code of Best Practice Volume 1.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue from trade relationships, where the Society acts as an agent and receives commissions from the principal, are shown as other operating income.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Farm income is recognised in accordance with the Society's revenue recognition policy as defined above and is included in the revenue account net of related expenditure.

Rental income from non-trade properties is recognised on an accruals basis. Non-trade property income is included in the revenue account net of related expenditure.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 15 years. This is longer than the 10 years proposed by FRS102 as the Directors have decided that the life of the lease is the relevant term.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2.5% - 10% straight line
Fixtures, machinery and vehicles	7.5% - 25% straight line
Farm land	Nil
Farm buildings and equipment	2.5% - 25% straight line

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

1 Accounting policies

(Continued)

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

The requirement of the Co-operative and Community Benefit Society 2014 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in FRS 102 Section 16. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt FRS 102 Section 16 in order to give a true and fair view.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

The Society has taken appropriate professional advice from Cooper and Tanner LLP, a firm of chartered surveyors to undertake the herd valuation. The farm diary cattle stocks are valued on a herd basis. Young cattle, grain and sundries are stated at market valuation. The valuations are performed annually, with the most recent valuation performed in February 2022.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Recognition

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

1 Accounting policies

(Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Change in accounting policy

The directors have determined to change the presentation of the Revenue Account and Other Comprehensive Income from a two statement approach to a single statement approach, termed Total Comprehensive income. In their opinion this provides a clearer representation of the results of the Society for the year and prior year. This change has no impact on the figures which have been disclosed in prior years, it is purely a presentational change.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Goodwill

Goodwill is amortised over the estimate of its useful economic life. The Directors have decided that the life of the lease is the relevant term, which is 15 years.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

The directors use their knowledge of the business and the industry to estimate the useful life and residual of tangible fixed assets in order to arrive at applicable depreciation rates. In accordance with section 17 of FRS102, the directors review and update these estimates if there are indicators that current estimates should change.

Revaluation of investment property and farm land

The valuation of the Society's investment property and farmland is based on market value defined in VPS4 of the "Red Book" as being "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The valuations have been carried out by RICS Registered Valuers in a position to provide an objective and unbiased valuation. The Valuers undertake to have sufficient current local knowledge of the particular market together with the skills and understanding required and be competent to undertake the valuation. Each year following the valuation the directors assess whether, in their opinion, this is still a true & fair reflection of the value of the properties.

Defined benefit pension scheme assumptions

The valuation of the Society's defined benefit pension scheme involves complicated actuarial assumptions to determine future pension increases, mortality rates, long term discount and inflation rates. These assumptions are inherently judgemental. The valuation is carried out by a professional valuer who is a Fellow of the Institute of Actuaries. The valuation has undergone independent peer review in accordance with the requirements of the Actuarial Profession Standard APS X2: Review of Actuarial Work.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

4 Operating surplus

	2022	2021
	£	£
Operating surplus for the period is stated after charging/(crediting):		
Government grants	-	(365,000)
Depreciation of owned tangible fixed assets	1,028,624	1,384,080
(Profit)/loss on disposal of tangible fixed assets	(2,700)	58,496
Amortisation of intangible assets	32,280	32,280
Operating lease charges	114,844	174,249
	<u>41,958,840</u>	<u>45,735,192</u>

5 Turnover and other revenue

		2022	2021
		£	£
Turnover analysed by class of business	Notes		
Retail		39,038,639	43,145,269
Farm	7	2,723,195	2,400,917
Non-trade property	8	197,006	189,006
		<u>41,958,840</u>	<u>45,735,192</u>

	2022	2021
	£	£
Other operating income		
Concession income	388,150	306,242
Rental income	13,962	21,724
Travel income	-	(18,840)
Other income	342,176	375,557
Government grant	-	365,000
	<u>744,288</u>	<u>1,049,683</u>

	2022	2021
	£	£
Turnover analysed by geographical market		
UK	<u>41,958,840</u>	<u>45,735,192</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

6 Retail

	2022	2021
	£	£
Retail expenses		
Personnel costs	6,595,388	6,977,017
Occupancy costs	1,628,226	1,726,809
Depreciation	834,739	1,247,386
Amortisation	32,280	32,280
Professional fees	132,694	118,208
Operating leases - land and buildings	40,149	102,005
(Gain)/loss on disposal of fixed assets	(1,200)	27,868
Other expenses	1,463,795	1,831,294
	<u>10,726,071</u>	<u>12,062,867</u>

7 Farm

	2022	2021
	£	£
Sales	2,723,195	2,400,917
Cost of Sales	(1,766,549)	(1,672,129)
Gross Profit	<u>956,646</u>	<u>728,788</u>
Farm expenses (See below)	(814,634)	(769,143)
Farm surplus/(deficit)	<u>142,012</u>	<u>(40,355)</u>
Farm expenses		
Personnel costs	266,424	284,251
Occupancy costs	149,641	139,598
Depreciation	191,519	136,694
General repairs	81,765	53,463
Legal & Professional	35,616	36,697
Operating leases - farm equipment	74,695	72,244
(Gain)/loss on disposal of fixed assets	(1,500)	30,627
Other expenses	16,474	15,569
	<u>814,634</u>	<u>769,143</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

8	Non trade property	2022	2021
		£	£
	Sales	197,006	189,006
	Cost of Sales	-	-
	Gross Profit	197,006	189,006
	Non trade property expenses (See below)	(127,367)	(47,780)
	Non trade property surplus	69,639	141,226
	Non trade property expenses		
	Occupancy costs	110,708	25,469
	Legal & Professional	1,720	15,843
	Depreciation of land and buildings	2,366	-
	Other expenses	12,573	6,468
		127,367	47,780
9	Interest receivable and similar income	2022	2021
		£	£
	Other income from investments		
	Other interest receivable and similar income	2,119	2,647
10	Interest payable and similar expenses	2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	43,757	44,081
	Other finance costs:		
	Net interest on the net defined benefit liability	25,000	28,000
		68,757	72,081
11	Amounts written off investments	2022	2021
	fixed asset investments	£	£
	Revaluation gain on investment properties	276,832	32,366

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

12 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Society's auditor and associates:		
For audit services		
Audit of the financial statements of the Society	25,500	24,750
For other services		
All other non-audit services	20,875	10,495

13 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2022	2021
	Number	Number
Retail	378	421
Administration	26	24
Farm	6	7
	410	452

The full-time equivalent average number of employees was 241 (2021: 266).

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	6,268,316	6,661,093
Social security costs	356,492	384,411
Pension costs	237,004	215,764
	6,861,812	7,261,268

Analysed by:

	Notes	2022	2021
		£	£
Retail	6	6,595,388	6,977,017
Farm	7	266,424	284,251
		6,861,812	7,261,268

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

14 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	71,454	75,916
Company pension contributions to defined contribution schemes	3,242	3,584
	<u>74,696</u>	<u>79,500</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	38,157	38,179
Company pension contributions to money purchase pension schemes	3,242	3,171
	<u>41,400</u>	<u>41,350</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

15 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	36,504	26,954
Adjustments in respect of prior periods	(26,954)	-
Total current tax	<u>9,550</u>	<u>26,954</u>
Deferred tax		
Origination and reversal of timing differences	<u>439,850</u>	<u>164,611</u>
Total tax charge	<u>449,400</u>	<u>191,565</u>

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Surplus before taxation	<u>576,904</u>	<u>661,252</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	109,612	125,638
Tax effect of expenses that are not deductible in determining taxable profit	68,656	25,153
Tax effect of income not taxable in determining taxable profit	(295)	(268)
Adjustments in respect of prior years	11,908	4,322
Unrealised chargeable gains	162,093	25,136
Pension contribution adjustments	(32,300)	21,890
Enhanced capital allowance	(10,582)	-
Rate differences	140,706	(13,844)
Other timing difference	(398)	3,538
Taxation charge for the period	<u>449,400</u>	<u>191,565</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

15 Taxation

(Continued)

Radstock Co-operative Society Limited's (Radstock) current year tax charge (recognised in the Revenue Account) differs to the tax charge that would be expected on Radstock's accounting profits for the year, for the following reasons:

i) Depreciation charged on Radstock's capital expenditure on which no capital allowances are claimable (non-qualifying expenditure) represents a permanent difference between the accounting profits and taxable profits, and so results in an increase in taxable profits for the period. The tax value of this adjustment is approximately £120,000 and is included in items described as "Expenses not deductible for tax purposes". Other items within this category include some repairs and legal expenditure which is considered to be capital expenditure for tax purposes, and so is not deductible for corporation tax purposes.

ii) Radstock made a number of small asset disposals which resulted in accounting profits on disposals. These accounting adjustments are taxed differently to the accounting treatment and so reported as "income not taxable" in the tax reconciliation note.

iii) In 2021, the Government introduced a measure to encourage capital expenditure by businesses subject to corporation tax, as an effort to stimulate spending. This is the so-called "Super Deduction" for capital allowances purposes, and enables corporate taxpayers to claim capital allowances at a rate of 130% of their qualifying capital expenditure, for a temporary period of 2 years. This measure has resulted in Radstock's taxable profits being reduced by approximately £10,500 and is reported as "Enhanced capital allowances" in the tax reconciliation note.

iv) Radstock revalues its investment properties as required by Section 16 of FRS 102 (see note below for further details). A revaluation loss in the year has resulted in a non-deductible cost for the period, which is not deductible for corporation tax purposes. This is referred to as "unrealised chargeable gains" in the tax reconciliation note.

v) Radstock operates a number of pension schemes, one of which is the employee Superannuation Fund established in 1945. Radstock claims corporation tax relief based on contributions made to the Fund each year, but the accounting treatment of the scheme is different; in particular, benefits payable to the Fund and movements during the period, are recognised in the Statement of Other Comprehensive Income. Any deferred tax asset or liability in relation to the Fund is also recognised in the Statement of Other Comprehensive Income. The differences between the corporation tax and accounting treatment of the Fund are recorded as "Pension contribution adjustments" in the tax reconciliation note.

vi) Finance Bill 2021 was substantively enacted in May 2021. One of the changes made by the Bill was to increase the rate of corporation tax from 19% to 25% from 1 April 2023 (subject to a low profits threshold). Under accounting standards, Radstock is required to recognise deferred tax based on the prevailing tax rate which will apply when any timing differences between tax and accounting treatment will reverse out. As these are expected to reverse out after April 2023, Radstock has been required to re-value its deferred tax provision at a rate of 25%, rather than the rate of 19% which was properly used in the last set of financial statements (February 2021). This impacts the tax charge to be recognised in Radstock's Revenue Account for the year and is recorded as "Rate differences" in the tax reconciliation note.

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022	2021
	£	£
Deferred tax arising on:		
Revaluation of property	424,726	141,575
Actuarial differences recognised as other comprehensive income	151,771	18,770
	<u>576,497</u>	<u>160,345</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

15 Taxation

(Continued)

Radstock Co-operative Society Limited ("Radstock") has a number of investment properties which are let on an arm's-length basis to third parties. None of these properties are rented to another group entity.

Section 16 of FRS 102 governs how these investment properties are measured (valued) for accounting purposes. FRS102 requires Radstock to initially measure an investment property at its original cost, comprising its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs.

Section 16.7 of FRS 102 then dictates how Radstock needs to measure (value) these investment properties for accounting purposes in later periods. The rules dictate that an investment property has to be measured at fair value (which is to say open market value and is usually determined by an independent valuer) at each reporting date, with changes in fair value recognised in profit or loss.

Where the fair value (open market value) of an investment property increases, this reflects the fact that should the Society then sell the property, it would make a gain. On making any such gain on a sale would result in the Society paying corporation tax on chargeable gains (the company equivalent of capital gains). In order to recognise that, companies, would have a future tax liability to pay on investment properties which have increased in value, section 29 of FRS 102 includes another requirement; that it should recognise, for accounting purposes, the contingent corporation tax which would be payable by the Society in the future, should it sell these properties. The Society does not have any active intention at this stage to sell any of its investment properties, but it nevertheless is required under accounting rules to recognise the deferred tax charge in its accounts.

When/if the Society does make a sale of any of the investment properties, any chargeable gain made on the sale(s) would form part of the Society's total profits subject to corporation tax. The Society would then pay corporation tax at the prevailing corporation tax rate (currently 19%, scheduled to increase to 25% from April 2023) on its total profits chargeable to corporation tax. Any corporation tax would be due to be paid 9 months after the end of the tax accounting period in which the investment property(ies) is sold, or potentially earlier, by quarterly instalments, if the Society is subject to the Corporation Tax (Instalment Payments) Regulations 1998.'

Accelerated capital allowances arise when there are temporary differences between the net book value of qualifying assets in the accounts and their equivalent tax written down values on the tax return. This is because the accounting treatment of capital assets is usually different than the tax treatment allowable. In the accounts, an asset is depreciated over its useful economic life; whereas capital allowances are set rules in tax law applied to the type of asset. The differences, however, between the net book value of qualifying assets in the accounts and their equivalent tax written down values – are only timing differences – as eventually, the accumulative depreciation and the capital allowances claimed will equal one another. The timing difference is recognised as a deferred tax provision in the accounts; and the movements in this provision will be recognised in annual instalments over the useful economic lives of the assets that it applies to.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

16 Goodwill

	Goodwill £
Cost	
At 28 February 2021 and 26 February 2022	482,351
Amortisation and impairment	
At 28 February 2021	378,592
Amortisation charged for the period	32,280
At 26 February 2022	410,872
Carrying amount	
At 26 February 2022	71,479
At 27 February 2021	103,759

17 Tangible fixed assets

	Land and buildings £	Assets under construction £	Fixtures, machinery and vehicles £	Farm land £	Farm buildings and equipment £	Total £
Cost or valuation						
At 28 February 2021	4,028,557	604,412	9,092,136	7,870,000	4,803,792	26,398,897
Additions	699,863	65,402	250,767	-	181,858	1,197,890
Disposals	(96,443)	-	(1,204,558)	-	(323,687)	(1,624,688)
At 26 February 2022	4,631,977	669,814	8,138,345	7,870,000	4,661,963	25,972,099
Depreciation and impairment						
At 28 February 2021	1,371,481	-	5,294,390	-	1,209,168	7,875,039
Depreciation charged in the period	93,248	-	743,858	-	191,518	1,028,624
Eliminated in respect of disposals	(96,443)	-	(1,204,558)	-	(323,687)	(1,624,688)
At 26 February 2022	1,368,286	-	4,833,690	-	1,076,999	7,278,975
Carrying amount						
At 26 February 2022	3,263,691	669,814	3,304,655	7,870,000	3,584,964	18,693,124
At 27 February 2021	2,657,076	604,412	3,797,746	7,870,000	3,594,624	18,523,858

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

17 Tangible fixed assets

(Continued)

Farm land with a carrying amount of £7,870,000 were revalued in August 2018 by Tom Ireland (MRICS) of Carter Jonas, independent valuers not connected with the company, with experience of the location and type of land and property being valued. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. It is the opinion of the directors that this valuation is an accurate reflection of the value as at 26 February 2022.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2022	2021
	£	£
Cost	226,000	226,000
Accumulated depreciation		
Carrying value	<u>226,000</u>	<u>226,000</u>

Security

The Society's defined benefit pension scheme holds security over the Hardington farm land to the value of £3,800,000.

The long-term loan is secured by legal charge over the property at Manor and Ponds farm, Hardington to the value of £4,350,000.

Land and buildings

Land and buildings at cost or value comprise £4,183,846 (2021: £3,632,132) freehold and £448,131 (2021: £396,425) short leasehold.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

18 Investment property

	2022
	£
Fair value	
At 28 February 2021	3,780,000
Additions through external acquisition	150,000
Net gains or losses through fair value adjustments	276,832
At 26 February 2022	<u>4,206,832</u>

Investment properties (excluding the Chew Magna flats), which are all freehold, were revalued to fair value at 27 February 2016, based on a valuation undertaken by Graham Jones (MRICS) of Carter Jonas, an independent valuer with recent experience in the location and class of the investment property being valued. The method of determining fair value was based on market realisable value. There are no restrictions on the realisability of investment property.

Following the conversion of an office to flats, the Chew Magna flats were revalued on 28 December 2017 by Myrica MacIntyre (MRICS) of Killens, in the capacity of an independent valuer.

Investment properties at the farm were revalued, based on market value, in August 2018 by Tom Ireland (MRICS) of Carter Jonas, an independent valuer with experience of the location and type of land and property being valued. In February 2022 the directors undertook a desktop valuation on these properties using the Land Registry website to assess the changes in local market prices since 2018. This determined that the value of these properties have increased in value since 2018.

In addition in February 2022, the Society employed Carter Jonas and Killens to complete a desktop valuation exercise on the properties which were last valued in 2016 and 2017. As a result of this exercise, the Society has considered that the value of these properties has decreased during the year to 26 February 2022.

Directors consider the year end values shown above, to be fair market values for all of the investment properties held by the Society.

The historic cost of the revalued investment properties are £1,423,000.

As set out in note 8, property net income earned during the year was £69,639 (2021: £141,226). No contingent rents have been recognised as income in the current or prior year.

At the balance sheet date, the Society had contracted with tenants for the following future minimum lease payments:

	2022	2021
	£	£
Within one year	152,796	163,839
Between two and five years	515,978	554,008
In over five years	<u>240,821</u>	<u>354,765</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

19 Fixed asset investments

	2022 £	2021 £
Unlisted investments	54,769	54,769
Breakdown of the investments	2022 £	2021 £
The Co-operative Group Limited shares	36,585	36,585
Other shares	6,468	6,468
Unquoted companies' shares	11,716	11,716
	54,769	54,769

Other investments are held at cost less impairment because their fair value cannot be measured reliably.

Included within the Society's investments is a £2 shareholding in Radco Country Style Limited, a company registered in England (registration number 01846031). This represents 100% of the ordinary share capital of this dormant company. The aggregate share capital and reserves of the subsidiary at 26 February 2022 amounted to £2 (2021: £2).

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 28 February 2021 & 26 February 2022	54,769
Carrying amount	
At 26 February 2022	54,769
At 27 February 2021	54,769

20 Stocks

	2022 £	2021 £
Agricultural stock	1,701,131	1,234,573
Goods for resale - retail stock	1,361,712	1,334,396
	3,062,843	2,568,969

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

21 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	461,732	476,679
Other debtors	221,288	208,010
Prepayments and accrued income	169,194	173,446
	<u>852,214</u>	<u>858,135</u>
Amounts falling due after more than one year:		
	£	£
Other debtors	78,678	121,178
Deferred tax asset (note 26)	120,499	272,270
	<u>199,177</u>	<u>393,448</u>
Total debtors	<u>1,051,391</u>	<u>1,251,583</u>

22 Current asset investments

	2022	2021
	£	£
Unlisted investments	<u>2,671,214</u>	<u>2,769,141</u>
Breakdown of the investments		
	£	£
Short term bank deposits	2,657,933	2,757,411
The Co-operative Group Corporate investor shares	13,281	11,730
	<u>2,671,214</u>	<u>2,769,141</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

23 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	25	81,205	78,746
Trade creditors		2,122,359	2,117,671
Corporation tax		36,531	26,982
Other taxation and social security		250,661	253,345
Other creditors		583,694	290,180
Accruals and deferred income		1,037,263	937,594
		<u>4,111,713</u>	<u>3,704,518</u>

24 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	25	2,339,643	2,420,493
Trade creditors			161,619
		<u>2,339,643</u>	<u>2,582,112</u>

25 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>2,420,848</u>	<u>2,499,239</u>
Payable within one year	81,205	78,746
Payable after one year	<u>2,339,643</u>	<u>2,420,493</u>

The long-term loan is secured by legal charge over the property at Manor and Ponds farm, Hardington, Near Frome, Somerset.

The repayments have been calculated on the basis of a 25 year repayment profile effective from the date of first drawdown of the Facility.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

26 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities	Assets	Assets
	2022	2021	2022	2021
Balances:	£	£	£	£
Accelerated capital allowances	947,090	581,332	-	-
Revaluations	1,843,785	1,344,967	-	-
Retirement benefit obligations	-	-	120,499	272,270
	<u>2,790,875</u>	<u>1,926,299</u>	<u>120,499</u>	<u>272,270</u>
				2022
Movements in the period:				£
Liability at 28 February 2021				1,654,029
Charge to profit or loss				439,850
Charge to other comprehensive income				151,771
Charge to equity				424,726
				<u>2,670,376</u>
Liability at 26 February 2022				<u>2,670,376</u>

The deferred tax asset set out above is expected to reverse in over 12 months and relates to the defined benefit pension scheme. Some of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period. The rest of the deferred tax liability is in respect of the revalued farm land and is expected to reverse in over 12 months.

27 Provisions for liabilities

		2022	2021
		£	£
Deferred tax liabilities	26	2,790,875	1,926,299
Retirement benefit obligations	30	482,000	1,433,000
		<u>3,272,875</u>	<u>3,359,299</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

28 Share capital

Reconciliation of movement of share capital during the period:

	2022	2021
	£	£
Balance at start of period	269,664	267,740
Contributions	1,877	3,733
Interest	923	921
Withdrawals	(2,519)	(2,730)
Balance at end of period	269,945	269,664

(a) Share capital is composed of one type of share.

(b) Share capital comprises 20,129 members with a minimum holding of £2.00 per member. Balances over £25 attracted interest at 0.5% p.a.

(c) Shares may be withdrawn by members upon giving one week's notice to the Society in accordance with Rule 22 of 2010 Rule Book.

(d) Each member is entitled to one vote.

(e) In the event of winding up, any balance remaining after meeting all liabilities would be distributed in a manner prescribed by the Co-operative and Community Benefit Society Act ruling at the time of dissolution, and in accordance with the Society's rules at the time of dissolution.

29 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	574,113	602,017
Between two and five years	1,997,311	2,122,358
In over five years	2,171,085	2,618,605
	4,742,509	5,342,980

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

30 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	237,004	215,764

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined benefit schemes

The Society operates defined benefit schemes which are now closed to future accrual (the Radstock Co operative Society Limited Employees' Superannuation Fund) in the UK. No other post-retirement benefits are provided. The assets of the fund are held in a separate fund administered by the trustees.

The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out at 26 February 2022 by Duncan Ross, Fellow of the Institute and Faculty of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	2022	2021
Key assumptions	%	%
Discount rate	2.5	1.9
Future pension increases (5% RPI)	3.6	3.2
Future pension increases (2.5% CPI)	2.3	2.0
Rate of pension deferment	3.9	3.4
Inflation	3.9	3.4

Mortality assumptions

	2022	2021
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	22.1	22.1
- Females	24.5	24.5
Retiring in 20 years		
- Males	23.8	23.8
- Females	26.3	26.2

	2022	2021
Amounts recognised in the profit and loss account	£	£
Net interest on net defined benefit liability	25,000	28,000
Total costs	25,000	28,000

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

30 Retirement benefit schemes

(Continued)

	2022	2021
	£	£
<i>Amounts taken to other comprehensive income</i>		
Other gains	781,000	214,000
Total income	781,000	214,000

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2022	2021
	£	£
Present value of defined benefit obligations	8,703,000	9,226,000
Fair value of plan assets	(8,221,000)	(7,793,000)
Deficit in scheme	482,000	1,433,000

	2022	2021
	£	£
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 28 February 2021	9,226,000	9,111,000
Benefits paid	(373,000)	(343,000)
Actuarial gains and losses	(321,000)	307,000
Interest cost	171,000	151,000
At 26 February 2022	8,703,000	9,226,000

	2022	2021
	£	£
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 28 February 2021	7,793,000	7,399,000
Interest income	146,000	123,000
Benefits paid	(373,000)	(343,000)
Contributions by the employer	195,000	93,000
Actuarial gains and losses	460,000	521,000
At 26 February 2022	8,221,000	7,793,000

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

30 Retirement benefit schemes

(Continued)

	2022	2021
<i>Fair value of plan assets at the reporting period end</i>	£	£
Equity instruments	3,926,000	3,517,000
Diversified growth fund	2,947,000	2,950,000
Government bonds	1,154,000	1,096,000
Annuity Policies	89,000	100,000
Cash	105,000	130,000
	<u>8,221,000</u>	<u>7,793,000</u>

31 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, which is considered to be the senior management team, is as follows.

	2022	2021
	£	£
Aggregate compensation	<u>408,745</u>	<u>453,382</u>

32 Ultimate controlling party

In the view of the directors, there is no controlling party.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

33 Cash generated from operations

	2022 £	2021 £
Surplus for the period after tax	127,504	469,687
Adjustments for:		
Taxation charged	449,400	191,565
Finance costs	68,757	72,081
Investment income	(2,119)	(2,647)
(Gain)/loss on disposal of tangible fixed assets	(2,700)	70,997
Distributions	3,385	46,773
Fair value movement on investment properties	(276,833)	(32,366)
Amortisation and impairment of intangible assets	32,280	32,280
Depreciation and impairment of tangible fixed assets	1,028,624	1,384,080
Pension scheme	(173,385)	(111,775)
Movements in working capital:		
(Increase)/decrease in stocks	(493,874)	68,928
Decrease in debtors	48,421	470,075
Increase in creditors	233,568	251,391
Cash generated from operations	1,043,028	2,911,069

34 Analysis of changes in net debt

	28 February 2021 £	Cash flows £	26 February 2022 £
Cash at bank and in hand	1,458,967	(348,983)	1,109,984
Borrowings excluding overdrafts	(2,499,239)	78,391	(2,420,848)
	<u>(1,040,272)</u>	<u>(270,592)</u>	<u>(1,310,864)</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Five Year Comparative Statement

	2022 No.	2021 No.	2020 No.	2019 No.	2018 No.
Membership	20,129	19,215	18,543	16,493	14,429
Revenue Account	£000	£000	£000	£000	£000
Turnover	39,039	43,145	37,802	35,121	30,206
Trading result	158	644	(426)	(63)	(147)
Farm result	142	(40)	86	78	111
Surplus before distributions	580	708	220	1,042	282
Surplus for period	128	470	162	936	181
Depreciation and amortisation	1,061	1,416	1,121	1,034	1,082
Balance Sheet					
Fixed assets	23,026	22,462	22,587	19,944	12,456
Net current assets	3,784	4,344	3,115	3,757	2,760
Total assets less current liabilities	26,810	26,806	25,702	23,701	15,216
Less: Long term liabilities & provisions	(5,613)	(5,941)	(5,362)	(3,174)	(1,795)
Net Assets	21,197	20,865	20,340	20,527	13,421
Share Capital	270	270	268	268	263
Reserves	20,927	20,595	20,072	20,259	13,158
Members' Funds	21,197	20,865	20,340	20,527	13,421

RADSTOCK CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 26 FEBRUARY 2022

Notice of Annual General Meeting

Notice is hereby given that, the Annual General Meeting of the Society will be held on:

Tuesday 14 June 2022 at 7.00pm at The Park Suite, Farrington Golf Park, FARRINGTON GURNEY.

Agenda

1. To confirm the Minutes of the last meeting.
2. To receive the Directors' Report and audited Financial Accounts for the 52 week period ended 26 February 2022.
3. To appoint the Society's Auditor.
4. To declare the results of the election to the Directors to the Board.

Admission to Shareholders' Meetings

Members attending in person must present their Share Account Statement or Membership Dividend Card in order to attend.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 FEBRUARY 2022

Standing Orders

1. Order of Business

The order of business at every ordinary or special meeting of the Society shall be in accordance with the printed Agenda of business issued with the notice of the meeting.

2. Speaking

(a) The mover of a motion or amendment shall be allowed 10 minutes in which to state the case. The mover of the motion shall also have the right to reply at the end of the discussion, and in replying shall be confined to answering previous speakers and shall not be permitted to introduce new matters into the debate. Five minutes shall be allowed for this right of reply after which the motion or amendment shall be put to the vote.

(b) In regard to any motion amendment no other speaker shall be allowed more than five minutes.

(c) Every member who speaks shall address the Chair and confine their speech to the subject under discussion.

(d) Whenever the Chairman rises during a debate any member then speaking or attempting to speak must resume their seat.

(e) No member shall address the meeting more than once on the same subject except as provided in 2(a).

(f) The Chairman may invite an officer or professional adviser of the Society present at the meeting to give a report and/or to respond to any comments or questions raised by a member.

(g) In response to any question or comment raised by a member, the Chairman reserves the right to arrange for a written response to be forwarded to the member in due course.

3. Closure of Debate

(a) "That the question be now put" may be moved on any motion or amendment before the meeting and if seconded, shall at once be put to the vote without discussion. If this is carried, the question before the meeting shall then be put to the vote and decided upon without further delay.

(b) All meetings shall terminate not later than two and a half hours after the commencement time specified in the notice of the meeting.

4. Chairman of Meetings

(a) The Chairman may call attention to continued irrelevance, repetition, unbecoming language or any breach of order on the part of a member and may direct such member to discontinue their speech.

(b) If the Chairman considers that a motion or amendment has been discussed sufficiently he/she may move that the question be now put, and the motion or amendment shall at once be put to the vote without further discussion.

(c) The decision of the Chairman on any point shall be final.

