

Registration Number 1159R

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

Report and Financial Statements

52 week period ended 22 February 2014

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

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RADSTOCK CO-OPERATIVE SOCIETY LIMITED

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

George Donkin ^{2 3}	President
Jeremy Fricker ¹	Vice-President
Albert Moulder	
Angela Wilson ^{1 3}	
Allan Curtis ^{1 2}	
Grahame Pickford ^{2 3}	
Sally Heiron ¹	
Derek Roberts ³	

¹ Audit Committee

² Remuneration and Benefits Committee

³ Pension Trustees

OFFICERS

Don Morris CMIIA FCCA Chief Executive/Secretary

REGISTERED OFFICE

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Radstock
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BANKERS

The Co-operative Bank
16 St Stephen's Street
Bristol
BS1 1JR

AUDITOR

Deloitte LLP
Bristol

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BOARD'S STRATEGIC REPORT TO MEMBERS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

INTRODUCTION

The Board of Directors is pleased to present to members the report and financial statements for the 52 weeks ended 22 February 2014.

PRINCIPAL ACTIVITIES

The Society's principal activities continue to be food and non-food retailing. In addition the Society has farming and travel agency operations and also 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 the retail estate, IT systems and business continuity plans;
- engage with our members through statutory annual reporting and developing membership engagement;
- maintain financial control through retained earnings, property portfolios and liquid investments;
- sustain success with the current stores with a continuous re-fit plan;
- improve the Radstock store performance, to extend the Estate and to improve Farm performance;
- engage with colleagues in order to develop and adapt recruitment and retention in-line with performance and economic conditions.

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 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.

EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. It is the policy of the Society that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels with the aim of ensuring that their views are taken into consideration when decisions are made that are likely to affect their interests. Communication with all employees continues through the newsletter and distribution of the annual report.

The Society is an Equal Opportunities Employer.

CREDITOR PAYMENT POLICY

For trade creditors, it is the Society's policy to:

- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of the terms of payment; and
- pay in accordance with its contractual and other legal obligations.

The Society does not follow a standard or code which deals specifically with the payment of suppliers.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BOARD'S STRATEGIC REPORT TO MEMBERS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

PRESIDENT'S STATEMENT

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. The loss of the bank, the sale of the farms and pharmacies and reduced reserves mean that things will never be the same for the Co-operative movement. 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 Hoseasons 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.

George Donkin
President

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BOARD'S STRATEGIC REPORT TO MEMBERS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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.

Don Morris
Chief Executive

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE

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.

BOARD OF DIRECTORS

George Donkin
Jeremy Fricker
Albert Moulder
Angela Wilson
Allan Curtis
Grahame Pickford
Sally Heiron
Derek Roberts

SUB COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Jeremy Fricker (Chair)
Allan Curtis
Sally Heiron
Angela Wilson

REMUNERATION AND BENEFITS COMMITTEE

George Donkin
Grahame Pickford
Allan Curtis

SENIOR MANAGEMENT TEAM

Don Morris	Chief Executive/Secretary
Annette Pellow	Financial Controller
Albert Moulder	Head of Retail Operations
Vicki Przytocki	Head of Human Resources

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. As an Industrial and Provident Society, Radstock Co-operative Society Limited is not required to adhere to the provisions of the revised Combined Code. However, Co-operatives^{UK}, the apex body for co-operative enterprises in the UK, has issued a Code of Best Practice ('the Code') for consumer co-operatives with which it requests voluntary compliance. This Code (revised November 2013) 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^{UK} Corporate Governance Code of Best Practice as far as practicable in the Society's particular circumstances. The Board recognises that work needs to be completed before full compliance with the code is completed. However, a significant start has been made.

Areas of non-compliance are the establishment of a Search Committee, Interim Report, refreshing the Board, balance of new and experienced board members, a written Board diversity policy, member of management executive holding position of director, position of Chief Executive and Secretary being held by one individual, Board performance evaluation and co-option of professional external directors. The Society has not conformed to the Code in these areas but is working towards compliance with the Code of Best Practice.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (continued)

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 a specified election polling day. 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. After you have been a member for 2 years with a minimum of £50 in your share account you become eligible to stand for election to the Board of Directors. Any member can nominate a 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 Corporate Governance Code of Best Practice. 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.

Directors' fees are approved by the Society's members. The current fee levels were recommended to the membership and approved by them in June 2013. In addition to their fees, directors are able to claim expenses reasonably incurred in carrying out Society business.

Name	First elected	Term expires	Fees 2013/14 £	Expenses 2013/14 £
George Donkin	2007	2016	3,322.68	1,021.75
Jeremy Fricker	2008	2014	2,720.04	600.75
Albert Moulder	2005	2014	2,178.48	-
Allan Curtis	2008	2015	2,178.48	-
Grahame Pickford	2008	2015	2,178.48	-
David Penney (Resigned July 2013)	2009	2013	777.39	-
Angela Wilson	2009	2015	2,178.48	-
Sally Heiron	2009	2016	2,178.48	14.90
Derek Roberts	2012	2014	2,178.48	105.75

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (continued)

THE BOARD (continued)

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.

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 sub-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).

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 and Benefits Committee		Employees' Superannuation Fund	
George Donkin	13	(13)	-	-	1	(1)	4	(4)
Jeremy Fricker	12	(13)	4	(4)	1	(1)	-	-
Albert Moulder	12	(13)	-	-	-	-	-	-
Angela Wilson	11	(13)	4	(4)	-	-	0	(2)
Allan Curtis	8	(13)	3	(4)	0	(1)	-	-
Sally Heiron	11	(13)	4	(4)	-	-	-	-
David Penney	4	(5)	-	-	-	-	1	(2)
Grahame Pickford	7	(13)	-	-	0	(1)	3	(4)
Derek Roberts	10	(13)	-	-	-	-	3	(4)

The number in brackets indicates the total number of meetings the director was eligible to attend during the period. Some attendance has been low during the year due to ill health.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (continued)

THE BOARD (continued)

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.

The Board is developing a plan to regularly evaluate the performance of the Board, its committees, and its individual directors. This will highlight any ongoing professional development needs and focus training. The Board has undertaken 1 day's training during the year.

The changes in directors during the period are as follows:

George Donkin	returned un-opposed 19 th June 2013
Sally Heiron	returned un-opposed 19 th June 2013
David Penney	returned un-opposed 19 th June 2013
David Penney	resigned 25 th July 2013

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 Mutual One 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.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (continued)

THE AUDIT COMMITTEE (continued)

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 and approved Mutual One's annual internal audit programme agreeing areas to be focused on in order to mitigate risk and ensure robust management and financial controls are in place. During the year Mutual One gave regular Audit Progress Reports, Management Actions Updates and detailed reports on any audit work carried out at the Audit Committee Meetings. The Audit Committee reviewed capital expenditure on projects and discussed and updated the risk register.

The Audit Committee worked with the external auditors Deloitte, to agree accounting and reporting policy and approved the statutory accounts. The Committee considered significant issues in relation to the financial statements; these included stock valuation, valuation of the pension scheme, gross profit margin and the performance of the retail sector. These issues were highlighted due to the high value and materiality involved in these areas, along with the movement in gross profit margins over the year which affected the profitability of the Society and the wider retail sector.

These issues have been addressed throughout the year through the internal audit process, the monitoring of management processes and reviewing of financial and non-financial information presented both to the Audit Committee and to the Board. Work has been carried out in the year to monitor stock more effectively and provide accurate management reporting; with external stocktakes to verify the results. 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 pension scheme liability has been calculated by external actuaries, 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 1.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (continued)

INTERNAL CONTROL

The Society continues to operate under the Co-operatives^{UK} Corporate Governance Code of Best Practice revised November 2013, 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.

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 retained Mutual One 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

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 was no practical mechanism to apply this measurement during 2013/14.
2	Member democratic participation	Number of members voting in elections and as a % of total membership	Nominations from three candidates for three vacancies on the Board were received. Three directors were returned un-opposed
3	Participation of employees and members in training and education schemes	All types of training	Employees attended 344 (2012/13: 394) training events equating to 185 full days during 2013/14. This included personal development, NVQ, professional development, management training, customer service, compliance training, product and services training and systems.
4	Staff injury and absentee rates	Staff injury rates/number of accidents/number reportable. Total absentee rate	During 2013/14, there were 46 accidents (2012/13: 31) involving our employees, of which 0 was reportable (2012/13: 1). The total employee absence rate for 2013/14 was 2.2% (2012/13: 2.8%).
5	Staff profile - gender and ethnicity % where data supplied (38% of the workforce have not supplied details of their ethnicity).	% male/female and non-white British employees	Of our employees, 66% are female and 34% are male (2012/13: 67% female, 33% male). Employees with ethnic origin other than White British are 1.5% (2012/13: 1.1%).
6	Customer satisfaction %	Number of customers satisfied as a %	We aspire to 100% customer satisfaction. We record customer feedback (including complaints) and employ "mystery shoppers". This information helps to direct us to those areas that need improvement. The Society's average mystery shopping score was 96.0% (2012/13: 96.4%) against a pass mark of 92.0%.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

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

NO	AREA	MEASUREMENT	OUTCOME
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 Co-operative Retail Trading Group and shares the procurement policy of that body. The ethical trading policy and procedures in CRTG 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.
8	Investment in community and co-operative initiatives	Annual proportion of pre-tax investment in community initiatives as a proportion of surplus before tax (%)	A total of £4,960 (2012/13: £4,713) was donated in support of our community relations strategy. The total represents 1.31% (2012/13: 0.5%) of pre-tax surplus. In addition, £1,000 of charity funds received from the CRTG has been gifted to local charities within the year. The involvement of colleagues within stores in community initiatives and fundraising is significant with at least £4,390 (2012/13 £5,410) raised in the year.
9	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 2013/14, we purchased 98.9% (2012/13: 98.2%) green energy from our electrical supply contract, which resulted in 1,787 tonnes of CO2. The basis of measurement was taken from the Carbon Trust. For natural gas, the total usage for the year amounted to 3 tonnes of CO2. We have 39 hectares of forest on our farm estate at Hardington. This equates to 527 tonnes of CO2 captured each year according to Forestry Commission guidelines.
10	Waste recycled/reused as % of waste arising	% of recycled/reused	100% of all packaging waste (cardboard and plastic) is recycled through the CRTG distribution centres.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REMUNERATION AND BENEFITS COMMITTEE

The Remuneration and Benefits Committee is pleased to present its Report to members for the year ended 22 February 2014.

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 has met on one occasion during the year.. 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 George Donkin. The other Committee members are Grahame Pickford and Allan Curtis. Jeremy Fricker has attended one meeting in the year as a stand in. In accordance with the Corporate Code of Best Practices published by Co-operatives^{UK} 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.

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.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REMUNERATION AND BENEFITS COMMITTEE (continued)

Senior Management Team Emoluments

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

Name	Chief Executive Officer £	Head of Retail Operations £	Head of Human Resources £	Financial Controller (Started 29 Apr) £
Salary	121,201	71,616	62,663	40,477
Employers Pension Contributions	9,792	5,705	5,029	1,885
Total Emoluments	130,993	77,321	67,692	42,362

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. In addition, up to the 20 June 2013, an attendance allowance of £12.50 per half day could be claimed by directors who participated in pre-approved external meetings and events. Since that date, the attendance allowance has been incorporated into the annual fees.

Name	Fees (including back pay) 2013/14 £	Expenses 2013/14 £	Total Emoluments 2013/14 £
George Donkin	3,323	1,022	4,345
Jeremy Fricker	2,720	601	3,321
Albert Moulder	2,178	-	2,178
Allan Curtis	2,178	-	2,178
Grahame Pickford	2,178	-	2,178
David Penney (Resigned Jul 2013)	777	-	777
Angela Wilson	2,178	-	2,178
Sally Heiron	2,178	15	2,193
Derek Roberts	2,178	106	2,284

By order of the Board



George Donkin
President and Chair of the Remuneration and Benefits Committee

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BOARD'S RESPONSIBILITIES STATEMENT

Industrial and Provident Society Law requires the Directors to ensure that the financial statements give a true and fair view of the state of affairs of the Society at the end of the financial period, and of the surplus or deficit for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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; and
- keep proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect 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.

STATEMENT OF GOING CONCERN

Budgets and forecasts have been prepared and considered for 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 D1.1 of the Co-operatives^{UK} Limited's Corporate Governance Code of Best Practice Volume 1.


DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each director is aware, there is no relevant audit information of which the Society's auditor is unaware. Each director has taken all the steps that he/she ought to have taken in his/her duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the Society'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 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 16 to 34 are hereby signed on behalf of the Board of Directors pursuant to Section 3(5)(c) of the Friendly and Industrial and Provident Societies Act 1968.


George Donkin
President

25 April 2014


Jeremy Fricker
Vice-President


Don Morris
Chief Executive/Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADSTOCK CO-OPERATIVE SOCIETY LIMITED

Opinion on financial statements of Radstock Co-operative Society Limited	<p>In our opinion the financial statements:</p> <ul style="list-style-type: none"> • give a true and fair view of the state of the Society's affairs as at 22 February 2014 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 properly prepared in accordance with the requirements of the Friendly and Industrial Provident Societies Acts 1965 to 2002.
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The financial statements comprise the Revenue Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Going concern	<p>We have reviewed the directors' statement contained on page 15 that the Society is a going concern. We confirm that:</p> <ul style="list-style-type: none"> • we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and • we have not identified any material uncertainties that may cast significant doubt on the group's ability to continue as a going concern.
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However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Our assessment of risks of material misstatement	The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:
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Risk	How the scope of our audit responded to the risk
<p>Valuation of rebates from Co-operative group There is judgement in the calculation of rebates from Co-operative group due to the complex nature of multi-buy and other discounts offered and the extent to which these are funded by the Society or Co-operative group.</p>	<p>We have reviewed the design and implementation of key controls around the calculation of the rebates from Co-operative group. We have used analytic tools to assess the accuracy of the calculation and evaluated the sensitivity of the calculation to changes to the inputs. We have reviewed communications between the Society and Co-operative group for any disputes regarding rebates and assessed in light of those communications whether the accounting treatment is reasonable.</p>
<p>Valuation of stock A significant number of product lines are sold on multi-buy offers or discount arrangements. Also, a number of stock items have short shelf-lives. This makes the valuation of stock in line with the requirements of SSAP 9 complicated.</p>	<p>We have reviewed the design and implementation of key controls around the valuation of stock. We attended stock counts to confirm the existence and completeness of the stock balance and identify any significant holdings of damaged or out of date stock. We have recalculated the margins deducted from the sales price of stock items to value them at cost in line with SSAP 9. We have reviewed amounts of stock written off in previous periods against historical provisions to assess management's accuracy at predicting stock wastage, and assessed the amount of stock written off post year end to assess the reasonableness of year end provisions.</p>
<p>Valuation of the pension scheme There is inherent judgement in the assumptions used by the Society to value the liabilities of the pension scheme; in particular, the return on the scheme's assets and the discount rate applied.</p>	<p>We have assessed the competence of the actuary in valuing the pension scheme's liabilities by confirming their qualifications. We have challenged the assumptions used in valuing the scheme's liabilities by</p>

Valuation of the pension scheme

There is inherent judgement in the assumptions used by the Society to value the liabilities of the pension scheme; in particular, the return on the scheme's assets and the discount rate applied.

We have assessed the competence of the actuary in valuing the pension scheme's liabilities by confirming their qualifications. We have challenged the assumptions used in valuing the scheme's liabilities by benchmarking them against assumptions used in similar pension schemes and performed sensitivity analysis to assess the impact on the accounts of changes in these assumptions. In light of future changes to UK GAAP, we have considered the implications of IFRIC 14 guidance in relation to the valuation of the liability at the higher of committed fund contributions and the calculated deficit to see if further attention to the valuation of the pension scheme liabilities was warranted in the current year.

The Audit Committee's consideration of these risks is set out on page 9.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Society to be £300,000 which is derived from turnover, and represents 0.9% of the annual gross takings.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £7,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The Society is made up of 13 stores and a farm all accounted for by a central head office team. All locations were subject to a full audit. When testing the valuation of stock, each year the audit team assesses the locations with material amounts of stock or those where an increased risk of misstatement is perceived. The Senior Statutory Auditor or a member of his team then visits locations based on this assessment.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

We have nothing to report in respect of the following matters where the Friendly and Industrial and Provident Societies Acts, 1965 to 2002 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Other matters

Although not required to do so, the directors have voluntarily chosen to make a corporate governance statement detailing the extent of their compliance with the UK Corporate Governance Code. We reviewed the part of the Corporate Governance Statement relating to the company's compliance with nine provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

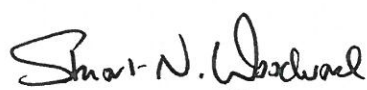
Respective responsibilities of directors and auditor

As explained more fully in the Board's Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team, and independent partner reviews.

This report is made solely to the Society's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. 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/or those further matters we have expressly agreed to report to them on in our engagement letter 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stuart Woodward (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

25 April 2014

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REVENUE ACCOUNT

52 weeks ended 22 February 2014

	Notes	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	1	(7,197,002)	(6,709,264)
Trading surplus		153,493	817,660
Farm surplus	3	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	19	(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	4	(95,723)	(287,977)
Surplus for the period	13	307,443	698,632

All amounts derive from continuing operations.

There is no difference between either the surplus for the period before taxation or the retained surplus for the period and their historical cost equivalents.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

52 weeks ended 22 February 2014

	Notes	2014 £	2013 £
Surplus for the period		307,443	698,632
Actuarial loss on pension scheme	19	(108,000)	(239,000)
Movement on deferred tax relating to pension scheme		(28,703)	23,810
Total gain relating to the period		<u>170,740</u>	<u>483,442</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BALANCE SHEET
At 22 February 2014

	Notes	22 February 2014		23 February 2013	
		£	£	£	£
Fixed assets					
Intangible assets	5	330,962		363,242	
Tangible assets	6	8,437,820		8,231,726	
Investments	7	50,971		50,971	
			8,819,753		8,645,939
Current assets					
Non-current assets held for sale	6	55,152		-	
Stocks	8	1,782,685		1,630,279	
Debtors	9	826,132		715,507	
Investments	7	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	10	(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	11	(134,326)		(111,947)	
Net assets excluding pension deficit			13,864,768		13,665,488
Pension deficit	19	(1,497,414)		(1,465,924)	
Net assets including pension deficit			12,367,354		12,199,564
Capital and reserves					
Share capital	12	233,885		236,835	
Revenue reserve	13	10,716,636		10,545,896	
Revaluation reserve	13	1,416,833		1,416,833	
Members' funds	14	12,367,354		12,199,564	


George Donkin
President


Jeremy Fricker
Vice-President


Don Morris
Chief Executive/Secretary

25 April 2014

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

CASH FLOW STATEMENT
52 weeks ended 22 February 2014

	Notes	2014		2013	
		£	£	£	£
Net cash inflow from operating activities	15		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	17		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	17		(28,181)		188,370

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain fixed assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. There have been no changes in accounting policies during the year.

Going concern

Budgets and forecasts have been prepared and considered for 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. 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.

Accounting date

The financial statements are made up for the 52 weeks to 22 February 2014 (2013: 52 weeks ended 23 February 2013).

Turnover

Turnover relates to retail trade only and includes cash sales and goods sold on credit. Turnover excludes VAT.

Revenue is recognised in turnover when substantially all the risks and rewards of ownership have passed to the customer, which is normally at the point of sale in our shops. Revenue from trade relationships, where the Society acts as an agent and receives commissions from the principal, are shown as other operating income.

Farm and property income

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.

Operating leases

Costs in respect of operating leases are charged to the revenue account on a straight-line basis over the lease term.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

Pension costs

The Society operates a defined contribution scheme available to all employees. The defined benefit scheme was closed to future accrual during the financial year 2010-11. The assets of the closed defined benefit scheme are held separately from those of the Society in independently administered funds.

Assets are measured using bid market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The change in the present value of the liabilities of the defined benefit scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in other finance income/charge.

Changes in the value of the fund arising due to the changes in actuarial assumptions are credited/charged to the statement of total recognised gains and losses.

Intangible assets

Milk quotas are capitalised at purchase cost and are amortised on a straight-line basis at a rate of 20% per annum. The milk quotas are fully amortised.

Goodwill is the amount by which the purchase consideration for businesses acquired exceeds the fair value of net assets acquired at the date of acquisition. Goodwill is capitalised as an intangible asset and is amortised over the estimate of its useful economic life as follows:

Acquisition of trade and assets	15 years
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Tangible fixed assets and depreciation

Fixed assets are stated at their purchase cost, together with any incidental costs of acquisition. Cost includes all expenditure incurred in delivery to its current location and condition. Depreciation is charged over the expected useful economic lives of the assets concerned on a straight-line basis at the following rates:

Freehold buildings	2.5% to 10% per annum
Building improvements	14.3% per annum
Fixtures, machinery and transport	10% to 20% per annum
Motor vehicles	25% per annum
Computers	25% to 50% per annum

No depreciation is provided on freehold land, farm land or assets under construction.

Non-trade properties

Non-trade investment properties are carried at a valuation based on open market value and the aggregate surplus on revaluation is transferred to the revaluation reserve. No charge in respect of depreciation is made on these properties. The portfolio is revalued by a qualified external valuer on a three-yearly basis, unless, in the opinion of the directors, matters come to light which suggest a material change in value, when an intermediate valuation will be undertaken. The properties were valued in February 2012 by a qualified external valuer.

The requirement of the Industrial and Provident Societies Acts 1965 to 2002 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. 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 SSAP 19 in order to give a true and fair view.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

Fixed asset investments

Fixed asset investments are held at cost less provision for impairment.

Stocks

Retail stocks are valued at the lower of cost and net realisable value. The Society has taken appropriate professional advice and has valued farm dairy cattle stocks on a herd basis. Young cattle, grain and sundries are stated at market valuation. Provision is made to reduce stock to its estimated recoverable value.

Liquid resources

Current asset investments are short-term bank deposits that do not meet the definition of cash.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

1. EXPENSES	2014	2013
	£	£
Personnel costs	4,158,169	3,850,603
Occupancy costs	825,732	774,206
Depreciation and amortisation	649,735	567,862
Services provided by the Society's auditor:		
Fees payable for the audit	26,000	24,500
Fees payable for other services	14,497	6,279
Operating leases - land and buildings	218,615	197,407
Loss on disposal of fixed assets	14,665	-
Other expenses	1,289,589	1,288,407
	<u>7,197,002</u>	<u>6,709,264</u>
2. EMPLOYEES	2014	2013
	No.	No.
The average number employed was:		
Full-time	82	67
Part-time	287	304
	<u>369</u>	<u>371</u>
The costs incurred in respect of these employees were:	£	£
Wages and salaries	4,038,255	3,717,268
Social security costs	219,726	196,712
Other pension costs	87,620	83,950
	<u>4,345,601</u>	<u>3,997,930</u>
Analysed as:	£	£
Expenses (note 1)	4,158,169	3,850,603
Farm accounts (note 3)	187,432	147,327
	<u>4,345,601</u>	<u>3,997,930</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

2. EMPLOYEES (continued)

Directors

	2014	2013
	£	£
The total remuneration of the directors was as follows:		
Fees	97,209	93,642

The figures include payroll costs for Albert Moulder who is employed by the Society as well as acting as a director. David Penney resigned from the Board on 25th July 2013; his remuneration until this date is included in 2014.

Senior Management Team

	£	£
The total remuneration of the senior management team was as follows:		
Salaries	295,957	273,126
Pension contributions	22,411	21,937
	<u>318,368</u>	<u>295,063</u>

The remuneration of the senior management team is disclosed in the Remuneration and Benefits Report.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 22 February 2014

3. FARM ACCOUNTS	2014	2013
	£	£
Sales	1,405,423	1,181,591
Cost of sales	(852,654)	(668,068)
Gross profit	<u>552,769</u>	<u>513,523</u>
Expenses (note A)	(478,791)	(446,482)
Farm surplus	<u><u>73,978</u></u>	<u><u>67,041</u></u>
A. Expenses	£	£
Personnel costs	187,432	147,327
Occupancy costs	84,195	101,467
Depreciation	47,661	27,633
General repairs	32,642	24,801
Legal and professional	37,780	34,574
Other expenses	89,081	110,119
Valuation fee	-	561
	<u><u>478,791</u></u>	<u><u>446,482</u></u>
Employees		
The average number employed was:	No.	No.
Full-time equivalent	<u><u>4</u></u>	<u><u>3</u></u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

4. TAXATION ON SURPLUS FOR PERIOD

	2014	2013
	£	£
(a) Analysis of charge in the period		
Current tax:		
UK corporation tax on the surplus for the period	74,603	256,045
Adjustments in respect of previous periods	(36,046)	(457)
Total current tax	<u>38,557</u>	<u>255,588</u>
Deferred tax:		
Adjustments in respect of previous periods	29,885	422
Current year movement	12,694	38,282
Effect of change in tax rates	(20,196)	17,655
Pension	34,787	(23,970)
Total deferred tax	<u>57,166</u>	<u>32,389</u>
Tax on surplus after ordinary activities	<u>95,723</u>	<u>287,977</u>
(b) Factors affecting tax charge for the period	£	£
Surplus before tax	<u>403,166</u>	<u>986,609</u>
	£	£
Surplus before tax multiplied by the effective rate of corporation tax of 23.09% (2013: 24.18%)	93,091	238,565
Effects of:		
Expenses not deductible for tax purposes	35,319	60,181
Capital allowances in excess depreciation	(12,899)	(8,630)
Other timing differences	(32,118)	(29,652)
Adjustments to tax charge in respect of previous periods	(36,046)	(457)
Other tax rates	(8,790)	(4,419)
Current tax charge for period	<u>38,557</u>	<u>255,588</u>
(c) Factors affecting future tax charge		

The Finance Bill 2013, enacted as Finance Act 2013 in July 2013, reduced the corporation tax rate from 23% to 21% with effect from 1 April 2014 with a further reduction to 20% effective from the 1 April 2015. This will reduce the Society's future current tax charge accordingly and, hence, the rate of 20% has been used to calculate the position on deferred tax at 22 February 2014 (2013: 23%). The directors are not aware of any other factors that will materially affect the future tax charge.

No provision has been made for deferred tax on gains on revaluing investment property to its market value. Such tax would become payable only if the property was sold.

Deferred tax liabilities are not discounted.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Milk quotas £	Total £
Cost			
As at 24 February 2013 and 22 February 2014	482,351	488,228	970,579
	<hr/>	<hr/>	<hr/>
Amortisation			
At 24 February 2013	119,109	488,228	607,337
Charged in the period	32,280	-	32,280
	<hr/>	<hr/>	<hr/>
At 22 February 2014	151,389	488,228	639,617
	<hr/>	<hr/>	<hr/>
Net book value			
At 22 February 2014	330,962	-	330,962
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 23 February 2013	363,242	-	363,242
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

6. TANGIBLE FIXED ASSETS

	Assets Under Construction £	Land and buildings £	Fixtures, machinery and transport £	Farm land, buildings and machinery £	Non-trade property £	Total £
Cost or valuation						
At 24 February 2013	349,543	6,439,310	4,957,965	1,546,078	3,988,559	17,281,455
Additions	275,223	201,412	335,147	93,434	38,377	943,593
Disposals	-	(4,044,863)	(1,901,522)	(352,936)	-	(6,299,321)
Reclassifications	(349,543)	25,944	323,599	-	-	-
Transfers to assets held for sale	-	(70,300)	(50,000)	-	-	(120,300)
At 22 February 2014	<u>275,223</u>	<u>2,551,503</u>	<u>3,665,189</u>	<u>1,286,576</u>	<u>4,026,936</u>	<u>11,805,427</u>
Depreciation						
At 24 February 2013	-	4,739,063	3,314,348	996,318	-	9,049,729
Provided this period	-	131,098	489,322	47,661	-	668,081
Disposals	-	(4,044,094)	(1,887,626)	(353,335)	-	(6,285,055)
Reclassifications	-	7,330	(7,330)	-	-	-
Transfers to assets held for sale	-	(25,021)	(40,127)	-	-	(65,148)
At 22 February 2014	<u>-</u>	<u>808,376</u>	<u>1,868,587</u>	<u>690,644</u>	<u>-</u>	<u>3,367,607</u>
Net book value						
At 22 February 2014	<u><u>275,223</u></u>	<u><u>1,743,127</u></u>	<u><u>1,796,602</u></u>	<u><u>595,932</u></u>	<u><u>4,023,936</u></u>	<u><u>8,437,820</u></u>
At 23 February 2013	<u><u>-</u></u>	<u><u>2,049,790</u></u>	<u><u>1,643,617</u></u>	<u><u>549,760</u></u>	<u><u>3,988,559</u></u>	<u><u>8,231,726</u></u>

Note:

- (i) Land and buildings at cost or value comprise £2,267,510 (2013: £6,504,860) freehold and £283,993 (2013: £283,993) long leasehold.
- (ii) Properties classed as non-trade are leased to tenants under operating lease agreements.
- (iii) Non-trade properties were independently valued by Graham James (MRICS) of Carter Jonas in February 2012, based on market value.
- (iv) At the year end the Society's defined benefit pension scheme held security over the Hardington farm land to the value of £3,000,000.
- (v) £668,081 depreciation includes £47,661 for the farm and £2,973 for non-trade property fixtures and fittings.
- (vi) Assets disposed of in the year had an original cost of £6,299,321 with related depreciation of £6,285,055, giving a net book value of £14,266. There were no proceeds relating to these assets as they were scrapped.
- (vii) The assets reclassified as assets held for sale relate to the Homemaker and High Littleton properties which were disposed of post year end.
- (viii) The historical cost of non-trade properties is £2,610,103.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 22 February 2014

7. INVESTMENTS

	Fixed assets		Current assets	
	2014	2013	2014	2013
	£	£	£	£
The Co-operative Group Limited shares	36,585	36,585		-
Other shares	2,670	2,670		-
Unquoted companies	11,716	11,716		-
Short-term bank deposits	-	-	4,410,981	3,256,928
The Co-operative Group Corporate investor shares	-	-	1,248	1,412,513
	<u>50,971</u>	<u>50,971</u>	<u>4,412,229</u>	<u>4,669,441</u>

8. STOCK

	2014	2013
	£	£
Retail stock	1,098,582	1,121,736
Farm stock	684,103	508,543
	<u>1,782,685</u>	<u>1,630,279</u>

9. DEBTORS

	2014	2013
	£	£
Retail debtors	415,320	477,357
Farm debtors	134,277	97,651
Value added tax	56,103	-
Sundry debtors	220,432	140,499
	<u>826,132</u>	<u>715,507</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	1,381,081	1,002,270
Holiday pay and wages	269,110	251,541
Dividend points and stamps	102,203	88,324
Corporation tax	44,678	255,121
Sundry creditors	206,709	71,558
Value added tax	-	66,518
Stamp clubs*	332	2,180
Accruals	248,802	530,458
	<u>2,252,915</u>	<u>2,267,970</u>

*Repayable on demand

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

11. PROVISION FOR LIABILITIES AND CHARGES

	2014	2013
	£	£
Provision for deferred tax		
Accelerated capital allowances	134,326	111,947
	<u>134,326</u>	<u>111,947</u>
	£	£
Provision at start of the period	111,947	103,179
Deferred tax charge in revenue account for the period (note 4(a))	22,379	8,768
	<u>134,326</u>	<u>111,947</u>
Provision at end of the period	134,326	111,947
	£	£
Deferred taxation asset relating to pension deficit		
At start of the period	437,690	437,540
(Debited)/credited to the statement of total recognised gains and losses	(28,703)	(23,810)
Credit/(charge) to the revenue account (note 4(a))	(34,787)	23,960
	<u>374,200</u>	<u>437,690</u>

12. SHARE CAPITAL

	2014	2013
	£	£
Balance at 24 February 2013	236,835	241,998
Contributions	9,956	2,371
Interest	1,845	1,901
	<u>248,636</u>	<u>246,270</u>
Withdrawals	(14,751)	(9,435)
Balance at 22 February 2014	233,885	236,835

- (a) Share capital is composed of one type of share.
- (b) Share capital comprises 6,988 members with a minimum holding of £2.00 per member. Balances over £25 attracted interest at 1% 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 Industrial and Provident Societies Act ruling at the time of dissolution, and in accordance with the Society's rules at the time of dissolution.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

13. RESERVES

	Revenue reserve £	Revaluation reserve £
Balance at 24 February 2013	10,545,896	1,416,833
Retained surplus for the period	307,443	-
Actuarial loss on pension scheme	(108,000)	-
Movement on deferred taxation relating to pension deficit	(28,703)	-
Balance at 22 February 2014	<u>10,716,636</u>	<u>1,416,833</u>

14. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2014 £	2013 £
Retained surplus for the period	307,443	698,632
Net movement in share capital	(2,950)	(5,163)
Actuarial loss on pension scheme (note 19)	(108,000)	(239,000)
Movement on deferred taxation relating to pension deficit	(28,703)	23,810
Net increase in members' funds	167,790	478,279
Opening members' funds	12,199,564	11,721,285
Closing members' funds	<u>12,367,354</u>	<u>12,199,564</u>

15. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating surplus	419,426	1,022,037
Depreciation and amortisation	700,361	598,469
Increase in stock	(152,406)	(58,845)
Increase in debtors	(110,625)	(46,330)
Increase in creditors	160,336	507,820
Difference between pension charge and contributions	(140,000)	(139,000)
Net cash inflow from operating activities	<u>877,092</u>	<u>1,884,151</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 22 February 2014

16. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Share capital	2014	2013
	£	£
Balance at 24 February 2013	236,835	241,998
Cash outflow from financing	(4,795)	(7,064)
Share interest charge	1,845	1,901
Balance at 22 February 2014	<u>233,885</u>	<u>236,835</u>

17. ANALYSIS OF NET FUNDS

	24 February	Cash flow	22 February
	2013	£	2014
	£	£	£
Cash at bank and in hand	384,239	(28,181)	356,058
Current asset investments	4,669,441	(257,212)	4,412,229
	<u>5,053,680</u>	<u>(285,393)</u>	<u>4,768,287</u>
Loans	(2,180)	1,848	(332)
Net funds	<u>5,051,500</u>	<u>283,545</u>	<u>4,767,955</u>

18. COMMITMENTS UNDER OPERATING LEASES

Total commitments under non-cancellable operating leases are as follows.

	Land and buildings	
Commitments expiring	2014	2013
	£	£
Within one year	241,000	209,750
Between two and five years	544,603	483,192
Expiring after five years	2,578,332	2,381,095
	<u>3,363,935</u>	<u>3,074,037</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

19. ACCOUNTING FOR PENSIONS

Radstock Co-operative Society Limited operates a defined benefit scheme which is now closed to future accrual (the Radstock Co-operative Society Limited Employees' Superannuation Fund) in the UK. The assets of the fund are held in a separate fund administered by the trustees. A full actuarial valuation is carried out triennially. The last full valuation was carried out as at 27 February 2011 by a qualified independent actuary which revealed a deficit of £1.75m. The service cost has been calculated using the Projected Unit method. The Society expects to make contributions of £182,000 to the scheme in 2014/15. The accrual of benefits in the scheme ceased on 25 September 2010 and all active members at that time became deferred members.

The Society is committed to contributing £182,000 per annum payable on or before 1 June each year between 2009 and 2023 inclusive, to reduce the pension deficit.

Assumptions made by the actuary	2014	2013
Discount rate	4.40%	4.60%
Rate of compensation increase	N/A	N/A
Rate of increase in pensions in payment (5% LP)	3.40%	3.40%
Rate of increase in pensions in payment (2.5% LP)	2.40%	2.40%
Rate of increase in pensions in deferment	3.50%	3.50%
Inflation	3.50%	3.50%

Weighted average life expectancy for mortality tables used to determine benefit obligations:

	Years	Years
Member age 65 (current life expectancy)		
- male	22.8	22.7
- female	25.0	24.9
Member age 45 (life expectancy at age 65)		
- male	25.1	24.9
- female	27.4	27.3

	£000	£000
Fair value of the scheme assets at the end of the year	5,996	5,501
Asset category	%	%
Equities	70	72
Bonds (including cash)	30	28
	100	100

To develop the expected long-term rate of return on assets assumption, the Society considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 5.5% assumption (2013: 5.3%).

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 22 February 2014

19. ACCOUNTING FOR PENSIONS (continued)

	2014	2013
	£000	£000
Change in plan assets		
Fair value of plan assets at beginning of period	5,501	4,892
Expected return on plan assets	295	259
Actuarial gain	191	317
Employer contributions	182	182
Benefits paid	(173)	(149)
Fair value of plan assets at end of period	<u>5,996</u>	<u>5,501</u>

The actual return on scheme assets in the period was £486,000 (2013: £576,000).

	£000	£000
Change in benefit obligation		
Benefit obligation at beginning of period	7,404	6,642
Past service cost	-	53
Interest cost	337	302
Actuarial loss	299	556
Benefits paid	(173)	(149)
Benefit obligation at end of period	<u>7,867</u>	<u>7,404</u>

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of the scheme liabilities to change in the principal assumptions used is set out below:

	Change in assumption	Impact on scheme liabilities (£000)		
Discount rate	Increase/decrease by 0.5%	Decrease 703/increase 816		
Rate of inflation	Increase/decrease by 0.5%	Increase 527/decrease 562		
			2014	2013
			£000	£000
Analysis of amounts charged to the revenue account				
Past service cost			-	53
			<u>-</u>	<u>53</u>
			<u>-</u>	<u>53</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 22 February 2014

19. ACCOUNTING FOR PENSIONS (continued)

	2014	2013			
	£000	£000			
Analysis of amount included in finance income					
Expected return on scheme assets	295	259			
Interest on scheme liabilities	(337)	(302)			
	<u>(42)</u>	<u>(43)</u>			
Analysis of amounts charged to the statement of total recognised gains and losses					
	£000	£000			
Cumulative actuarial losses recognised in the STRGL	<u>1,896</u>	<u>1,788</u>			
Five-year history					
	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000
Benefit obligation at end of year	(7,867)	(7,404)	(6,642)	(6,214)	(6,208)
Fair value of plan assets at end of year	5,996	5,501	4,892	4,762	4,172
Wholly funded deficit	(1,871)	(1,903)	(1,750)	(1,452)	(2,036)
Related deferred tax asset	374	438	437	392	570
Pension deficit net of deferred tax	<u>(1,497)</u>	<u>(1,465)</u>	<u>(1,313)</u>	<u>(1,060)</u>	<u>(1,466)</u>
Difference between actual and expected return on scheme assets					
Amount (£000)	191	317	(22)	291	878
Percentage of scheme assets	3.2%	5.8%	(0.5%)	6.1%	21.0%
Experience gains on scheme liabilities					
Amount (£000)	-	-	-	-	-
Percentage of scheme liabilities	0.0%	0.0%	0.0%	0.0%	0.0%
Total amount recognised in the STRGL					
Amount (£000)	(108)	(239)	(389)	295	(238)
Percentage of scheme liabilities	(1.4%)	(3.2%)	(5.7%)	4.7%	(3.8%)

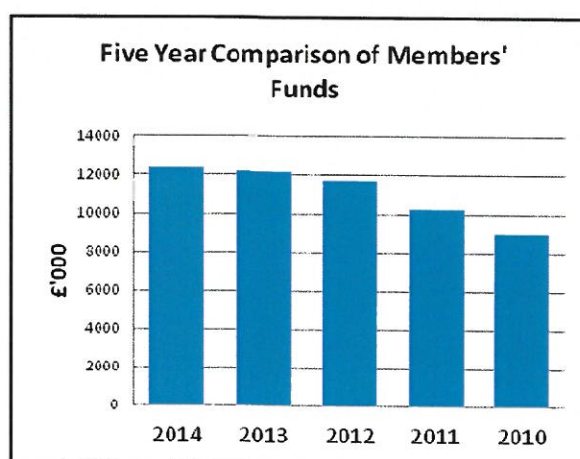
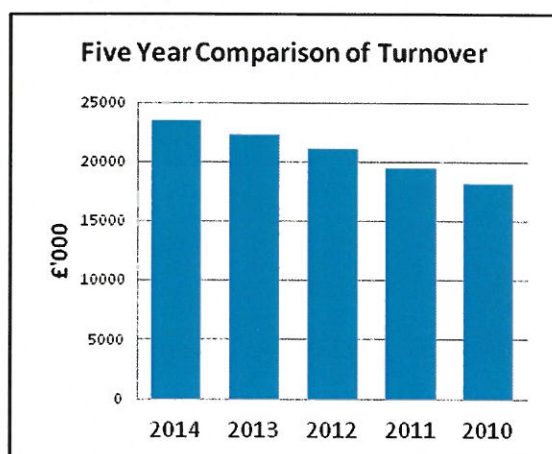
20. SUBSEQUENT EVENTS

On 10 April 2014, the High Littleton and Old Bakery non-trade properties, which were classified as held for sale at the balance sheet date, were sold for total consideration of £800,000.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

FIVE YEAR COMPARATIVE STATEMENT

	2014 No.	2013 No.	2012 No.	2011 No.	2010 No.
Membership	6,988	6,751	6,788	6,705	6,677
REVENUE ACCOUNT	£000	£000	£000	£000	£000
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
BALANCE SHEET					
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	13,999	13,777	13,137	11,646	10,816
Less: 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



RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

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

Wednesday 18th June 2014 at 7.00pm at the Radstock Working Men's Club, **RADSTOCK**.

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 22 February 2014.
3. To appoint the Society's Auditor.
4. To declare the results of the election to the Directors to the Board.
5. To confirm Directors remuneration.

Admission to Shareholders' Meetings

Members must present their Share Account Statement to attend Shareholders' Meetings.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

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.

