



ANNUAL REPORT AND ACCOUNTS 2013



DON MORRIS

Chief Executive

Inside this booklet you will find an overview of some of the key events and projects that the Society has been involved in during the last financial year.

Also included is a summary of the financial statements illustrating our performance over the year and a 5-year summary for comparison purposes.

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

Kind regards

Don Morris





The Board of Directors

BACK ROW (LEFT TO RIGHT)

Allan Curtis, Albert Moulder, David Penney, George Donkin (President), Jeremy Fricker (Vice-President), Don Morris (Chief Executive/Secretary)

FRONT ROW (LEFT TO RIGHT)

Grahame Pickford, Sally Heiron, Angela Wilson, Derek Roberts

President's Statement

George Donkin, President - On behalf of the Board

Our Society has had a successful year with a significant increase in gross takings and a reassuring level of profit despite the overall weak economy and the impact of the town centre road works.

This has been an exceptional year for capital expenditure.

Thanks to the prudent policies followed over the recent years of successful trading, Radstock Society can plan for further developments in the coming years.

During the financial year the Society successfully completed three major projects. These developments, and others planned, are vitally important to the Society's future. We must grow profitably if we are to cover our overhead costs, continually improve our trading standards for our members and customers, and have a prosperous long term

future with opportunities for career development for our colleagues.

Our progress, and in particular that of our colleagues and management, have been recognised nationally with the recent Investors in People Silver Award. Locally the Society

was a finalist in both the Somerset Business Awards and the Bath Business Awards. Bath College made us their Business Employer of the Year.

Our colleagues and management are a huge asset to the Society and valued enormously by the Board and we are committed to their further development and training. Collectively our colleagues have been active fundraisers in the community. With a sponsored skydive for CLIC, Ted's Big Day Out and for Children in Need. The Board is proud of our colleagues' efforts.

Last year at the AGM members voted to support two charities, Radstock Museum and The Snowdrop Appeal. During the year both have received cheques totalling £1,757 each. The Society was also able to support the newly established Foodbank. To mark the opening of our new store, the Society sponsored Westfield FC youth team. The Society maintained its long established relationship with Somerset Miners by sponsoring their annual reunion luncheon.

Members enjoyed a wine tasting event at Radstock in December and a new members benefit with Hands on Health, Chiropractor Services has been introduced.

The Society's Board thanks members, dividend card holders and customers for their continued support, especially during shop refits and at Radstock for braving the difficult congestion in the first half of the year. By pulling together, we have achieved another successful year.

Review of the business and future developments

Don Morris Chief Executive



As widely anticipated, 2012 was a difficult year for many retailers who experienced downward pressure on both levels of turnover and margin in a very competitive market.

The Society was not immune from these difficult trading conditions and continued to experience pressure on profit margins as we invested in discounts and special offers for our members and customers. Despite this the Society performed strongly and continued to expand its trading activities with gross takings during the year growing by £2.97m or 9.8% to stand at £33.3m (2011/12: £30.3m). The trading surplus for the year amounted to £818k (2011/12: £1,155k).

In line with many large store operators, our superstore at Radstock has come through a particularly difficult year not only in terms of intense competition for market share but also due to severe disruption to trade as a result of major road works within the town centre. The Society was able to mitigate some of the losses experienced by securing compensation for loss of trade. The Society has continued to invest in Radstock including new customer toilet facilities and is considering further significant investments and improvements to enhance the shopping experience of our members and customers.

In September we opened our twelfth store 'Fosseway' located in Westfield near Midsomer Norton. The store is part of a smart, new build, freehold parade of three shops and the Society has been joined by Whitstone's Fish & Chip Shop and Pet's Corner. Our new store has been designed to be light and airy, with generous aisle widths and queuing area, and boasts a bakery, Costa Coffee, ATM and the very latest in energy efficient refrigeration with the units incorporating single glazed glass doors. The store and indeed the parade are very popular and have made a positive contribution to the Society's trading performance.

The Society has also extended and conducted major refits of its Timsbury and Chew Magna stores again employing the design concepts of light and airy environments and energy efficiency. The store extensions, in the case of Chew Magna into the former HSBC bank, have enabled both shops to stock a far wider range of items offering improved choice. As part of the Society's continuing growth strategy, further store openings are planned for the coming years.

Despite the unprecedented poor weather that has affected the farming industry across the country with one of the wettest years on record, the farm has delivered a surplus of £67,041 which is very much in line with the previous year of £65,416 but was achieved in a far more challenging period. Our strategic partnership with our farm managers Velcourt continues to deliver improvements to our farming practices and the farm environment. Our contract with Co-operative Group Farms to supply milk to Wiseman Dairies for processing continues to pay dividends as the Co-operative Retail Trading Group (CRTG) has continued to maintain its milk price premium. Our continuing strategy for the farm is to deliver consistent returns from a tidy, well managed unit and to increase the size of the milking herd.

The growth of the Society and the investments being made in our operations have been funded by retained earnings. The Society maintains a strong balance sheet with significant cash investments and no borrowings. During these tough economic times, these firm foundations remain essential to the success of the Society. As always, it gives me great pleasure to acknowledge the hard work and commitment of our colleagues and the support and loyalty of our members and customers, the success of the Society can only be achieved with this continued support.



WWW.RADSTOCKCOOP.CO.UK

Membership

Our Vision:

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

Our Values:

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

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

Our Principles:

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

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

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



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

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

If you would like to become a member, please complete the application form on the back page.

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

Summary of financial information 52 weeks ended 23 February 2013

Revenue Account

| | 2013 | 2012 |
|---------------------------------------|---------------------|---------------------|
| | £ | £ |
| Gross takings | 33,313,093 | 30,344,478 |
| Less agency & concession turnover | (8,796,341) | (7,086,512) |
| Value Added Tax | <u>(2,192,699)</u> | <u>(2,087,462)</u> |
| Turnover | 22,324,053 | 21,170,504 |
| Cost of sales | <u>(15,509,710)</u> | <u>(14,449,239)</u> |
| Gross profit | 6,814,343 | 6,721,265 |
| Other operating income | 712,581 | 621,681 |
| Expenses | <u>(6,709,264)</u> | <u>(6,187,458)</u> |
| Trading surplus | 817,660 | 1,155,488 |
| Farm surplus | 67,041 | 65,416 |
| Non-trade property net income | <u>137,336</u> | <u>80,772</u> |
| Operating surplus | 1,022,037 | 1,301,676 |
| (Loss)/profit on sale of fixed assets | (28,534) | 127,265 |
| Interest receivable | 45,122 | 76,210 |
| Other finance charge | <u>(43,000)</u> | <u>(29,000)</u> |
| Surplus before distributions | 995,625 | 1,476,151 |
| Share interest | (1,901) | (1,892) |
| Donations | (4,713) | (3,680) |
| Death benefits | <u>(2,402)</u> | <u>(1,558)</u> |
| Surplus before tax | 986,609 | 1,469,021 |
| Taxation | <u>(287,977)</u> | <u>(332,228)</u> |
| Surplus for the period | <u>698,632</u> | <u>1,136,793</u> |

Balance sheet

| | 2013 | 2012 |
|--|--------------------|--------------------|
| | £ | £ |
| Fixed assets | | |
| Intangible assets | 363,242 | 395,522 |
| Tangible assets | 8,231,726 | 5,691,448 |
| Investments | <u>50,971</u> | <u>50,734</u> |
| | 8,645,939 | 6,137,704 |
| Current assets | | |
| Stock | 1,630,279 | 1,571,434 |
| Debtors | 715,507 | 669,177 |
| Investments | 4,669,441 | 6,446,003 |
| Cash at bank and in hand | <u>384,239</u> | <u>195,869</u> |
| | 7,399,466 | 8,882,483 |
| Creditors: amounts due within one year | <u>(2,267,970)</u> | <u>(1,882,609)</u> |
| Net current assets | 5,131,496 | 6,999,874 |
| Total assets less current liabilities | 13,777,435 | 13,137,578 |
| Provision for deferred taxation | <u>(111,947)</u> | <u>(103,179)</u> |
| Net assets excluding pension deficit | 13,665,488 | 13,034,399 |
| Pension deficit | <u>(1,465,924)</u> | <u>(1,313,114)</u> |
| Net assets including pension deficit | <u>12,199,564</u> | <u>11,721,285</u> |
| Capital and reserves | | |
| Share capital | 236,835 | 241,998 |
| Revenue reserve | 10,545,896 | 10,062,454 |
| Revaluation reserve | <u>1,416,833</u> | <u>1,416,833</u> |
| Members' funds | <u>12,199,564</u> | <u>11,721,285</u> |

Cash flow statement

| | 2013 | 2012 |
|---|----------------|---------------|
| | £ | £ |
| Net cash inflow from operating activities | 1,884,151 | 1,587,341 |
| Return on investments and servicing of finance | | |
| Interest received | 44,858 | 76,210 |
| Taxation | | |
| UK Corporation tax paid | (376,332) | (444,616) |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (3,216,809) | (401,950) |
| Sale of tangible fixed assets | 81,466 | 176,274 |
| Increase in fixed asset investments | - | (211) |
| | (3,135,343) | (225,887) |
| Net cash outflow from capital expenditure and financial investment | | |
| Net cash inflow before management of liquid resources and financing | (1,582,666) | 993,048 |
| Management of liquid resources | | |
| Deposits/(withdrawals) from current asset investments | 1,776,826 | (978,799) |
| Net cash inflow before financing | 194,160 | 14,249 |
| Financing | | |
| (Decrease)/increase in members' share capital | (5,163) | 587 |
| Decrease in other loans | (627) | (2,290) |
| Net cash outflow from financing | (5,790) | (1,703) |
| Increase in cash in the period | <u>188,370</u> | <u>12,546</u> |

Statement of total recognised gains and losses

| | 2013 | 2012 |
|---|----------------|------------------|
| | £ | £ |
| Surplus for the period | 698,632 | 1,136,793 |
| Revaluation of investment properties | - | 374,085 |
| Actuarial (loss) on pension scheme | (239,000) | (389,000) |
| Movement on deferred tax relating to pension scheme | 23,810 | 101,821 |
| Total gain relating to the period | <u>483,442</u> | <u>1,223,699</u> |

Radstock Co-operative Society Limited primary financial statements for the 52 weeks ended 23rd February 2013. 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

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------------------------------|---------------|---------------|---------------|--------------|--------------|
| Membership | 6,751 | 6,788 | 6,705 | 6,677 | 6,612 |
| Revenue Account | £000s | £000s | £000s | £000s | £000s |
| Turnover | 22,324 | 21,170 | 19,508 | 18,184 | 16,487 |
| Trading result | 818 | 1,155 | 1,521 | 320 | 17 |
| Farm result | 67 | 65 | 29 | (22) | 158 |
| Surplus before distributions | 996 | 1,476 | 1,662 | 383 | 563 |
| Surplus for period | 699 | 1,137 | 1,143 | 233 | 441 |
| Depreciation and amortisation | 568 | 568 | 637 | 601 | 543 |
| Fixed assets | 8,646 | 6,138 | 6,024 | 7,120 | 6,660 |
| Net current assets | 5,131 | 7,000 | 5,622 | 3,696 | 4,051 |
| Total assets less current liabilities | 13,777 | 13,138 | 11,646 | 10,816 | 10,711 |
| less | | | | | |
| Long term liabilities | (1,577) | (1,416) | (1,149) | (1,566) | (1,396) |
| NET ASSETS | 12,200 | 11,721 | 10,497 | 9,250 | 9,315 |
| Share capital | 237 | 242 | 241 | 241 | 244 |
| Reserves | 11,963 | 11,479 | 10,256 | 9,009 | 9,071 |
| MEMBERS' FUNDS | 12,200 | 11,721 | 10,497 | 9,250 | 9,315 |

5 Year comparison of turnover (£000s)



5 Year comparison of Members Funds (£000s)



Recognising our achievements



Don Morris, Chief Executive being presented with the Investors in People Silver Award by Ian Bell, Director of Bath Chamber of Commerce & Initiative in B&NES

Awards

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

At the end of January 2013 the Society underwent a week long assessment and was proud to have been awarded the Investors in People Silver award.

There are only a handful of retailers in the South West to have reached this standard and is testament to the Society's commitment to its colleagues which recognises the vital part they play in achieving success.

We were also awarded Business Employer of the Year by City of Bath College in July 2012. We were finalist in

the Bath Business Awards Learning and Development category in Sept 2012.

The Street store was presented with a Customer Service Award by Street Chamber of Commerce in Oct 2012 and in November 2012 we were invited to the Somerset Business Awards Evening held at Somerset Cricket Club where we were a finalist in the 'Business of the Year' category for organisations with over 50 employees.



Community

1. Westfield Town FC youth Team - Feb 2013

The Society donated £500 to the Westfield Town FC Youth Team in order for them to purchase a new kit for the start of the next season. The team, who play in Red and Black at Midsomer Norton will have the Radstock Co-op logo prominently displayed on their new shirts.



Mr & Mrs Doughty



Mr & Mrs Cottle

2. Donate a Can - December 2012

The Society designated collection points in all our stores for customers to donate to the local Food Bank to help those in need. The Society also provided a storage and distribution facility free of charge for a period of 6 months to support the running of the Food Bank.

receiving a card and presents from George Donkin, President and Don Morris, Chief Executive. Sadly Ron, former Grocery Manager for the Society, passed away in April 2013 aged 94. Regrettably, we must record the deaths, over the past year, of a number of people associated with the Society. To the families involved, we would like to extend our deepest sympathy for their sad loss. Those who knew them will remember them with affection and gratitude.

Members Events

3. Anniversaries

We celebrated a number of members' anniversaries during the year including the occasion of Mr and Mrs Eric Doughty's Diamond Wedding Anniversary in August 2012 where they were presented with gifts by Albert Moulder, Head of Retail Operations. Mr and Mrs Ron Cottle celebrated their Platinum Wedding Anniversary (70 yrs) in January 2013 and are pictured

4. Wine-tasting

We held a wine-tasting event at the Radstock store in December 2012 where members sampled a variety of different wines and were given information by our wine expert, expanding their knowledge of the grape. The evening also provided participants with the opportunity to socialise with other members and colleagues, as well as testing their knowledge in a wine quiz with prizes awarded to the winning team.



Cheque presented at the Gala awards evening - May 2012



Donation to Snowdrop appeal

Donations

The gala awards and fundraising evening held 26 May 2012 at the Bath Pavilion raised over £4,000 for local charities and good causes.

Radstock Museum and Snowdrop Appeal received donations throughout the year totalling over £1,750 each.

These were the two charities chosen by the members to support during the year at the AGM held in June 2012.

The Society and colleagues supported a number of other local and national causes throughout the year by fundraising which included a colleague skydive on behalf of CLIC raising £626.

We collected instore and organised fun events including a fashion show to raise £2,822 for Children in Need in November 2012. We also presented a cheque for £1,400 to the Bath Cancer Unit Support Group in July 2012.

Other fund-raising events included Ted's Big Day Out, Wrong Trousers Day and the Limbless Association.



Radstock Store fashion show for Children in Need

We were presented with a certificate from Dorset and Somerset Air Ambulance for raising £6,105 from clothes banks and an award from the National Lottery for sales generating £7.3 million towards good causes.



2

3

Store Development

1. Timsbury refurbishment July 2012

The Timsbury store had a major re-fit and extension to the retail space to provide a lighter more spacious shopping experience for our customers. This was the first store to have new, energy efficient chiller units installed enabling a wider range of ready-meals, fresh foods and food-to-go options.

2. Fosseway new store opening Sept 2012

The Board of Directors accompanied by Don Morris, Chief Executive were present at the official opening of the Society's latest addition to the retail estate. The new purpose-built store located on the Fosseway, Westfield opened in September 2012 and is the twelfth community store. It is part of a development consisting of two retail units and a fish and chip shop which has been constructed with environmental factors a key consideration in terms of the design and fit-out. The store is light, bright and spacious with generous aisle widths making it easy to navigate

especially for customers with prams and buggies and wheelchair users. The store also boasts an instore bakery offering sweet and savoury pastries, freshly baked bread, breakfast rolls and Costa Coffee Express. Energy efficient chiller units and freezers have been installed to provide an extensive range of chilled and frozen products.

3. Chew Magna refit and extension Feb 2013

The ribbon-cutting ceremony for the re-launch of the Chew Magna store was performed by Gerald Young one of the Society's longest-serving colleagues accompanied by Dave Boucher, store manager and Don Morris, Chief Executive. Continuing with the Society's store development programme and investment in the existing retail estate, Chew Magna received a major make-over which included a much extended selling space following the acquisition of the adjoining property previously occupied by HSBC Bank. Additional till points, a queuing system and instore bakery with Costa Coffee Express all adds to the customer experience.



Radstock Superstore & Travel Agency

WELLS ROAD
RADSTOCK BA3 3RQ
STORE TEL: 01761 432142
TRAVEL TEL: 01761 433355



Fosseway

32 FOSSEWAY
MIDSOMER NORTON
BA3 4AX
TEL 01761 412888



Frome

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



Shepton Mallet

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



Timsbury

NORTH ROAD
TIMSBURY
BATH BA2 0JH
TEL: 01761 470202



Chew Magna

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



Peasedown St John

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



Chilcompton

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



Westfield

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



Coleford

HIGHBURY STREET
COLEFORD BA3 5NJ
TEL: 01373 812309



Glastonbury

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



Street

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

CUT ALONG THE DOTTED LINE

Membership Application Form

Title: Mr/Mrs Ms/Other:

Surname:

Forename(s):

Address:

Postcode:

Home Phone:

Mobile:

E-mail:

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

Date of Birth:

To be a member you must be 16 or over

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

Specimen Signature:

Amount deposited:

£

:

p

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

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

office use only

Please detach and send with your cheque to:-

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

 CUT AROUND THE DOTTED LINES AND USE INSTORE

Great food and more within easy reach

Member Benefit**£3 OFF**

Coupon when you spend £20 or more on your next food purchase

Valid until: 27th July 2013Terms & Conditions: **To the Customer**

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

Share No: _____ Name: _____

Address: _____

Great food and more within easy reach

Member Benefit**£3 OFF**

Coupon when you spend £20 or more on your next food purchase

Valid until: 27th July 2013Terms & Conditions: **To the Customer**

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Share No: _____ Name: _____

Address: _____

Great food and more within easy reach

Member Benefit**20% OFF**

When you spend £20 or more on Duke Menswear or Shoe Box Depts in the Radstock Superstore

Valid until: 27th July 2013Terms & Conditions: **To the Customer**

This coupon is not transferable or refundable & cannot be exchanged for cash & is only valid in the Radstock Superstore. Only one coupon per transaction. Only original coupons are valid & no photocopies will be accepted. No change will be given & cannot be used in conjunction with any other discount.

Share No: _____ Name: _____

Address: _____

Great food and more within easy reach

Member Benefit**FREE**

3 Piece Set of Luggage with your next Holiday

Valid until: 27th July 2013Terms & Conditions: **To the Customer**

Free Luggage from a selected range when you book and pay for in full a Holiday in the Radstock Travel Branch for £1200 or more. This coupon is not transferable or refundable & cannot be exchanged for cash & is only valid in Radstock Superstore. Only one coupon per transaction. Only original coupons are valid & no photocopies will be accepted.

Share No: _____ Name: _____

Address: _____