

ANNUAL REPORT AND ACCOUNTS 2017





PRESIDENT'S STATEMENT

Jeremy Fricker, President - On behalf of the Board

The grocery market continues to be a fiercely competitive environment with customers' shopping needs rapidly changing.

In response to those changing needs, we have introduced new ranges with a greater emphasis on food to go, meal solutions, in-store bakery and fresh fruit and vegetables. The response from our customers has been positive with steady sales increases in those categories.

During the year the Society opened another new store in Castle Mead, Trowbridge. The purpose built store is significant for the Society as for the first time we have extended our trading area from Somerset into Wiltshire. The Society secured the leasehold of this highly sought after development and with positive initial trading figures the future of the store bodes well for the Society. The improvement in the Society's trading surplus this year is pleasing to note.

We continued to invest in the existing retail estate with our Chilcompton store benefitting from a complete redesign including major building alterations resulting in significant improvements to the shopping experience. As a community retailer, we felt it was vital

to retain the Post Office service, which was modernised and relocated within the retail operation enabling the opening hours to be extended. We also invested in the Coleford store through the installation of brand new, energy efficient refrigeration and freezer units. We also made significant improvements to the refrigeration at our Frome, Fosseway and Timsbury stores to extend our fresh and chilled ranges.

As announced last year, exciting changes to the Dividend Card scheme and membership have taken place. We have started to convert Dividend Card Members to membership of the Society. As at the year end, the number of confirmed members stands at 8,957, an increase of 1,930 over the previous total membership for the prior year. Our geographical expansion into new trading areas will provide opportunities to extend our membership base. As a successful co-operative business, we have continued to reward our members through the Dividend Scheme. In total, £87,465 was paid out during the year.

As selected by our membership at last year's Annual General Meeting, our two chosen charities for the trading year, SWALLOW and Freewheelers, received initial donations of £1,100 each. Several community hospitals and health centres providing services to residents within our retail estate received a share of £10,500, generated from the 'carrier bag' charging levy. The Society continues



BOARD MEMBERS

CLOCKWISE FROM TOP LEFT:

GRAHAM JEFFERY (VICE PRESIDENT),
ALLAN CURTIS, SUE BARNARD,
CRAIG DOUGHTY, JONATHAN RICH,
DEREK ROBERTS, LYNDIA ROBERTSON,
CHRIS WARREN

to support many local charities, schools and community groups through financial donations, participation and involvement in events, providing support and raising awareness. Our colleagues continue to demonstrate their commitment to fund-raising activities to generate funds for both local causes and national campaigns.

In recognition of the support the Society has provided to the Carer's Centre, the Society was presented with the award of 'Business Partner of the Year' at the Somerdale Pavilion in Keynsham. Once again, the Society is proud to continue its support of the Miners Reunion and Britain in Bloom initiative.

During the year, the Timsbury store celebrated 100 years of serving the local community. The occasion was marked by colleagues who set up a displays showing the history of the Society's store in the village. This is only one of the key events in the Society's history. Next year, in 2018 we celebrate the Society's 150th anniversary since the Society first started trading. We look forward to sharing with you a series of events and activities to commemorate this special occasion!

As your President for the past year, it has been a privilege to be a part of the continuing development of the Society. On behalf of your Board of Directors, I would like to thank our members and customers for their loyalty and support and our colleagues for all their efforts and hard work during the year.

Jeremy Fricker

President



The retail environment has undergone significant change over the past year.

The lingering effects of the economic downturn, extensive changes in consumer shopping habits and the aggressive expansion of the discount supermarkets have continued to shake up the industry.

As a Society, we have responded to these challenges by investing in our existing stores to exceed our customers' expectations.

Don Morris
Chief Executive

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

We have introduced further in-store bakeries, extended fresh & chilled product lines, undertaken major refits and invested in our IT infrastructure. In-line with our continuing strategy to expand the retail estate, we have again opened another new store. Our largest store, RADCO, has again improved its trading position making a modest but very hard fought and welcomed contribution to the retail estate. The farm, in a very difficult year for the milk industry, has been able to turn a predicted loss into a small surplus helped by our strategy to expand the milking herd, increase milk volumes and control costs as we saw significant reductions in farm gate milk price. We have entered 2017 in extraordinarily uncertain times. The political and economic environment has changed markedly, with a more challenging time difficult to remember. As a Society, we are committed to pursue our growth strategy whilst ensuring that the Society remains financially stable and secure.

Gross sales during the financial year grew by £1,300,692 or 4.5% and now stand at £30.0m (2015/16: £28.7m). On a like-for-like basis the Society's stores achieved increased sales of £1,145,233 or 4.0%. The trading surplus for the year amounted to £71,824 (2015/16: £12,483), a near six-fold increase on the prior year.

The Society was proud to extend its trading area into the County of Wiltshire for the first time, with the launch of its new purpose-built community store in Castle Mead, Trowbridge. This brings the number of stores in the retail estate to sixteen. The new store is in a prime location and has been designed and equipped to a high specification. Along with the acquisition of the new store, we created 20 new jobs which were filled by new colleagues from the local area. We welcome the team to the Society, led by our new store manager, Adam Wells. The store is performing well and is a strong addition to the retail estate.

In what can only be described as a torrid year for the dairy farm industry with commentators describing 2016 as a 'milk price crisis' our farm has been able to turnaround a forecasted, sizable loss to a small but welcomed surplus of £5,078 (2015/16: £62,008). Our defensive actions were to increase the size of the milking herd which now stand at 501 in milk, increase milk volumes whilst maintaining cost controls. Ross Edwards, our Farm Manager from Velcourt, is continuing



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to make the necessary improvements in land management, feedstock and animal husbandry and we continue to benefit from our membership of the Co operative Dairy Group (CDG). The Society will continue to make appropriate infrastructure investments especially to aid efficiencies in the dairy operation, in preparation for our continued expansion of the dairy herd.

As highlighted last year, accounting treatment of our legacy, defined benefit employee pension scheme is now governed by accounting standard FRS102 Employee Benefits. The discount rate used to establish the liabilities of the scheme for annual accounting is now set by reference to the market yield on high quality corporate bonds. This year we have seen a significant reduction in the discount rate used in the actuarial calculations from 4% to 2.7%. This, and other related movements, have affected our published reserves in a way beyond the control of the Society.

Turning now to future developments, the Society will continue to invest in new stores

and expand its geographical trading area. Milton Road in Weston Super Mare will become the Society's seventeenth store. The new store is currently under construction with the original building being altered and extended to create a retail environment with all the usual design features and services. The location is prominent being on a major road with a large number of houses in the vicinity with the site offering good access and ample parking. Further store openings are planned in 2017 and I look forward with excitement to sharing the announcements as soon as I am able!

In what has been an exceptionally difficult but ultimately successful year our colleagues have continued to demonstrate their dedication and loyalty. It therefore gives me great pleasure to thank all colleagues for their hard work and to thank our members and customers for their continued support.

Don Morris
Chief Executive

Discount of 15%
off accommodation, food and drink.



STON EASTON PARK
Hotel, Restaurant and Gardens
★★★★

Terms and conditions:

- Subject to availability
- Applicable Sunday – Thursday only.
- This discount cannot be used against any other existing promotions or offers.
- Members must advise they are a member of the Radstock Co-operative Society at the time of booking.
- Discounts cannot be applied to group bookings over 6.

The Radstock Co-operative Society reserves the right to withdraw or amend this offer at any time. Any agreements and/or bookings are entered into solely with Ston Easton Park.

Ston Easton, Bath BA3 4DF T. 01761 241631

Discount of 10%
on flower arrangements & special occasion events



Rebecca's Flower Shop
is a family run florist based in Radstock, we have been trading for 30 years. The shop is owned by Carol Wariner, who started the business in 1985, she has been joined by her daughter and daughter in law.

3 Fortescue Rd, Radstock
01761 433241

Terms and conditions:

- Excludes Interflora orders
- Only valid on purchases made direct with the store
- Deliveries are made within a restricted area, see instore for details.
- Proof of Society membership is required either at time of order or when payment is made.
- Membership passbook or statement are required as proof of membership
- Valid from May 2017 until end of Feb 2018

The Radstock Co-operative Society reserves the right to withdraw or amend this offer at any time.



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 in the form of a 'Dividend'. 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 month's service are eligible to vote at elections and to attend the Annual General Meeting. Members are actively encouraged to apply for directorship and any training required will be provided. If you are not already a member but would like to become one, please pickup an application form, available from any of our stores.



1868 - 2018

150th Anniversary!
Visit our website, check in-store and on social media for news & events.

Important changes to membership

As announced last year, we will be continuing with the conversion of our Dividend card holders into Society members. If you did not accumulate the minimum £2 from your 'Dividend' pay out in November 2016, then we will be checking your balance and if you have £2 or more then you will be made a full member and eligible for all the usual benefits including the right to participate in director elections. If you are already a member, but don't have a 'dividend' card, then why not pick up an application form in-store, start collecting points on your spend and save money off your shopping!

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

MEMBERSHIP BENEFITS

thePhoneCo-op
it's your call

£20 OFF YOUR FIRST BILL
when you sign up to one of our packages (Quote AF0454)

Great value phone and broadband... even better values

As the only co-operative in the UK offering phone, broadband and mobile services, The Phone Co-op is focussed on giving you what you want: good value, excellent service and a socially responsible, environmentally sustainable approach to business.

As a member of Radstock Co-operative, if you sign up to one of our home phone and broadband packages through this promotion, we will give you a £20 credit on your first bill. You can't say fairer than that.

Call 0845 458 9040
or visit www.thephone.coop/radstock to find out more

T+H **Thatcher + Hallam Solicitors** Established 1770

ticking all the right boxes...

☒ **Radstock Co-operative Society exclusive legal benefits**

Thatcher & Hallam
Island House, Midsomer Norton, Bath BA3 2HJ
01761 414646 • www.th-law.co.uk

JUNE 14 **DON'T FORGET THE ANNUAL GENERAL MEETING**

7:00pm, 14th June 2017
at the Radstock Working Men's Club



Community

Our colleagues came up trumps again and participated in various activities and events in order to raise money for good causes. These included a 'Spinathon' in support of Bath Royal United Hospital, wearing football attire for 'Get Your Kit On' Euro Football competition raising money for STAR (Somerset Trust for Arts and Recreation), wearing pink for 'Stand up to Cancer' and becoming Heroes and Princesses for the day to raise money for the cancer treatment of a local boy.



These events are in addition to the usual national campaigns which our colleagues get behind each year such as Comic Relief, Children in Need, The Poppy Appeal etc. As ever, we are grateful for the continuing generosity of our customers and colleagues which provide much needed financial support for the many deserving causes.



Donations

The Society made substantial donations to community hospitals and health centres across the retail estate as a consequence of the 'Carrier Bag' charging levy. Over £10,500 was distributed to provide essential equipment such as beds, bariatric chairs, portable monitoring and diagnostic equipment and to improve the patient experience. In addition, the Society contributed towards the cost of providing a defibrillator to Nemnett Thrubwell, provided lunch for the Miners Reunion event and supported the Britain in Bloom initiative. The Society also gave modest donations in the form of prizes and products to support a variety of community groups and causes. The member-elected charities of the year, Freewheelers and SWALLOW, both received donations of £1,100. Children from the local playgroup who attended the official re-opening of the Chilcompton store were presented with a cheque of £250. Pupils from Castle Mead primary also received a boost to school funds of £250 to mark the opening of the new Trowbridge store.



SUMMARY OF FINANCIAL INFORMATION

52 WEEKS ENDED 25 FEBRUARY 2017

Revenue Account

	2017	2016
	£	£
Gross takings	38,568,948	37,677,847
Less agency & concession turnover	(8,554,141)	(8,963,732)
Gross sales (including VAT)	30,014,807	28,714,115
Value Added Tax	(2,732,503)	(2,602,318)
Retail turnover	27,282,304	26,111,797
Cost of sales	(19,663,577)	(18,945,241)
Gross profit	7,618,727	7,166,556
Other operating income	745,003	709,889
Expenses	(8,291,906)	(7,863,962)
Trading surplus	71,824	12,483
Farm surplus	5,078	62,008
Non-trade property net income	177,096	196,915
Operating surplus	253,998	271,406
Revaluation gain/(loss) on investment properties		71,004
Finance costs (net)	(36,156)	(51,836)
Surplus before distributions	217,842	290,574
Share interest	(939)	(1,001)
Donations	(3,727)	(5,730)
Death benefits	(1,112)	(1,206)
Surplus before tax	212,064	282,637
Taxation	(64,342)	(68,908)
Surplus for the period	147,722	213,729

Balance Sheet

	2017	2016
	£	£
Fixed assets		
Intangible assets	233,501	265,781
Tangible assets	10,645,509	9,641,136
Investments	52,644	50,971
	10,931,654	9,957,888
Current assets		
Stocks	2,132,422	2,063,016
Debtors – due within one year	957,574	822,665
Debtors – due after one year	506,882	260,197
Investments	3,291,890	3,904,625
Cash at bank and in hand	81,234	241,582
	6,970,002	7,292,085
Creditors: amounts due within one year	(2,550,142)	(2,272,748)
Net current assets	4,419,860	5,019,337
Total assets less current liabilities	15,351,514	14,977,225
Creditors: amounts falling due after more than one year	(3,166,692)	(1,377,615)
Provisions for liabilities	(177,664)	(214,034)
Net assets	12,007,158	13,385,576
Capital and reserves		
Called-up share capital	251,991	236,601
Revenue account	11,755,167	13,148,975
Members' funds	12,007,158	13,385,576

Cash flow statement

	2017 £	2016 £
Cash flows from operating activities		
Operating surplus	253,998	271,406
Adjustment for:		
Depreciation and amortisation	1,019,968	827,330
(Profit)/loss on sale of fixed assets	(5,590)	(299)
Taxation	(33,580)	(1,256)
Operating cash flows before movement in working capital	1,234,814	1,097,181
Increase in stocks	(69,406)	(114,617)
Decrease in debtors	(134,909)	(169,285)
Increase/(decrease) in creditors	371,507	357,108
Adjustment for pension funding	(193,000)	(162,000)
Net cash flows from operating activities	1,209,006	1,008,387
Cash flows from investing activities		
Proceeds from sale of equipment	5590	299
Proceeds from sale of investment properties	-	-
Purchase of equipment	(2,007,390)	(1,606,742)
Interest received	15,364	21,445
Interest paid	(4,520)	(1,281)
Withdrawals from/(deposits to) short term investments	611,061	575,014
Net cash flows from investing activities	(1,379,895)	(1,011,265)
Cash flows from financing activities		
Donations paid	(4,839)	(6,936)
Repayments of other borrowings	(10)	(59)
Increase in members' share capital	15,390	1,277
Net cash flows from financing activities	(10,541)	(5,718)
Net decrease in cash and cash equivalents	(160,348)	(8,596)
Cash and cash equivalents at beginning of year	241,582	250,178
Cash and cash equivalents at end of year	81,234	241,582
Reconciliation to cash at bank and in hand:		
Cash at bank and in hand	81,234	241,582
Cash equivalents	-	-
Cash and cash equivalents	81,234	241,582

Statement of comprehensive income

	2017 £	2016 £
Profit for the period	147,722	213,729
Remeasurement of net defined benefit liability	(1,836,000)	717,000
Tax relating to components of other comprehensive income	294,470	(178,700)
Other comprehensive income	(1,541,530)	538,300
Total comprehensive income attributable to equity shareholders of the Company	(1,393,808)	752,029

Radstock Co-operative Society Limited primary financial statements for the 52 weeks ended 25 February 2017 . Comparison year, 52 weeks to 27 February 2016. Re-stated under FRS102.

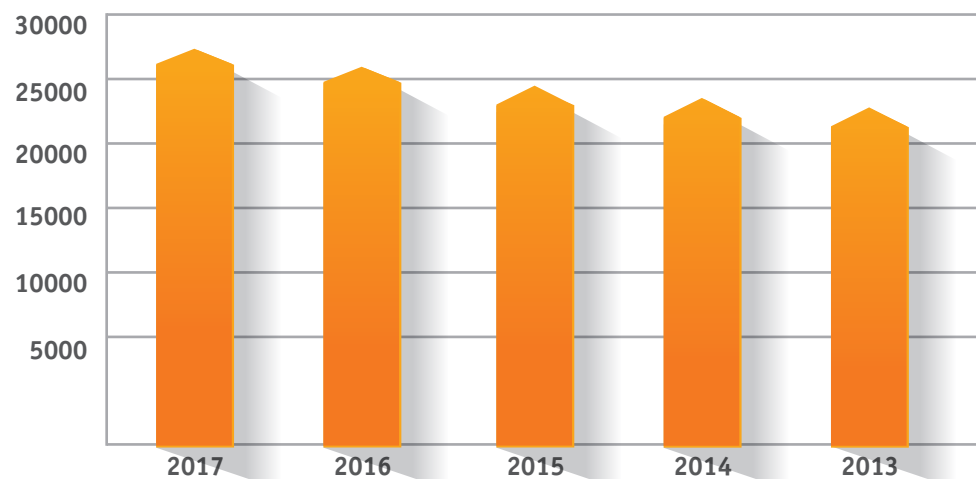
A copy of the full audited report and financial statements is available on request from the Secretary at the Society's registered office and from our website. Chartered Accountants and Registered Auditors: Deloitte LLP, Bristol.

Five Year Summary

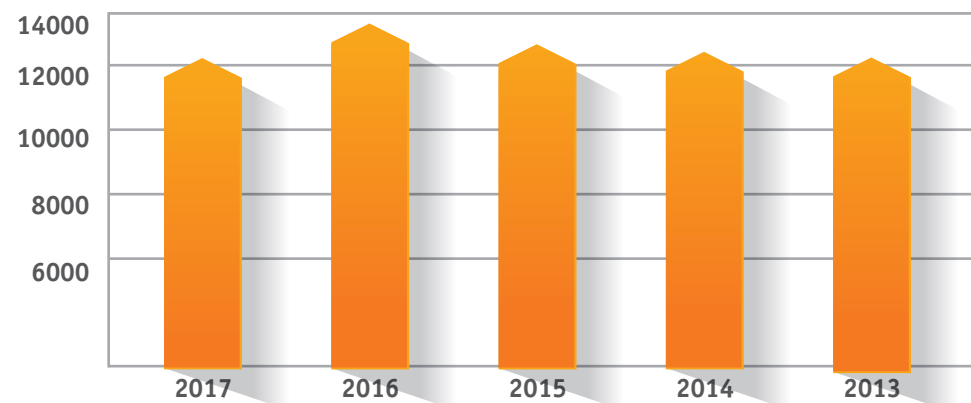


	2017	2016	2015	2014	2013
Membership	8,957	7,027	7,013	6,988	6,751
Revenue Account	£000s	£000s	£000s	£000s	£000s
Turnover	27,282	26,112	24,365	23,543	22,324
Trading result	72	12	42	153	818
Farm result	5	62	129	74	67
Surplus before distributions	218	291	817	412	996
Surplus for period	148	214	679	307	699
Depreciation and amortisation	1,026	827	820	700	568
Balance Sheet					
Fixed assets	10,932	9,958	9,107	8,820	8,646
Net current assets	4,321	5,019	5,873	5,179	5,131
Total assets less current liabilities	15,253	14,977	14,980	13,999	13,777
less					
Long term liabilities	(3,246)	(1,591)	(2,348)	(1,632)	(1,577)
NET ASSETS	12,007	13,386	12,632	12,367	12,200
Share capital	252	237	235	234	237
Reserves	11,755	13,149	12,397	12,133	11,963
MEMBERS' FUNDS	12,007	13,386	12,632	12,367	12,200

5 Year comparison of turnover (£000s)



5 Year comparison of Members Funds (£000s)



CONTINUING OUR GROWTH AND DEVELOPMENT STRATEGY



During the refurbishment - Chilcompton

Several stores received significant investment during the course of the year with **Chilcompton** having a major refurbishment. Following extensive building work, a vibrant interior was revealed boasting such features as an instore bakery with hot food to go, freshly baked bread, extended range of fresh and chilled products, Costa Coffee express as well as the usual day-to-day grocery products. The Post Office has been relocated and redesigned and is now integrated into the shop floor offering an extended service aligned to the store opening hours.



Local Playgroup



Chilcompton Store



Coleford Store

Coleford also benefitted from a major makeover with the installation of new energy-efficient refrigeration providing an extensive fresh food offering including ready-meal options, chilled drinks, pizzas and fresh produce.



New Trowbridge Store

Our **Frome**, **Fosseway** and **Timsbury** stores gained additional and/or replacement refrigeration to enhance the customer offering. And to round off the year, we ventured into new territory extending our trading area from Somerset into the County of Wiltshire with the launch of our new purpose-built community store in **Hilperton, Trowbridge**. This brings the number of stores in the retail estate to sixteen.

The new store is in a prime location and is situated on a corner plot at the edge of the new Castle Mead residential development with neighbouring Castle Mead primary school just a 100 metres away. It is adjacent to the main road linking the town of Hilperton to Trowbridge. The store has been fitted out to a high specification with energy-efficient chillers, freezers and lighting and low-level fixtures giving the illusion of space. The layout has been designed to provide a light and spacious environment with wide aisles to ease navigation and plenty of natural light providing for an enjoyable shopping experience. The store boasts a product range beyond the typical convenience store offering incorporating instore bakery with freshly baked breads, pastries and hot food-to-go, Costa Coffee Express, local supplier range including Jon Thorner's homemade pies, quiches, pasties etc, extensive fresh and chilled ranges plus all the usual grocery items and services i.e. 24-hour ATM, Lottery, PayPoint. Ample free parking is available including disabled bays. The store is trading well and is developing solid links with the local community.



Pupils from Castle Mead Primary



Radstock Superstore & Travel Agency

WELLS ROAD, RADSTOCK BA3 3RQ

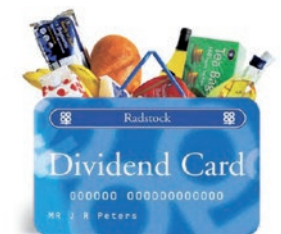
STORE TEL: 01761 432142

TRAVEL TEL: 01761 433355

www.radstockcoop.co.uk

In-store offerings include:

- The Co-operative travel
- Post Office
- Café 1868
- Electrical Department
- Belle
- Woods Gifts
- Rectella
- Bonmarché
- Camille Lingerie
- The Unlimited Company



DON'T FORGET!



*You can use your dividend card in any of the Radstock Co-operative stores. Points can be earned on food and non-food purchases including Travel. The first £2 dividend earned will be transferred into a share account as a one-off transaction to convert you to full membership. For every £1 spent on qualifying products you will earn 1 point. Your points will be converted to a cash equivalent redeemable at the till.

**terms & conditions apply*



Farrington Gurney

BRISTOL RD, 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



Fromefield

8 BATH ROAD
FROME BA11 2HD

TEL: 01373 472907



Glastonbury

32-34 HIGH STREET
GLASTONBURY BA6 9DX

TEL: 01458 831003



Paulton

HILL COURT, HIGH STREET
PAULTON BS39 7QG

TEL: 01761 413693



Peasedown St John

66 BATH RD, PEASEDOWN ST JOHN
BATH BA2 8DT

TEL: 01761 434280



Shepton Mallet

WHITSTONE ROAD
SHEPTON MALLET BA4 5PT

TEL: 01749 347641



Street

84-86 WEST END
STREET BA16 0LP

TEL: 01458 440777



Chew Magna

15 HARFORD SQUARE, CHEW MAGNA
BRISTOL BS40 8RA

TEL: 01275 332492



Chilcompton

NAISH'S CROSS, CHILCOMPTON
RADSTOCK BA3 4JN

TEL: 01761 232328



Coleford

HIGHBURY STREET
COLEFORD BA3 5NJ

TEL: 01373 812309



Timsbury

NORTH ROAD, TIMSBURY
BATH BA2 0JH

TEL: 01761 470202



Trowbridge

1 HUNTINGFIELD, ASHTON ROAD,
EAST TROWBRIDGE BA14 6GP

TEL: 01225 775716



Westfield

1 ELM TREE AVENUE, WESTFIELD
RADSTOCK BA3 3SX

TEL: 01761 434291

RECOGNISING OUR ACHIEVEMENTS

Awards

We were proud to have been awarded Business Partner of the Year by the Carer's Centre for the support we have given them over the past few years. We were also nominated in the Community category of the Chairman of BANES Council annual awards event. We also received a Silver Gilt award for Business Partner and an Outstanding commendation certificate in the Community section in the 'Radstock In Bloom' competition.



Events

The Gala Awards evening held at the Bath Pavilion in May last year paid tribute to our colleagues for their individual and team efforts and achievements which contributed to another successful year for the Society.

In August 2016, the Timsbury store celebrated its 100th anniversary of serving the local residents. Store colleagues put on a display with memorabilia and photos rekindling fond memories of days-gone-by.

We provided Santa with a new-look grotto this year following his arrival by horse-drawn carriage at the Radco store in December. It was pleasing to see an increase in the number of enthusiastic children waiting to deliver their gift lists to Santa in the 'Narnia' themed grotto.



Timsbury 100 Years



New addition to Radco



Santa's new Grotto



ANNIVERSARIES



Pam Young receiving colleague excellence award



Jacqueline Norris 25 years service



Radco's participation in dragons den



During the year, members Dick and Margaret Curtis (*pictured above*) and Ken and Barbara Ashman (*pictured below*) celebrated their Diamond Wedding anniversary and were presented with gifts from directors, Graham Jeffery and Derek Roberts respectively.



Travel Dept. receives award



Chilcompton fundraising for Red Nose





The Radstock **co-operative society**

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

Telephone: 01761 431555
Email: enquiries@radstockcoop.co.uk
www.radstockcoop.co.uk

Registered No: 1159R