

Registration Number 1159R

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

Report and Financial Statements

53 week period ended 28 February 2015

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REPORT AND FINANCIAL STATEMENTS 2015

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RADSTOCK CO-OPERATIVE SOCIETY LIMITED

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

George Donkin ^{2 3}	President
Jeremy Fricker ^{1 2}	Vice-President
Albert Moulder	
Angela Wilson ^{1 2 3}	
Allan Curtis ^{1 3}	
Sally Heiron ¹	
Derek Roberts ³	
Jonathan Rich	
Graham Jeffery	

¹ Audit Committee

² Remuneration and Benefits Committee

³ Pension Trustees

OFFICERS

Don Morris CMI ^A FCCA	Chief Executive/Secretary
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REGISTERED OFFICE

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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 53 WEEKS ENDED 28 FEBRUARY 2015

INTRODUCTION

The Board of Directors is pleased to present to members the report and financial statements for the 53 weeks ended 28 February 2015.

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 within the current stores with a continuous re-fit plan and to extend the Estate
- improve the Radstock store's performance, and to improve the Farm's 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 53 WEEKS ENDED 28 FEBRUARY 2015

PRESIDENT'S STATEMENT

The Society's last trading year was modestly successful against the general mayhem in the grocery market where most of the larger players had an annus horribilis. The RADCO store and staff continue to battle determinedly against the difficulties created by building and highway works in the town centre which, with the resulting traffic congestion, have eroded the town's appeal to shoppers. In contrast, convenience stores, which thirty years ago were a drain on the Society, came up trumps. After Christmas we had great pleasure in adding Paulton, the former Somerfield store, to our chain, the result of an investment decision made by the Society a number of years ago. The Society has also awarded a contract to build a new store in Frome. Our trade profit for the year was £42,000. We will need to improve our trading profitability in the coming years in order to provide extra funds to grow the business.

Our farm surplus of £129,000 is a big increase on last year and was produced in spite of falling milk prices in the second half of the year. It underlines the benefits of the progressive policies and careful management being achieved through the partnership with our agricultural advisors, Velcourt. The profit prospects for the current year are not so good, unless the price of milk rises significantly. However, we are better placed than many dairy farms to weather this storm as our farm is freehold and so we have no rent to pay and, without borrowings, no interest. The up to the minute advice from Velcourt is helping to keep our costs under tight control. Very importantly, we sell our milk through the national co-operative liquid milk contract. The price we are paid is based partly on the market price and partly on the average cost of production. This has helped to reduce the impact of the liquid milk price crash and is a good example of the way the Co-operative Group is behaving as an ethical business in supporting dairy farmers.

The success of the Co-operative Group and the new joint buying arrangements created between the Co-operative Group and the independent co-operative societies is central to Radstock Society's future. The Co-operative Group had a better year, managing a profit and through business and property sales a reduction in its debts. We sincerely wish the Group well all in its endeavours.

Every three years we have the Society's non-trading estate independently valued. The values declared this year resulted in a reduction of their stated worth by £214,000 to £3,213,000 and led to an appropriate adjustment to the revaluation reserve. No cash left the business as a result of the revaluation.

Like all retail co-operative societies and many long-established major British commercial enterprises we have to support a heritage final salary pension fund. The Society closed the scheme to further contributions in September 2010 and it was replaced by one of the co-operative movement's most generous defined contribution schemes. The heritage fund is a heavy responsibility which we regard as a debt of honour. The Society's superannuation scheme began life sixty years ago and had the modest aim of providing a fixed annuity to retiring staff. Gradually it was updated to provide other automatic benefits like widow(ers)/dependents pensions and to reduce the impact of inflation through annual cost of living increases, albeit capped at certain percentages. The effective cost of the scheme has been increased by the current low interest rates. The scheme's liabilities, under current accounting rules, now stand at £8,862,000 compared to the externally invested assets of £6,677,000, a net deficit of £2,185,000 before tax (net of tax £1,749,000). The deficit is secured by a charge on a part of Hardington Farm. In order to reduce the deficit, the Society makes substantial annual contributions, last year £282,000. It is the intention of the Board, Management and the Trustees that when it is economically feasible, the scheme should be vested in a reputable pension provider.

As approved by members, the Society's main support went to Positive Action on Cancer and Autistic Eye. We also supported Radstock in Bloom and the Miner's Annual Re-union at the Radstock Museum. Our colleagues again did their part fundraising for charity. Their main project raised over £2,800 for the BBC's Children in Need Appeal; they donated toys to Radstock Children's Centre and raised almost £800 for MacMillan Cancer. The Society again achieved its Investors in People silver award status in this nationally recognised framework. Achieving the Investors in People Silver standard is something any organisation should be proud of. It is the sign of a business which is very committed to good people management practice.

Last year, the Society gave back to members and customers £87,961 through our Dividend Card scheme and a new member's benefit has been introduced in conjunction with local legal firm Thatcher and Hallam with money off wills and conveyancing.

The Society's financial strength has only come about through the efforts of our colleagues, past and present and the continuing loyal support of customers and members, we thank you all.

George Donkin
President

BOARD'S STRATEGIC REPORT TO MEMBERS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

As widely predicted the retail environment remained very challenging throughout 2014 with record low growth in the sector and intense competition from all quarters. The Society responded to those challenges by directing all efforts at maintaining and improving the profitability of our retail estate with some notable successes especially in our expanding estate of community stores. The pressure on margins continued throughout 2014 with promotional discounts and heavy price cutting a feature across the industry. RADCO, our largest store continued to trade in the most difficult of retail markets, hampered by seemingly perpetual traffic problems. Whilst profit levels are down the Society continues to report surpluses across its trading and operating activities with improved profits in our non-trade property business and significant improvements in the farm's surplus for the year. The outlook for the coming year remains cautious with food deflation likely to be with us throughout the year and a challenging milk environment for the farm.

Gross takings during the financial year grew by £1,174,373 or 3.4% and now stand at £36.1m (2014: £35.0m). Our community stores on an all stores basis produced total sales growth of 7.0% at £19,500,604 (2014: £18,233,803). On a like for like basis community stores increased sales by £294,117 or 1.6%.

The trading surplus for the year amounted to £41,568 (2014: £153,493) and reflects the difficult trading conditions the Society has encountered. Whilst remaining very cautious about the prospects for Society's trading over the next 12 months, early indications are positive.

Our store in Farrington Gurney completed its first year of trading with the Society and I am delighted to report that the store made a positive contribution to the overall result in excess of the budget we set for it. The store has performed strongly in fresh coffee sales, fresh foods and food to go. We will continue to develop the store's offering in this exciting and growing market. Continuing to expand the community store estate, we were delighted in January, after a period of negotiation and teamwork, to welcome the former Somerfield store in Paulton into the Radstock Co-operative portfolio. The freehold of the Paulton shopping precinct had been purchased by the Society in 2003 with an existing lease to Somerfield, latterly the Co-operative Group, which was brought to an end in 2015. Seventeen colleagues joined the Society led by Owen, the store manager, and have settled in well into the Radstock family.

The farm produced its best result for a number of years with a 74.0% increase in its surplus at £128,703 (2014: £73,978). The continuing improvement in the farm's performance is a result of policies to improve land management, feedstock and animal husbandry. Moving to a three times a day milking process, we have seen marked increases in the milk yield. The current position and outlook as described by our President, is one of falling farm gate milk prices which have been cushioned to a certain extent by the Society's contract with Co-operative Dairy Group (CDG). This is a long term initiative established by the Co-operative Food in conjunction with Muller Wiseman Dairies and is made up of a dedicated milk supply chain working in partnership with approximately 220 dairy farmers across the country. The Society continues to explore opportunities to diversify business on the farm.

As reported last year in future developments, the Society successfully completed the divestment of the unutilised sites of High Littleton and the Old Bakery in Radstock to support community housing developments. The deal with Curo, the housing association, produced a profit on disposal of £716,601.

Turning now to future developments, after getting the go ahead from the planners, the Society has instructed developers to commence construction of our fifteenth store at the site of the former Fromefield doctors' surgery, at the junction of Bath Road and Rodden Road in Frome. The design features of the two-storey building gives it a contemporary appearance, in keeping with newly constructed buildings of the new Frome Hospital and medical centre and will provide an interesting and unique focal point due to its dual aspect location. The store will be built and fitted out with environmental factors taken into consideration. The layout will provide for a modern, light and spacious environment, offering good quality products with an emphasis on fresh food, meal solutions and food-to-go. The Society will also continue to take every opportunity to improve the fortunes of the RADCO store.

Throughout these tough economic times, together we have continued to grow the Society for the future, maintaining financial stability and equipping ourselves to succeed. As always it gives me great pleasure to acknowledge the hard work of our colleagues and the loyalty of members and customers.

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
Sally Heiron
Derek Roberts
Jonathan Rich
Graham Jeffery

SUB COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Jeremy Fricker (Chair)
Allan Curtis
Sally Heiron
Angela Wilson

REMUNERATION AND BENEFITS COMMITTEE

George Donkin
Jeremy Fricker
Angela Wilson

SENIOR MANAGEMENT TEAM

Don Morris	Chief Executive/Secretary
Annette Pellow	Financial Controller
Albert Moulder	Head of Retail Operations / Head of Special Projects
Alan Jackson	Head of Retail Operations (started 23 rd February 2015)
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 a Co-operative and Community Benefit Society (formerly an Industrial and Provident Society until August 2014), Radstock Co-operative Society Limited is not required to adhere to the provisions of the revised Combined Code. However, Co-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.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (continued)

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

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 two 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.

Name	First elected	Term expires
George Donkin	2007	2016
Jeremy Fricker	2008	2017
Albert Moulder	2005	2017
Allan Curtis	2008	2015
Grahame Pickford (resigned 28 July 2014)	2008	-
Angela Wilson	2009	2015
Sally Heiron	2009	2016
Derek Roberts	2011	2017
Jonathan Rich	2014	2016
Graham Jeffery	2014	2015

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CORPORATE GOVERNANCE (continued)

THE BOARD (continued)

Directors' fees are approved by the Society's members. The current fee levels were recommended to the membership and approved by them in June 2014. In addition to their fees, directors are able to claim expenses reasonably incurred in carrying out Society business.

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

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	12	(12)	-	-	4	(4)	3	(3)
Jeremy Fricker	10	(12)	4	(4)	2	(4)	-	-
Albert Moulder	10	(12)	-	-	-	-	-	-
Angela Wilson	11	(12)	4	(4)	4	(4)	3	(3)
Allan Curtis	10	(12)	4	(4)	-	-	1	(1)
Sally Heiron	9	(12)	3	(4)	-	-	-	-
Grahame Pickford	0	(4)	-	-	-	-	0	(2)
Derek Roberts	10	(12)	-	-	-	-	1	(3)
Jonathan Rich	8	(9)	-	-	-	-	-	-
Graham Jeffery	6	(6)	-	-	-	-	-	-

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.

During the year the Board, working closely with the Co-operative College, undertook a Board Skills and Training Needs Audit based on individual and collective assessments. The initiative has highlighted professional development needs and has focused training.

The Board has undertaken one full days training facilitated by the Co-operative College on the areas of membership development and participation and business strategy.

The changes in directors during the period are as follows:

Jeremy Fricker	re-elected 18 June 2014
Albert Moulder	re-elected 18 June 2014
Derek Roberts	re-elected 18 June 2014
Jonathan Rich	elected 18 June 2014
Graham Jeffery	elected 12 September 2014 (By-Election)
Grahame Pickford	resigned due to ill health 28 July 2014

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 Baker Tilly Risk Advisory Services LLP, 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 Baker Tilly'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 Baker Tilly 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 and the valuation of the pension scheme. These issues were highlighted due to the high value and materiality involved in these areas, which affects 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 Co-operative Muller Wiseman milk contract provides the Society with some protection against the severe fluctuations of the milk price. The pension scheme liability has been calculated by external actuaries, a full three year valuation completed in 2014, 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 implemented Baker Tilly Risk Advisory Services LLP 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 2014/15.
2	Member democratic participation	Number of members voting in elections and as a % of total membership	Nominations from 6 candidates for 4 vacancies on the Board were received. Three directors were re-elected and one new candidate elected. During the year a By-Election was held with nominations from 2 candidates for 1 vacancy with 1 new candidate elected.
3	Participation of employees and members in training and education schemes	All types of training	Employees attended 534 (2013/14: 344) training events equating to 259 full days during 2014/15. This included personal development, NVQ, professional development, management training, dignity at work, 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 2014/15, there were 54 accidents (2013/14: 46) involving our employees, of which 2 were reportable (2013/14: 0). The total employee absence rate for 2014/15 was 3.18% (2013/14: 2.2%).
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, 67% are female and 33% are male (2013/14: 66% female, 34% male). Employees with ethnic origin other than White British are 0.3% (2013/14: 1.5%).
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 94.8% (2013/14: 96.0%) against a pass mark of 92.0%.

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 £7,221 (2013/14: £4,960) was donated in support of our community relations strategy. The total represents 0.66% (2013/14: 1.31%) 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 £4,533 (2013/14 £4,390) 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 2014/15, we purchased 98.2% (2012/13: 98.9%) green energy from our electrical supply contract, which resulted in 1,050 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 28 February 2015.

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 four occasions 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 Angela Wilson and Jeremy Fricker. 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 Operation £	Head of Retail Operation (Started 23 Feb 2015) £	Head of Human Resource £	Financial Controller £
Salary	126,475	74,969	1,433	65,380	55,584
Employers Pension Contributions	10,231	5,960	-	5,254	2,789
Total Emoluments	136,706	80,929	1,433	70,634	58,373

Directors' Emoluments

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

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

Name	Fees (including back pay) 2014/15 £	Expenses 2014/15 £	Total Emoluments 2014/15 £
George Donkin	3,946	1,683	5,629
Jeremy Fricker	3,319	417	3,736
Albert Moulder	2,856	-	2,856
Allan Curtis	2,856	-	2,856
Grahame Pickford (resigned)	1,281	-	1,281
Angela Wilson	2,856	-	2,856
Sally Heiron	2,856	-	2,856
Derek Roberts	2,856	85	2,941
Jonathan Rich	1,805	-	1,805
Graham Jeffery	1,210	-	1,210

By order of the Board



George Donkin
President and Chair of the Remuneration and Benefits Committee

23 April 2015

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BOARD'S RESPONSIBILITIES STATEMENT

Co-operative and Community Benefit Societies Act 2014 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 Co-operative and Community Benefit Societies Act 2014. 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 a period of at least twelve months after the signing date and support the adoption of the going concern basis.

After taking into account the trading performance, the strength of the balance sheet and the cash balances held by the Society, the Directors have a reasonable expectation that the Society has adequate resources to continue in existence for the foreseeable future. There are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. For this reason, they continue to adopt the going concern basis in preparing the Society's Financial Statements in accordance with Section 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 Strategic Report to Members and the Statement of Corporate Governance are hereby signed on behalf of the Board and the Financial Statements and notes on pages 20 to 40 are hereby signed on behalf of the Board of Directors pursuant to Section 82(1) of the Co-operative and Community Benefit Societies Act.



George Donkin
President



Jeremy Fricker
Vice-President



Don Morris
Chief Executive/Secretary

23 April 2015

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 28 February 2015 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 Co-operative and Community Benefit Society Act 2014. <p>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).</p>
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 Society's ability to continue as a going concern. <p>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.</p>
Our assessment of risks of material misstatement	<p>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:</p>

Risk	How the scope of our audit responded to the risk
<p>Valuation of stock</p> <p>Stock must be valued at the lower of its net realisable value (sales retail price) and its purchase cost. Stock may be over-valued due to lack of provisioning for shrinkage, wastage or slow moving items. Discounts may also mean that the net realisable value of stock items is lower than the cost of those items thus overstating the value of the stock.</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 tested samples of stock lines for appropriate valuation by agreeing them to the master price file for purchase and retail prices. 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>

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

Risk	How the scope of our audit responded to the risk
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>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 other pension schemes with the same or similar year-ends and performed sensitivity analysis to assess the impact on the accounts of changes in these assumptions. We have agreed the value of the invested assets to statements provided by the investment manager.</p>
<p>The Audit Committee's consideration of these risks is set out on page 9.</p> <p>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.</p>	
Our application of materiality	<p>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.</p> <p>We determined materiality for the Society to be £315,000 which is derived from turnover, and represents 0.9% of the annual gross takings.</p> <p>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.</p>
An overview of the scope of our audit	<p>The Society is made up of 14 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.</p>
Matters on which we are required to report by exception	<p>Adequacy of explanations received and accounting records</p> <p>We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Society Act 2014 require us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> • 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	<p>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.</p>

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

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 Co-operative and Community Benefit Society Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and/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

27 April 2015

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

REVENUE ACCOUNT

53 weeks ended 28 February 2015

	Notes	2015 £	2014 £
Gross takings		36,127,912	34,953,539
Less agency and concession turnover		(9,362,388)	(9,043,112)
Gross sales (including VAT)		26,765,524	25,910,427
Value added tax		(2,400,278)	(2,367,277)
Turnover		24,365,246	23,543,150
Cost of sales		(17,389,777)	(16,908,771)
Gross profit		6,975,469	6,634,379
Other operating income		758,075	716,116
Expenses	1	(7,691,976)	(7,197,002)
Trading surplus		41,568	153,493
Farm surplus	3	128,703	73,978
Non-trade property net income		197,612	191,955
Operating surplus		367,883	419,426
Profit on sale of non-trade properties		716,601	-
Interest receivable		22,659	35,103
Interest payable – HMRC		-	(970)
Other finance charge	19	(10,000)	(42,000)
Surplus before distributions		1,097,143	411,559
Share interest	12	(1,847)	(1,845)
Donations		(3,221)	(4,960)
Death benefits		(1,058)	(1,588)
Surplus before tax		1,091,017	403,166
Taxation	4	(144,458)	(95,723)
Surplus for the period	13	946,559	307,443

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**
53 weeks ended 28 February 2015

	Notes	2015 £	2014 £
Surplus for the period		946,559	307,443
Revaluation of investment properties	6	(214,282)	-
Actuarial loss on pension scheme	19	(586,000)	(108,000)
Movement on deferred tax relating to pension scheme	11	117,200	(28,703)
Total gain relating to the period		263,477	170,740

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

BALANCE SHEET **At 28 February 2015**

	Notes	28 February 2015 £	22 February 2014 £
Fixed assets			
Intangible assets	5	298,061	330,962
Tangible assets	6	8,758,440	8,437,820
Investments	7	50,971	50,971
		<u>9,107,472</u>	<u>8,819,753</u>
Current assets			
Non-current assets held for sale		-	55,152
Stocks	8	1,948,398	1,782,685
Debtors	9	653,380	826,132
Investments	7	4,479,639	4,412,229
Cash at bank and in hand		250,178	356,058
		<u>7,331,595</u>	<u>7,432,256</u>
Creditors: amounts due within one year	10	<u>(1,904,348)</u>	<u>(2,252,915)</u>
Net current assets		<u>5,427,247</u>	<u>5,179,341</u>
Total assets less current liabilities		<u>14,534,719</u>	<u>13,999,094</u>
Provision for deferred taxation	11	<u>(153,835)</u>	<u>(134,326)</u>
Net assets excluding pension deficit		<u>14,380,884</u>	<u>13,864,768</u>
Pension deficit	19	<u>(1,748,614)</u>	<u>(1,497,414)</u>
Net assets including pension deficit		<u>12,632,270</u>	<u>12,367,354</u>
Capital and reserves			
Share capital	12	235,324	233,885
Revenue reserve	13	11,194,395	10,716,636
Revaluation reserve	13	1,202,551	1,416,833
Members' funds	14	<u>12,632,270</u>	<u>12,367,354</u>



George Donkin
President



Jeremy Fricker
Vice-President



Don Morris
Chief Executive/Secretary

23 April 2015

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

CASH FLOW STATEMENT
53 weeks ended 28 February 2015

	Notes	2015		2014	
		£	£	£	£
Net cash inflow from operating activities	15		688,273		877,092
Return on investments and servicing of finance					
Interest received			22,659		35,103
Taxation					
Net UK corporation tax paid			(114,910)		(249,000)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(1,407,455)		(943,790)	
Proceeds from sale of tangible fixed assets		771,714		-	
Net cash outflow from capital expenditure and financial investment			(635,741)		(943,790)
Net cash outflow before management of liquid resources and financing			(39,719)		(280,595)
Management of liquid resources					
(Withdrawals from)/deposits to current asset investments 17			(67,410)		257,212
Net cash outflow before financing			(107,129)		(23,383)
Financing					
Increase/ (decrease) in members' share capital		1,439		(2,950)	
Decrease in other loans		(190)		(1,848)	
Net cash inflow/(outflow) from financing			1,249		(4,798)
Decrease in cash in the period	17		(105,880)		(28,181)

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 a period of at least twelve months after the signing date and support the adoption of the going concern basis.

After taking into account the trading performance, the strength of the balance sheet, and the cash balances held by the Society, the directors have a reasonable expectation that the Society has adequate resources to continue in existence for the foreseeable future. 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 53 weeks to 28 February 2015 (2014: 52 weeks ended 22 February 2014).

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
---------------------------------	----------

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 2015 by a qualified external valuer.

The requirement of the Industrial and Provident Societies Acts 1965 to 2014 (replaced by the Co-operative and Community Benefit Society 2014 from 1 August 2014) 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

53 weeks ended 28 February 2015

1. EXPENSES	2015 £	2014 £
Personnel costs	4,345,905	4,158,169
Occupancy costs	888,972	825,732
Depreciation and amortisation	749,864	649,735
Services provided by the Society's auditor:		
Fees payable for the audit	26,750	26,000
Fees payable for other services	11,703	14,497
Operating leases - land and buildings	251,136	218,615
Loss on disposal of fixed assets	86,055	14,665
Other expenses	1,331,591	1,289,589
	<u>7,691,976</u>	<u>7,197,002</u>
 2. EMPLOYEES	 2015 No.	 2014 No.
The average number employed was:		
Full-time	85	82
Part-time	275	287
	<u>360</u>	<u>369</u>
 The average number employed was:	 No.	 No.
Full-time equivalent	213	212
 The costs incurred in respect of these employees were:	 £	 £
Wages and salaries	4,193,897	4,038,255
Social security costs	231,725	219,726
Other pension costs	130,762	87,620
	<u>4,556,384</u>	<u>4,345,601</u>
 Analysed as:	 £	 £
Expenses (note 1)	4,345,905	4,158,169
Farm accounts (note 3)	210,479	187,432
	<u>4,556,384</u>	<u>4,345,601</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

2. EMPLOYEES (continued)

Directors

	2015	2014
The total remuneration of the directors was as follows:	£	£
Fees	145,664	97,209

The figures include payroll costs for Albert Moulder and Jonathan Rich who are employed by the Society as well as acting as a directors. Grahame Pickford resigned from the Board on 28 July 2014; his remuneration until this date is included in 2015.

Senior Management Team

The total remuneration of the senior management team was as follows:	£	£
Salaries	323,841	295,957
Pension contributions	24,234	22,411
	348,075	318,368

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

53 weeks ended 28 February 2015

3. FARM ACCOUNTS	2015 £	2014 £
Sales	1,756,390	1,405,423
Cost of sales	(1,076,209)	(852,654)
Gross profit	680,181	552,769
Expenses (note A)	(551,478)	(478,791)
Farm surplus	128,703	73,978
A. Expenses	£	£
Personnel costs	210,479	187,432
Occupancy costs	85,013	84,195
Depreciation	69,535	47,661
General repairs	62,390	32,642
Legal and professional	32,501	37,780
Other expenses	90,110	89,081
Valuation fee	1,450	-
	551,478	478,791
Employees		
The average number employed was:	No.	No.
Full-time equivalent	5	4

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

4. TAXATION ON SURPLUS FOR PERIOD

	2015	2014
	£	£
(a) Analysis of charge in the period		
Current tax:		
UK corporation tax on the surplus for the period	46,685	74,603
Adjustments in respect of previous periods	23,864	(36,046)
Total current tax	70,549	38,557
Deferred tax:		
Adjustments in respect of previous periods	-	29,885
Current year movement	19,509	12,690
Effect of change in tax rates	-	(20,196)
Pension	54,400	34,787
Total deferred tax	73,909	57,166
Tax on surplus after ordinary activities	144,458	95,723
(b) Factors affecting tax charge for the period	£	£
Surplus before tax	1,091,017	403,166
	£	£
Surplus before tax multiplied by the effective rate of corporation tax of 20.0% (2014: 23.1%)	218,203	93,091
Effects of:		
Expenses not deductible for tax purposes	47,466	35,319
Income not taxable for tax purposes	(145,074)	-
Capital allowances in excess depreciation	(29,385)	(12,899)
Other timing differences	(44,525)	(32,118)
Adjustments to tax charge in respect of previous periods	23,864	(36,046)
Other tax rates	-	(8,790)
Current tax charge for period	70,549	38,557
(c) Factors affecting future tax charge		

The Finance Bill 2014, enacted as Finance Act 2014 in July 2014, reduced the corporation tax rate from 21% to 20% with effect from 1 April 2015. The Society's current tax charge has been calculated at 20% applying the small profits rate. The rate of 20% has been used to calculate the position on deferred tax at 28 February 2015 (2014: 20%). 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 **53 weeks ended 28 February 2015**

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Milk quotas £	Total £
Cost			
As at 23 February 2014 and 28 February 2015	482,351	488,228	970,579
Amortisation			
At 23 February 2014	151,389	488,228	639,617
Charged in the period	32,901	-	32,901
At 28 February 2015	184,290	488,228	672,518
Net book value			
At 28 February 2015	298,061	-	298,061
At 22 February 2014	330,962	-	330,962

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

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 23 February 2014	275,223	2,551,503	3,665,189	1,286,576	4,026,936	11,805,427
Additions	-	638,506	460,976	169,928	138,045	1,407,455
Disposals	-	-	(296,700)	-	-	(296,700)
Transfers out	(275,223)	-	-	-	(737,699)	(1,012,922)
Transfers in	390,144	444,575	178,203	-	-	1,012,922
Revaluation adjustment	-	-	-	-	(214,282)	(214,282)
At 28 February 2015	390,144	3,634,584	4,007,668	1,456,504	3,213,000	12,701,900
Depreciation						
At 23 February 2014	-	808,376	1,868,587	690,644	-	3,367,607
Provided this period	-	206,394	510,569	69,535	-	786,498
Disposals	-	-	(210,645)	-	-	(210,645)
At 28 February 2015	-	1,014,770	2,168,511	760,179	-	3,943,460
Net book value						
At 28 February 2015	390,144	2,619,814	1,839,157	696,325	3,213,000	8,758,440
At 22 February 2014	275,223	1,743,127	1,796,602	595,932	4,023,936	8,434,820

Note:

- (i) Land and buildings at cost or value comprise £3,350,591 (2014: £2,267,510) freehold and £283,993 (2014: £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 2015, 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 £3,800,000.
- (v) £786,498 depreciation includes £69,535 for the farm.
- (vi) Assets disposed of in the year had an original cost of £296,700 with related depreciation of £210,645, giving a net book value of £86,055. There were no proceeds relating to these assets as they were scrapped.
- (vii) The historical cost of non-trade properties is £2,783,923.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

7. INVESTMENTS

	Fixed assets		Current assets	
	2015	2014	2015	2014
	£	£	£	£
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	-	-	4,476,924	4,410,981
The Co-operative Group Corporate investor shares	-	-	2,715	1,248
	<u>50,971</u>	<u>50,971</u>	<u>4,479,639</u>	<u>4,412,229</u>

8. STOCK

	2015	2014
	£	£
Retail stock	1,140,724	1,098,582
Farm stock	807,674	684,103
	<u>1,948,398</u>	<u>1,782,685</u>

9. DEBTORS

	2015	2014
	£	£
Retail debtors	318,628	415,320
Farm debtors	23,243	134,277
Value added tax	-	56,103
Sundry debtors	311,509	220,432
	<u>653,380</u>	<u>826,132</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	1,216,594	1,381,081
Holiday pay and wages	82,843	269,110
Dividend points and stamps	116,185	102,203
Corporation tax	227	44,678
Sundry creditors	152,995	206,709
Value added tax	91,485	-
Stamp clubs*	142	332
Accruals	243,877	248,802
	<u>1,904,348</u>	<u>2,252,915</u>

* Repayable on demand

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

11. PROVISION FOR LIABILITIES AND CHARGES

	2015	2014
	£	£
Provision for deferred tax		
Accelerated capital allowances	153,835	134,326
	£	£
Provision at start of the period	134,326	111,947
Deferred tax charge in revenue account for the period (note 4(a))	19,509	22,379
Provision at end of the period	153,835	134,326
Deferred taxation asset relating to pension deficit	£	£
At start of the period	374,200	437,690
Credited/(debited) to the statement of total recognised gains and losses	117,200	(28,703)
Charge to the revenue account (note 4(a))	(54,400)	(34,787)
At end of the period	437,000	374,200

12. SHARE CAPITAL

	2015	2014
	£	£
Balance at 23 February 2014	233,885	236,835
Contributions	7,144	9,956
Interest	1,847	1,845
	242,876	248,636
Withdrawals	(7,552)	(14,751)
Balance at 28 February 2015	235,324	233,885

- (a) Share capital is composed of one type of share.
- (b) Share capital comprises 7,013 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 Co-operative and Community Benefit Society Act ruling at the time of dissolution, and in accordance with the Society's rules at the time of dissolution.

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

13. RESERVES

	Revenue reserve £	Revaluation reserve £
Balance at 23 February 2014	10,716,636	1,416,833
Retained surplus for the period	946,559	-
Actuarial loss on pension scheme	(586,000)	-
Movement on deferred taxation relating to pension deficit	117,200	-
Revaluation on non-trade properties	-	(214,282)
Balance at 28 February 2015	11,194,395	1,202,551

14. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2015 £	2014 £
Retained surplus for the period	946,559	307,443
Net movement in share capital	1,439	(2,950)
Movement in value of investment properties	(214,282)	-
Actuarial loss on pension scheme (note 19)	(586,000)	(108,000)
Movement on deferred taxation relating to pension deficit	117,200	(28,703)
Net increase in members' funds	264,916	167,790
Opening members' funds	12,367,354	12,199,564
Closing members' funds	12,632,270	12,367,354

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

	2015 £	2014 £
Operating surplus	367,883	419,426
Depreciation and amortisation	819,399	685,696
Loss on disposal of fixed assets	86,055	14,665
Increase in stock	(165,713)	(152,406)
Decrease/(increase) in debtors	172,752	(110,625)
(Decrease)/increase in creditors	(320,103)	160,336
Difference between pension charge and contributions	(272,000)	(140,000)
Net cash inflow from operating activities	688,273	877,092

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

16. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Share capital	2015 £	2014 £
Balance at 23 February 2014	233,885	236,835
Cash outflow from financing	(408)	(4,795)
Share interest charge	1,847	1,845
Balance at 28 February 2015	235,324	233,885

17. ANALYSIS OF NET FUNDS

	22 February 2014 £	Cash flow £	28 February 2015 £
Cash at bank and in hand	356,058	(105,880)	250,178
Current asset investments	4,412,229	67,410	4,479,639
	<u>4,768,287</u>	<u>(38,470)</u>	<u>4,729,817</u>
Loans	(332)	190	(142)
Net funds	4,767,955	(38,280)	4,729,675

18. COMMITMENTS UNDER OPERATING LEASES

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

	Land and buildings	
Commitments expiring	2015 £	2014 £
Within one year	225,195	241,000
Between two and five years	821,000	544,603
Expiring after five years	2,724,682	2,578,332
	<u>3,770,877</u>	<u>3,363,935</u>

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

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 2014 by a qualified independent actuary and revealed a deficit of £1.42m. The Society paid contributions of £282,000 to the scheme over the year and expects to make contributions of £162,000 to the scheme in 2015/16. 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 contribute £162,000 per annum payable on or before 1 June each year between 2015 and 2023 inclusive, to reduce the pension deficit.

Assumptions made by the actuary	2015	2014
Discount rate	3.50%	4.40%
Rate of compensation increase	N/A	N/A
Rate of increase in pensions in payment (5% LPI)	3.20%	3.40%
Rate of increase in pensions in payment (2.5% LPI)	2.10%	2.40%
Rate of increase in pensions in deferment	3.30%	3.50%
Inflation	3.30%	3.50%

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

	Years	Years
Member age 65 (current life expectancy)		
- male	22.6	22.8
- female	24.7	25.0
Member age 45 (life expectancy at age 65)		
- male	24.7	25.1
- female	27.0	27.4

	£000	£000
Fair value of the scheme assets at the end of the year	6,677	5,996

Asset category	%	%
Equities and Diversified Growth Funds	83	70
Bonds (including cash)	17	30
	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 an assumption of 4.9% (2014: 5.5%).

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

19. ACCOUNTING FOR PENSIONS (continued)

	2015 £000	2014 £000
Change in plan assets		
Fair value of plan assets at beginning of period	5,996	5,501
Expected return on plan assets	331	295
Actuarial gain	289	191
Employer contributions	282	182
Plan participants' contributions	-	-
Benefits paid	(221)	(173)
Fair value of plan assets at end of period	6,677	5,996

The actual return on scheme assets in the period was £620,000 (2014: £486,000).

	£000	£000
Change in benefit obligation		
Benefit obligation at beginning of period	7,867	7,404
Past service cost	-	-
Interest cost	341	337
Actuarial loss	875	299
Benefits paid	(221)	(173)
Benefit obligation at end of period	8,862	7,867

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
Discount rate	Increase/decrease by 0.5%	Decrease 9%/increase 11%
Rate of inflation	Increase/decrease by 0.5%	Increase 8%/decrease 8%

	2015 £000	2014 £000
Analysis of amounts charged to the revenue account		
Past service cost	-	-
	£000	£000
Analysis of amount included in finance income		
Expected return on scheme assets	331	295
Interest on scheme liabilities	(341)	(337)
	(10)	(42)

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 28 February 2015

19. ACCOUNTING FOR PENSIONS (continued)

Analysis of amounts charged to the statement of total recognised gains and losses

2015
£000

2014
£000

Cumulative actuarial losses recognised in the STRGL

2,482

1,896

Five-year history

2015
£000

2014
£000

2013
£000

2012
£000

2011
£000

Benefit obligation at end of year (8,862) (7,867) (7,404) (6,642) (6,214)

Fair value of plan assets at end of year 6,677 5,996 5,501 4,892 4,762

Wholly funded deficit (2,185) (1,871) (1,903) (1,750) (1,452)

Related deferred tax asset 436 374 438 437 392

Pension deficit net of deferred tax (1,749) (1,497) (1,465) (1,313) (1,060)

Difference between actual and expected return on scheme assets

Amount (£000) 289 191 317 (22) 291

Percentage of scheme assets 4.3% 3.2% 5.8% (0.5%) 6.1%

Experience gains on scheme liabilities

Amount (£000) 89 - - 299 -

Percentage of scheme liabilities 1.0% 0.0% 0.0% 0.0% 0.0%

Total amount recognised in the STRGL

Amount (£000) (586) (108) (239) (389) 295

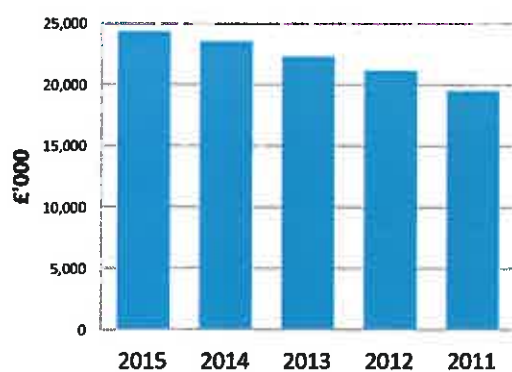
Percentage of scheme liabilities (6.6%) (1.4%) (3.2%) (5.7%) 4.7%

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

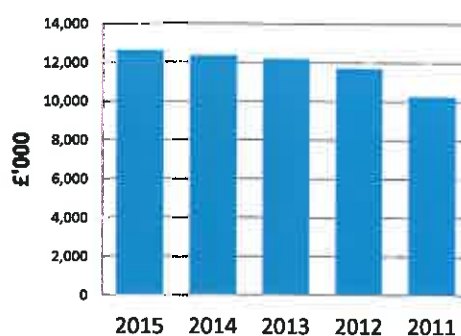
FIVE YEAR COMPARATIVE STATEMENT

	2015 No.	2014 No.	2013 No.	2012 No.	2011 No.
Membership	7,013	6,988	6,751	6,788	6,705
REVENUE ACCOUNT	£000	£000	£000	£000	£000
Turnover	24,365	23,543	22,324	21,170	19,508
Trading result	42	153	818	1,155	1,521
Farm result	129	74	67	65	29
Surplus before distributions	1,097	412	996	1,476	1,662
Surplus for period	947	307	699	1,137	1,143
Depreciation and amortisation	819	700	568	568	637
BALANCE SHEET					
Fixed assets	9,107	8,820	8,646	6,138	6,024
Net current assets	5,427	5,179	5,131	7,000	5,622
Total assets less current liabilities	14,534	13,999	13,777	13,137	11,646
Less: Long term liabilities	(1,902)	(1,632)	(1,577)	(1,416)	(1,149)
NET ASSETS	12,632	12,367	12,200	11,721	10,497
Share capital	235	234	237	242	241
Reserves	12,397	12,133	11,963	11,479	10,256
MEMBERS' FUNDS	12,632	12,367	12,200	11,721	10,497

Five Year Comparison of Turnover



Five Year Comparison of Members' Funds



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 17 June 2015 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 53 week period ended 28 February 2015.
3. To appoint the Society's Auditor.
4. To declare the newly appointed Directors to the Board.
5. Gifts for Members Life Events.
6. Recognition for Retiring Directors
 - 20 Years' Service
 - Colleague Discount
7. To confirm Directors Remuneration.
 - Attendance Allowance

Admission to Shareholders' Meetings

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

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.

