



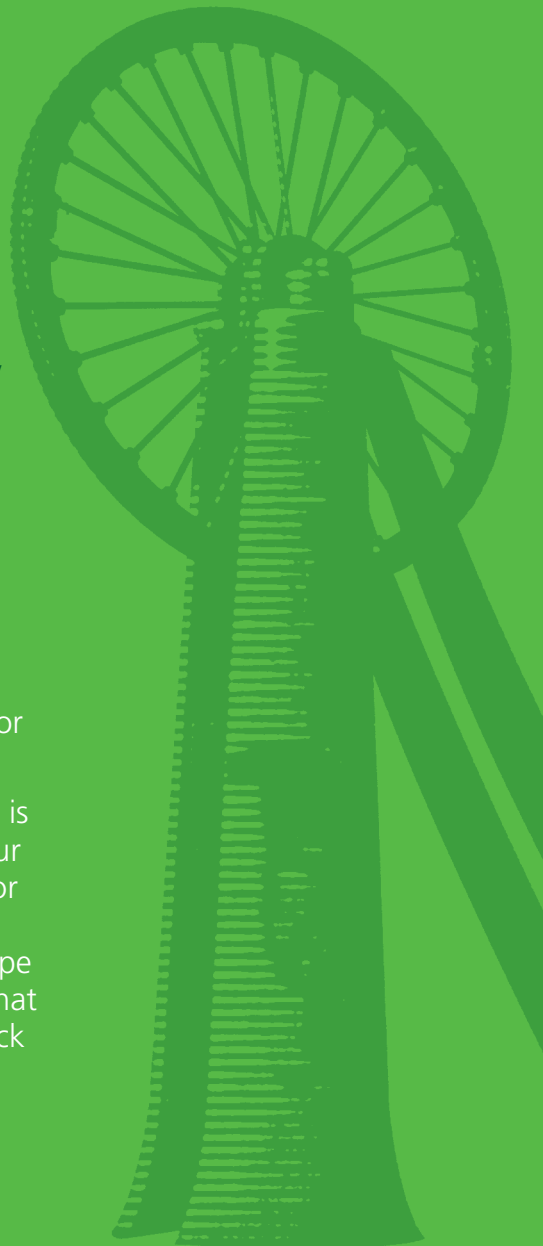
DON MORRIS
Chief Executive

We have put together this booklet to provide a summary of some of the key events and projects that the Society has been engaged in during the course of the last financial year.

We have also provided a summary of the financial statements detailing our performance over the 2013/14 financial year and a 5-year summary for comparison purposes.

A copy of the full financial statements is available to view or download from our website at www.radstockcoop.co.uk or can be obtained from the secretary at enquires@radstockcoop.co.uk. We hope you find the booklet interesting and that it gives you an insight into the Radstock Co-operative Society.

Kind regards
Don Morris



ANNUAL REPORT AND ACCOUNTS 2014

The Board of Directors



THE BOARD OF DIRECTORS (FROM L TO R)
ALLAN CURTIS, ANGELA WILSON, JEREMY FRICKER (VICE-PRESIDENT), SALLY HEIRON,
GRAHAME PICKFORD, ALBERT MOULDER, DON MORRIS (CHIEF EXECUTIVE),
GEORGE DONKIN (PRESIDENT), DEREK ROBERTS.

President's Statement

George Donkin, President -
On behalf of the Board

The last year has been challenging on many fronts and this is reflected in our own results and in the trading figures of many other major food-based retailers in both private and co-operative sectors. Spending by consumers on food has been restrained by small increases in salaries and wages in the UK – significantly less than the increase in prices.

Outside London and the South East, the effect is even more marked. Most people have not made up the difference by borrowing which would lead to problems in the future.

Whilst our own retail sales performance has been boosted by new store openings, this has been weakened by the declining sales of our Radstock store. Our profitability from retailing has been further reduced by lower margins in a more aggressively competitive environment. To a small extent this has been offset by an increase in farm profit, with more forecast for 2014–15 and by significant additional rents from non-trading properties. Overall, our after-tax total surplus for 2014 was £307,443 compared with £698,632 a year ago. Our trading results stand comparison with others in the Co-operative movement.

This reduced surplus is still a significant sum, and after adjustment for pension scheme funding, is all available for reinvestment in the business. Shortly after year end these growth funds have been further boosted by the completion of the sale of two redundant trading properties to Curo, the area's leading social housing provider. The sale of these properties at High Littleton and the former bakery/furniture centre will add just under £800,000 to business development funds.

While the Society's revenue account is cause for satisfaction without complacency, the balance sheet continues to reveal considerable strength. Reserves exceed £12 million for the first time and liquid funds are well over £4 million. For our size, Radstock Society has one of the strongest balance sheets in the Co-operative movement, putting us in a strong position to cope with any shocks the future might throw at us.

The Co-operative movement is dominated by the Co-operative Group, tCG, the old CWS merged with over 75% of retail societies. tCG and CRTG (Co-operative Retail Trading Group) carry out most of our buying for food stores and organise warehousing and distribution. They have been key components to our past success. Serious strategic errors, going back some years, came home to roost last year resulting in material financial losses in the recently published accounts. tCG is not out of the woods yet, but there are some hopeful signs that the medium term future will be better than the immediate past. tCG is to concentrate on its core

business of running convenience stores. It has market researched and tested new store formats which, we are told, are being introduced with considerable success under its 'True North' programme. It is also comprehensively reviewing its overhead costs with a view to saving £400–£500 million each year in operating costs.

As approved at last year's AGM, the Society's main support went to WISH and the 1st Radstock Scout Group. We also supported Radstock in Bloom and the Miner's Annual Re-union at the Radstock Museum. In Frome we supported successful fundraising activity benefitting the charity Positive Action Against Cancer. Our staff had an active year fundraising for charity. Their main projects raised over £2,500 in connection with the BBC's Children in Need Appeal; they donated toys to Radstock Children's Centre and raised almost £1,500 for Comic Relief.

The Society's importance locally was recognised when we became finalists in the Bath Business Awards Retailer of the Year. Our Travel Department scooped two awards, Titan Travel Agency of the Year and Hosesons Agency of the Month.

Last year, the Society gave back to members and customer £91,415 through our Dividend Card scheme. A targeted membership recruitment effort produced 350 new members bringing our membership to 6,988, its highest for some years. Members enjoyed an exclusive visit to Orchard Pig local cider makers. This was oversubscribed and may be repeated later this year. A new member's benefit has been introduced in conjunction with Michael Gould, Estate Agents. A Christmas event was arranged for members with free coffee and cake, photo with Santa, free Grotto admission and discount vouchers.

This has been a tough year where we have made progress only thanks to the efforts of our staff and the support of members, Dividend Card holders and customers. On behalf of the Board, I sincerely thank you all.

Review of the business and future developments

Don Morris Chief Executive



There have been unprecedented changes in the retail environment a number of which were anticipated and a number of which have taken the industry by surprise.

The growth in the market share of discount retailers has made an already intensely competitive marketplace a very difficult place to be with the retail environment steadily deteriorating as the year progressed. The Christmas shopping season, usually a very productive retailing period saw some of the deepest price cutting and heavily discounted promotional activity as retailers sought to protect and maintain market share. Despite this backdrop, the Society continues to weather the storm and whilst profit levels have been understandably affected in the stores, we are able to report the growth of the business as a whole and reassuring increase in the profits achieved by our farm and in our non-trade property business. The coming year will see all efforts directed at maintaining and improving the profitability of our existing retail estate in this new and changeable retail environment.

Gross takings during the financial year grew by £1.64m or 4.9% and now stand at £35.0m (2012/13: £33.3m). The trading surplus for the year amounted to £153k (2012/13: £818k). The Society maintains a strong balance sheet with Members' funds continuing to grow; they now stand at £12.37m (2012/13: £12.20m) an increase of £168k during the year. The Society has maintained significant liquid and cash assets which amounted to £4.80m at the year-end balance sheet date, just £284k lower than the prior year. This follows significant capital investment in the Society's existing retail estate and the addition of one new store, which represents total investment in the Society's future of £944k.

The Society opened its one new store in Farrington Gurney in November. The site had previously been a Little Chef and had been sought by a number of operators including a fast food restaurant chain. The store is light, bright and spacious and boasts an in-

store bakery and Costa Coffee Express. Energy efficient chillers and freezers have been installed to provide an extensive range of chilled and frozen products. There is also an impressive selection of wines, beers and ciders, including many from local producers as well as ample free parking. Farrington Gurney has made a promising start and we look forward to monitoring its progress into the summer months.

The farm continues to develop and recorded a surplus of £73,978, an increase of 10% on the prior year (2012/13: £67,041). This development can be seen in the increase in the milking herd which now stands at 451 head, a steady increase in the milk yield and improvements in the farm gate milk price. During the year the Society renewed its contract with Co-operative Group Farms to supply milk to Muller Wiseman Dairies in Bridgewater for processing.

Future developments for the Society include the divestment of the unutilised sites of High Littleton and the Old Bakery in Radstock, to support community housing developments. The Society signed a deal with social housing landlord Curo, to purchase the sites. The major refurbishment project of the Radstock Superstore will be completed and in January 2015 the Society will commence trading from the Co-operative food store in Paulton as it is returned to the Society from the Co-operative Group.

As reported last year, during these tough economic times the need to maintain a strong balance sheet with significant cash investments and no borrowings remains essential to the success and development of the Society. It gives me great pleasure to once again acknowledge the hard work of our colleagues and the loyalty of our members and customers. Together we are ensuring a successful future.



CUT ALONG THE DOTTED LINE



WWW.RADSTOCKCOOP.CO.UK

Membership Application Form

(Only required if you are not already a member. Please feel free to pass to a family member or friend)

Title: Mr/Mrs Ms/Other:

Surname:

Forename(s):

Address:

Postcode:

Home Phone:

Mobile:

E-mail:

May we contact you by e-mail or text message? Yes ☐ No ☐ please tick one

Date of Birth:

/ /

To be a member you must be 16 or over

Are you a Dividend Card holder? Yes ☐ No ☐ please tick one

Specimen Signature:

Amount deposited:

£

:

p

A minimum desposit of £2 must be retained to continue membership.

Please make cheques payable to Radstock Co-operative Society.
Payment can also be made in cash at any of our stores.

office use only



Please detach and send with your cheque to:-

Radstock Co-operative Society, Co-operative House, 3 Wells Hill, Radstock BA3 3RQ.

Summary of financial information 52 weeks ended 22 February 2014

Revenue Account

	2014	2013
	£	£
Gross takings	34,953,539	33,313,093
Less agency & concession turnover	(9,043,112)	(8,796,341)
Gross sales (including VAT)	25,910,427	24,516,752
Value Added Tax	(2,367,277)	(2,192,699)
Turnover	23,543,150	22,324,053
Cost of sales	(16,908,771)	(15,509,710)
Gross profit	6,634,379	6,814,343
Other operating income	716,116	712,581
Expenses	(7,197,002)	(6,709,264)
Trading surplus	153,493	817,660
Farm surplus	73,978	67,041
Non-trade property net income	191,955	137,336
Operating surplus	419,426	1,022,037
(Loss)/profit on sale of fixed assets	-	(28,534)
Interest receivable	35,103	45,122
Interest payable - HMRC	(970)	-
Other finance charge	(42,000)	(43,000)
Surplus before distributions	411,559	995,625
Share interest	(1,845)	(1,901)
Donations	(4,960)	(4,713)
Death benefits	(1,588)	(2,402)
Surplus before tax	403,166	986,609
Taxation	(95,723)	(287,977)
Surplus for the period	307,443	698,632

Balance sheet

	2014	2013
	£	£
Fixed assets		
Intangible assets	330,962	363,242
Tangible assets	8,437,820	8,231,726
Investments	50,971	50,971
	8,819,753	8,645,939
Current assets		
Non-current assets held for sale	55,152	-
Stock	1,782,685	1,630,279
Debtors	826,132	715,507
Investments	4,412,229	4,669,441
Cash at bank and in hand	356,058	384,239
	7,432,256	7,399,466
Creditors: amounts due within one year	(2,252,915)	(2,267,970)
Net current assets	5,179,341	5,131,496
Total assets less current liabilities	13,999,094	13,777,435
Provision for deferred taxation	(134,326)	(111,947)
Net assets excluding pension deficit	13,864,768	13,665,488
Pension deficit	(1,497,414)	(1,465,924)
Net assets including pension deficit	12,367,354	12,199,564
Capital and reserves		
Share capital	233,885	236,835
Revenue reserve	10,716,636	10,545,896
Revaluation reserve	1,416,833	1,416,833
Members' funds	12,367,354	12,199,564

Cash flow statement

	2014	2013
	£	£
Net cash inflow from operating activities	877,092	1,884,151
Return on investments and servicing of finance		
Interest received	35,103	44,858
Taxation		
Net UK Corporation tax paid	(249,000)	(376,332)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(943,790)	(3,216,809)
Sale of tangible fixed assets	-	81,466
Net cash outflow from capital expenditure and financial investment	(943,790)	(3,135,343)
Net cash inflow before management of liquid resources and financing	(280,595)	(1,582,666)
Management of liquid resources		
Deposits from current asset investments	257,212	1,776,826
Net cash (outflow)/inflow before financing	(23,383)	194,160
Financing		
Decrease in members' share capital	(2,950)	(5,163)
Decrease in other loans	(1,848)	(627)
Net cash outflow from financing	(4,798)	(5,790)
(Decrease)/Increase in cash in the period	(28,181)	188,370

Statement of total recognised gains and losses

	2014	2013
	£	£
Surplus for the period	307,443	698,632
Actuarial (loss) on pension scheme	(108,000)	(239,000)
Movement on deferred tax relating to pension scheme	(28,703)	23,810
Total gain relating to the period	170,740	483,442

Radstock Co-operative Society Limited primary financial statements for the 52 weeks ended 22nd February 2014. A copy of the full audited report and financial statements is available on request from the Secretary at the Society's registered office and from our website. Chartered Accountants and Registered Auditors: Deloitte LLP, Bristol.

Five Year Summary

	2014	2013	2012	2011	2010
Membership	6,988	6,751	6,788	6,705	6,677
Revenue Account	£000s	£000s	£000s	£000s	£000s
Turnover	23,543	22,324	21,170	19,508	18,184
Trading result	153	818	1,155	1,521	320
Farm result	74	67	65	29	(22)
Surplus before distributions	412	996	1,476	1,662	383
Surplus for period	307	699	1,137	1,143	233
Depreciation and amortisation	700	568	568	637	601
Fixed assets	8,820	8,646	6,138	6,024	7,120
Net current assets	5,179	5,131	7,000	5,622	3,696
Total assets less current liabilities less	13,999	13,777	13,138	11,646	10,816
Long term liabilities	(1,632)	(1,577)	(1,416)	(1,149)	(1,566)
NET ASSETS	12,367	12,200	11,721	10,497	9,250
Share capital	234	237	242	241	241
Reserves	12,133	11,963	11,479	10,256	9,009
MEMBERS' FUNDS	12,367	12,200	11,721	10,497	9,250

5 Year comparison of turnover (£000s)



5 Year comparison of Members Funds (£000s)



Recognising our achievements



Awards

The Society has had another fantastic year in terms of its achievements and successes.

Our Travel department scooped the award for 'Agency of the Year' from Titan Travel presented to them at a lavish ceremony held at the Lancaster Hotel, London in April 2013. The Travel Department was also awarded agency of the month by Hoseasons in August 2013.

The Society was also a finalist in the retailer of the year category of the Bath Chronicle Business Awards which was held at Bath Racecourse in September 2013. This is the third year in succession that we have received recognition for our entry.

We were also instrumental in assisting with the Radstock in Bloom entry achieving Gold in the Ayre Cup and Overall Category Winner.



Colleagues from Radstock Superstore and children from Camerton School.

Membership

Our Vision:

To be the best community retailer, growing the business for the future and considering co-operative principles in everything we do.

Our Values:

- Self-help
- Self-responsibility
- Democracy
- Equality
- Equity
- Solidarity

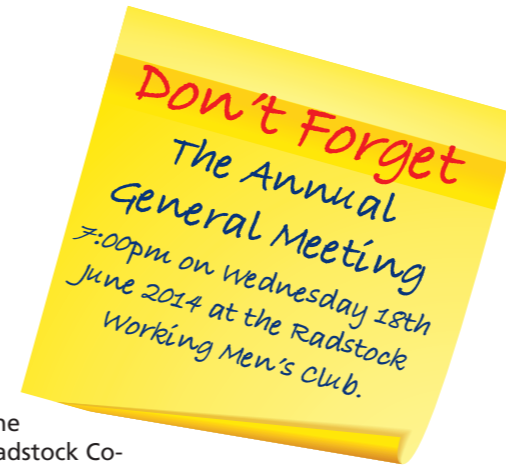
We believe in honesty, openness, social responsibility and caring for others

Our Principles:

- Voluntary & open membership
- Member economic participation
- Education, training and information
- Concern for the Community
- Democratic member control
- Autonomy and independence
- Co-operation among Co-operatives

What is a co-operative and what does being a member involve?

The Radstock Co-operative Society was established in 1868 and is a consumer co-operative. The Society is owned and run by its members who benefit from the services the Society provides. Each member has an equal say in what the Society does. Rather than rewarding outside investors, a co-operative shares its profits amongst its members.



The Radstock Co-operative Society exists to serve its members, whether they are customers, employees or the local community. We believe that whilst members should be entitled to a share of the profits, we also need to ensure that there are sufficient reserves for the Society to be able to ensure a sustainable future for members in the years to come. The Society contributes significantly to the communities within its trading areas and is proud of the support provided both in terms of financial grants and donations and help and assistance.

Membership is open to anyone over the age of 16 as long as they share in our values and principles and take an active interest in the Society which includes using its trading services. Members satisfying the eligibility criteria can stand for election to the board of directors for a 3 year term of office. Members with six months service are eligible to vote at elections and to attend the Annual General Meeting.

If you are not already a member but would like to become one, please complete the application form on the back page and send to the address on the form.

Members are actively encouraged to apply for directorship and any training required will be provided.



Participants in the Bath Half Marathon who raised money through sponsorship



Colleagues at Fosseway Store - Red Nose day



Mr & Mrs Govett

Community Fund-raising

Several Colleagues obtained sponsorship from staff and customers for their efforts in the Bath Half Marathon raising over £1,500 for their chosen charities of Time is Precious, Children's Hospice Southwest and Cancer research.

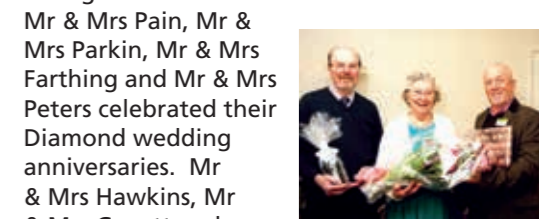
Other major fundraising activities included dressing up for Comic Relief and Children in Need which combined raised over £4,000 for the charities. Around the retail estate, many of the stores raised money through collection boxes, raffles, quiz nights etc. and donated prizes to community events to support local causes.

Events

The Society continued its support of the annual Miners Reunion luncheon held at the Radstock Museum. Member's events included a visit to Orchard Pig Cider farm and a Christmas Shopping event at the Radstock store.

Members Anniversaries

During the year, we celebrated the following members' wedding anniversaries presenting them with gifts and cards. Mr & Mrs Pain, Mr & Mrs Parkin, Mr & Mrs Farthing and Mr & Mrs Peters celebrated their Diamond wedding anniversaries. Mr & Mrs Hawkins, Mr & Mrs Govett and Mr & Mrs Meagor celebrated their



Mr & Mrs Peters

Golden wedding anniversaries. We also had a belated Golden wedding anniversary presentation for Mr & Mrs Edwards on the occasion of their 51st Wedding anniversary. Mrs Nora Whittock received gifts from the Peasedown St John store on her 100th birthday.



Mr & Mrs Farthing



Cheque presented to WISH by Society President George Donkin



First Radstock Scouts receiving cheque from Angela Wilson, Director

Donations

Members voted to support the First Radstock Scouts Group and WISH (Working in Support of Holidays for the Disabled) as their chosen charities for the year.

Initial cheques of £1,100 were presented to representatives of each of the causes.

Member-nominated charities for the 12/13 year, The Snowdrop Appeal and The Radstock Museum also received further donations of £750 as a consequence of the Gala Awards and Fundraising Evening held at the Bath Pavilion in June 2013. The evening raised over £2,000 due to sponsorship from our suppliers and business partners and the generosity of staff and guests who raised money through the purchase of raffle tickets.

Colleagues also donated Christmas gifts to Radstock Children's centre and the Society provided gifts to the Frome Westway Centre's Christmas Grotto.



Snowdrop Appeal being presented with a cheque by Albert Moulder, Director



The Radstock Museum being presented with a cheque by Allan Curtis, Director



Development

www.radstockcoop.co.uk

October of last year saw the launch of the Society's new website. So if you want to find out a bit more about the Society from its origins to the latest news then why not pay us a visit. You'll also find out about the latest offers, events, job vacancies and community involvement. Why not 'like us' on Facebook or 'follow us' on Twitter for up-to-date information.

Radco Relaunch Project

Work started on a major refurbishment project to rejuvenate the Radstock store in November of last year. To ensure continuity of service to our customers, the refurbishment plan was formulated to carry out the work on a phased basis. Customers will already have seen the improvements in a newly fitted and relocated café, travel shop, Post Office and electrical department as well as the installation of new chillers, freezers and lighting. The programme of works are on schedule with the final completion date on track for mid-June.

The Westfield store also benefitted from a mini make-over in October 2013 with new energy-efficient refrigeration, fixtures, counters and lighting.



Westfield Store Makeover



Farrington Gurney Store

New store opening

November saw the acquisition of the thirteenth retail outlet with the opening of the Farrington Gurney store at the site of the former Little Chef roadside café. The Store has an instore bakery, Costa Coffee Express, Hot n Cold food-to-go and the usual product offering.

To complement the food and grocery offering, a wide range of services are available including National Lottery, Health Lottery, Paypoint, Wi-Fi etc. as well as ample free parking. The store got off to a great start and is meeting our trading expectations.



New Café Radstock Store
Just one of the many improvements



Radstock Superstore & Travel Agency
WELLS ROAD
RADSTOCK BA3 3RQ
STORE TEL: 01761 432142
TRAVEL TEL: 01761 433355



Farrington Gurney
BRISTOL ROAD,
FARRINGTON GURNEY,
BRISTOL BS39 6TQ
TEL: 01761 451581



Fosseway
32 FOSSEWAY
MIDSOMER NORTON
BA3 4AX
TEL: 01761 412888



Frome
7-9 WESTWAY
SHOPPING CENTRE
FROME BA11 1BS
TEL: 01373 451914



Shepton Mallet
CHARLTON CROSSROADS
WHITSTONE ROAD
SHEPTON MALLET BA4 5PT
TEL: 01749 347641



Timsbury
NORTH ROAD
TIMSBURY
BATH BA2 0JH
TEL: 01761 470202



Chew Magna
15 HARFORD SQUARE
CHEW MAGNA
BRISTOL BS40 8RA
TEL: 01275 332492



Peasedown St John
66 BATH ROAD
PEASEDOWN ST JOHN
BATH BA2 8DT
TEL: 01761 434280



Chilcompton
NAISH'S CROSS
CHILCOMPTON
RADSTOCK BA3 4JN
TEL: 01761 232328



Westfield
1 ELM TREE AVENUE
WESTFIELD
RADSTOCK BA3 3SX
TEL: 01761 434291



Coleford
HIGHBURY STREET
COLEFORD BA3 5NJ
TEL: 01373 812309



Glastonbury
32-34 HIGH STREET
GLASTONBURY BA6 9DX
TEL: 01458 831003



Street
84-86 WEST END
STREET BA16 0LP
TEL: 01458 440777

Members Benefits



CUT AROUND THE DOTTED LINES AND USE INSTORE

Great food and more within easy reach

Members Benefit

£10 OFF

coupon when you spend £50 or more on your next food purchase

Valid until: 27th June 2014



The Radstock
co-operative society

Share No: Name:

Address:

Terms & Conditions: **To the Customer**

This coupon is not transferable or refundable & cannot be exchanged for cash & is only valid in Radstock Co-operative Society Ltd stores. Only one coupon per transaction. Only original coupons are valid & no photocopies will be accepted. This offer excludes Cigarettes & Tobacco, Lottery & Scratchcards, Paypoint, Mobile phone top ups, Saving stamps, Post Office, Travel, Jon Thorners (Street) & Penleigh (Frome). No change will be given & cannot be used in conjunction with any other discount.

Great food and more within easy reach

Members Benefit

£10 OFF

coupon when you spend £50 or more on your next food purchase

Valid until: 27th June 2014



The Radstock
co-operative society

Share No: Name:

Address:

Terms & Conditions: **To the Customer**

This coupon is not transferable or refundable & cannot be exchanged for cash & is only valid in Radstock Co-operative Society Ltd stores. Only one coupon per transaction. Only original coupons are valid & no photocopies will be accepted. This offer excludes Cigarettes & Tobacco, Lottery & Scratchcards, Paypoint, Mobile phone top ups, Saving stamps, Post Office, Travel, Jon Thorners (Street) & Penleigh (Frome). No change will be given & cannot be used in conjunction with any other discount.

Great food and more within easy reach

Members Benefit

£5 OFF

coupon when you spend £30 or more on your next food purchase

Valid until: 27th June 2014



The Radstock
co-operative society

Share No: Name:

Address:

Terms & Conditions: **To the Customer**

This coupon is not transferable or refundable & cannot be exchanged for cash & is only valid in Radstock Co-operative Society Ltd stores. Only one coupon per transaction. Only original coupons are valid & no photocopies will be accepted. This offer excludes Cigarettes & Tobacco, Lottery & Scratchcards, Paypoint, Mobile phone top ups, Saving stamps, Post Office, Travel, Jon Thorners (Street) & Penleigh (Frome). No change will be given & cannot be used in conjunction with any other discount.



thatcher & hallam solicitors

Proud to support
Radstock Co-operative
Members

01761 414646

www.th-law.co.uk

SAVINGS FOR YOU RADSTOCK CO-OPERATIVE SOCIETY - LOCALLY OWNED, LOCALLY MANAGED