

East of England
CO-OPERATIVE SOCIETY

Building a better Society

ANNUAL REPORT
AND FINANCIAL STATEMENTS

09

for the year ended 24 January 2009

www.eastofengland.coop



Directors as at 24 January 2009



Gillian Bober
PRESIDENT



Phil Hartwell
VICE-PRESIDENT



Colin Barrett



Mary Blacksell



Graham Bober



Jackie Bowis



Tim Carey



**Dianne
Dallender-Jones**



Les Double



Ian Grimwood



John Holmes



Clive Mann



Andy Moore



Celia Moore



John Pendle



Roger Smith



**Ann
White-Howles**

Management Executive



Richard Samson
CHIEF EXECUTIVE



**David
Cook-Abbott**
GROUP GENERAL
MANAGER,
PROPERTY



Mike Faulkner
SECRETARY



**Roger
Grosvenor**
GROUP GENERAL
MANAGER, TRADING



**Maria
McGettigan**
GROUP GENERAL
MANAGER, HUMAN
RESOURCES



Brian Salter
GROUP GENERAL
MANAGER, FINANCE
AND TECHNOLOGY

Registered Office

Wherstead Park, The Street, Wherstead, Ipswich, Suffolk IP9 2BJ

Auditors

PricewaterhouseCoopers LLP, The Atrium, St Georges Street, Norwich NR3 1AG

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AND FINANCIAL STATEMENTS
for the year ended 24 January 2009

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DIRECTORS' REPORT for the year ended 24 January 2009



President's Statement

As President of our Society, it gives me great pleasure to introduce our Annual Report. The international downturn happened breathtakingly quickly, moving our country, like many others into recession.

As many other businesses struggled for survival, we took various steps to deal with the changing economic environment and were able to make good progress overall, especially within our major core Food Retail business, in which we continued to invest, to secure the future.

During the year, we also took appropriate action to rationalise our business activities. This included exiting from the Dairy business and closing or cutting back on selected under-performing operations.

A recovery plan was put into place to tackle the deficit in the Pension Schemes, and this we intend to monitor very carefully.

The Society took a new and bold stance on the issuing of free plastic bags in our food stores, which has been successfully implemented and widely praised throughout the region, but not as yet followed by our main food retailing competitors.

Postal voting for elections to all committees was successfully introduced and we continue to play an active role in our local communities. The Board took the decision to contribute £150,000 to the National Co-operative Loan Fund Scheme. This is administered by an independent National Board and provides initial funding for newly emerging co-operative enterprises. We ensure that every new co-operative group that is seeking

to establish a new business, and applies to this Society, has their details passed through to this national body.

We must play a positive role in developing the co-operative sector.

Your Society continues to have an extremely strong balance sheet and to operate profitably, sharing the profit with Members, based on their level of trade with the Society. This is of course a key difference between a consumer owned co-operative such as ours and our PLC competitors.

We are in uncharted territory with the continuing uncertain economic climate, but your Board remains optimistic about the future. We are a strong, independent regional Co-operative Society with a good reputation, welded to our co-operative beliefs and values.

I thank my fellow Directors for their dedication to the Society, and the duties they individually undertake. I also thank all of our employees for their hard work throughout the year, and all of our Members and shoppers for their continued support.

Gillian Bober
President



Society Highlights

- Turnover (continuing operations) up by **3.2%**
- Like-for-like Food Retail Sales up by **5.7%**
- Underlying Trading Profit up by **10.1%***
- Record Capital Expenditure, **entirely self-funded**
- Members' Dividend of **£4.2m** recommended
- **Employee Bonus** introduced

*Reconciliation of underlying trading profit is shown on page 29.



Chief Executive's Review

Well, what a year 2008 turned out to be!

In a year in which many UK businesses struggled badly or even failed, we were able to show an

overall increase in Underlying Trading Profit of more than £1 million to £11.4 million, over 10% higher than in the previous year.

As the economic gloom increased, we maintained a careful control on costs, which included a re-structure of our central functions before relocating to our new Head Office at Wherstead Park early in 2009 resulting, regrettably, in a number of redundancies.

Loss-making and under-performing units continue to be under the spotlight and in March 2009 we announced that the closure may take place of four of our Department Stores later this year, following the exit from our Dairy business last year and the closure of our Dovercourt Department Store in recent months and its subsequent leasing to another retailer.

Although the business climate has been extremely difficult, our biggest business, Food Retail, completed its third consecutive year of like-for-like sales growth and achieved a significant increase in profit, which helped to offset difficulties within some of our other business activities.

To help improve our Society's shape for the future, we invested more than £27 million into our capital development programme, the largest amount we have ever spent on this in a single year.

This enabled us to continue to modernise a number of

our food stores and supermarkets and equip our Funeral business with new vehicles, as well as making some strategic property investments, including acquiring Wherstead Park, near Ipswich, a modern office complex and Georgian listed building.

Our main HQ functions have already been relocated to Wherstead Park, releasing various locations in Essex and Suffolk for alternative future uses, whilst providing a single, efficient Head Office facility for our future requirements. Wherstead Park is also available for other occupiers to join us as tenants, with P&O Ferrymasters Limited being the first company to do so. We also anticipate developing part of the site as a new business venture, to be launched later this year.

We intend to continue with our capital development programme, utilising our own financial resources, whilst recycling assets when and where appropriate.

With no net debt, a strong balance sheet and an improved level of underlying profit achieved in 2008, I believe we can continue to build a better Society in the future.

I would like to thank our Members for their continued support and my colleagues across the Society for their excellent efforts in achieving a good trading result in a particularly difficult year.

Richard Samson
Chief Executive



Directors and Management Executive

The Directors of the Society are responsible for the Society's governance, policy and strategic decisions.

In February 2008, a Special General Meeting of Members approved a complete revision of the rules, part of which set a programme for reducing the size of the Board.

In May, two posts were deleted to provide a Board of eighteen Directors. This coincided with the retirement of Mick Cornish and Christine Hay after more than three and four years' service respectively.

Elections at that time resulted in further change, with John Booth leaving the Board after more than 25 years' service and Andy Moore returning to the Board after an absence of one year.

In October, Colin Beales decided to stand down from the Board after more than four years' service. The vacancy arising will be filled by election in May 2009.

The Board is responsible for electing the Society's President and Vice-President and last November, Gillian Bober was re-elected President and Phil Hartwell was elected Vice-President. They will hold these offices until November 2009.

The Board met formally fourteen times during the year, but also met informally for training and to consider policy and strategy and to visit Society premises and development sites. In addition, there were 35 formal Committee meetings, 11 Pension Trustee meetings involving Directors and various briefing meetings for the Committee Chairs and Vice-Chairs.

In May 2009, the Board will be reduced by another two posts to achieve a Board of sixteen Directors, each serving for four years with four Directors completing their term of office each year. This reduction will coincide with the retirement of John Holmes and Tim Carey after more than fourteen and seven years respectively.

The Board would like to thank all the above-mentioned Directors for their commitment and contribution to the Society.

The Board would also like to record its appreciation for the contribution made by Ian Grimwood who died shortly before publication of this report.

Ian had served as a Director since 1999 and made a significant contribution during a period of great change for the Society.

The Directors delegate responsibility for the day-to-day management of the Society to the Management Executive,

headed by the Chief Executive Richard Samson and the Secretary Michael Faulkner and consisting of Group General Managers for Finance and Technology - Brian Salter; Human Resources - Maria McGettigan, Property - David Cook-Abbott, and Trading - Roger Grosvenor, each of whom reports directly to the Chief Executive.

Financial Review

The challenging environment we traded successfully through in 2007 provided no advance warning of what was to follow in 2008.

An unprecedented sequence of domestic and world events led the UK from the so-called 'credit crunch' into a full blown recession, leaving few households - or businesses - unscathed.

The retail sector was particularly hard hit, with profit warnings emanating from many well known High Street names, the demise of some long-standing national household brands and wave after wave of redundancies.

Our Society's businesses have had to face the chill wind of recession head on, with some of them inevitably faring better than others.

At the early part of our financial year we completed the sale of our Dairy distribution business to Dairy Crest, enabling us to transfer more than 300 Society colleagues to a new employer.

Sadly, when we closed our Dairy processing plant, redundancies were unavoidable.

Other restructuring arrangements, along with the associated costs, were also necessary during the year to reflect the change in trading conditions.

The dramatic change in the previously buoyant property market has also taken its toll on property values, resulting in a significant write-down being recorded in our accounts to allow for the reduction in the value of our property portfolio.

Despite the harsh economic climate, however, we are pleased to report that Underlying Trading Profit increased by £1.1 million, or 10.1%, to £11.4 million.

This was largely as a result of excellent progress being made within Food Retail, whilst certain other businesses such as Department Stores and the Motor Group recorded a significant reduction in sales, resulting in continuing losses.

Attention is being focused on loss-making areas of our Society's operations, with a view to ensuring that

appropriate action is taken to protect our Society's assets and its future viability.

It was stated in last year's report that further investment would be made in our Society's development programme and once again we have been able to operate with no net debt, whilst investing a record £27.7 million of capital expenditure from retained profits to help build a better Society for the future.

In spite of the difficult economic climate, the Directors are pleased to recommend that after making suitable provision for the future, £4.2 million is paid to East of England Co-operative Society Members as Dividend, to reflect the Society's profit performance and its continuing sound financial position.

In 2008 for the first time, the Directors introduced an Employee Dividend or Bonus Scheme, enabling many of our employees to share in the Society's success.

£751,000 was set aside for this purpose in the year ended 24 January 2009 and although this is an entirely discretionary, non-contractual employee benefit, the Directors intend to consider on an annual basis whether the Society's profitability is sufficient to allow a payment of this kind to be made.

Society statistics for the year ended 24 January 2009

(All figures rounded to nearest £million)

	£m
SALES (Gross Value)	431
UNDERLYING TRADING PROFIT*	11
PROFIT AFTER TAX AND DISTRIBUTIONS	2
RECOMMENDED DIVIDEND	4
CAPITAL EXPENDITURE	28

*Reconciliation of underlying trading profit is shown on page 29.

Trading and Development

2008 proved to be an exceptionally busy year for the Society, with a combination of investing in the future and rationalising of existing activities.

Gross Sales (includes VAT and concession turnover) at £431 million showed a reduction of 2.2%, largely as a result of the Society exiting from the Dairy business; however Turnover from continuing operations increased by 3.2%, mainly due to our core business, Food Retail, which showed a significant like-for-like increase of 5.7%.

This was the third successive year that Food Retail has shown like-for-like sales growth, after a period of negative sales comparisons, after the merger in late 2005 which created the East of England Co-op.

The re-branding of our premises to the distinctive East of England Co-operative Society corporate identity continued, culminating in more than half of our food stores displaying the new brand identity by the end of 2008.

We anticipate completing this project across the Society's estate in 2010.

Our travel branches in Essex were also re-branded, to reflect the new Co-operative Travel identity, as they are linked into the national marketing and branding of the Co-operative Group's travel business.

The former Anglian Convenience Stores chain, which we acquired in February 2007, has shown a considerable improvement in sales since being re-launched under the East of England Society banner and looks set to make further progress in future years.

Major Food Retail refits completed during the year included stores in Dedham, Kelvedon, Wivenhoe, Felixstowe and Manningtree, with a substantial store extension built at Elmswell.

In Felixstowe town centre, we also took the opportunity to update and re-brand our other retail operations, including the Pharmacy, Optical, Home Store and Filling Station.

Our Pharmacy in Nacton Road, Ipswich and the Optical practice in Clacton were also refurbished during the year.

Our new on-line electrical business began operating in late 2008 with a slow, but steady, flow of sales on which we hope to build.

The 'Visual' EPOS system for Food Retail was fully installed across the Society's portfolio of food stores and will be introduced into our Pharmacy and Optical

branches during 2009, which will lead to greater management controls and efficiency.

A voice picking system was introduced into the Food Distribution Centre in Ipswich and has proved to be most beneficial to this important 'behind the scenes' operation.

Our Local Sourcing initiative has proved popular with customers, and more than half of our 135 food stores are now able to offer a range of locally sourced products. We now trade with thirty-five local suppliers, many of which are relatively small businesses.

The appointment of our own Local Sourcing Manager last year has proved to be an extremely useful element in building local business, which brings with it another good reason for customer loyalty within our stores.

Significant investment was made in our Funeral Department through the addition of eight new vehicles, as part of a planned programme of improvement.

Major acquisitions made through our Property Division during the year included the purchase of a local shopping centre in Frinton known as the Triangle Centre and Wherstead Park, a modern office complex near Ipswich.

Acquiring the freehold of the Triangle Centre links in to our ownership of the centre's anchor store, our Co-op Supermarket, whilst producing rental income for the Society from the centre's tenants.

The purchase of Wherstead Park, previously owned and occupied by E.ON the electricity supply company, is of strategic importance to the Society as it will serve three specific purposes.

Firstly, the East of England Co-op now has a well-equipped, superbly located, modern base for its Head Office requirements, enabling other former administration centres across the region to be released for other purposes in due course.

Secondly, the offices within this seventeen acre site will provide rental income from other occupiers, the first of which is already in occupation, i.e. P&O Ferrymasters Limited.

Thirdly, we intend to operate a new Society business from Wherstead Park, based around The Mansion, a superb Grade 2 listed Georgian manor house, which will become an Events and Conference Centre, as well as a regional Training Academy.

The Society also purchased the freehold of premises in Chelmsford from Chelmsford Star Co-operative Society,

who will continue to operate a convenience store there as our tenant.

Rationalisation within the Trading Group during 2008 included exiting our Dairy business, closing our Witham jewellery store, selling our TV Service business to Hughes Electrical and selling our Monumental Masonry business to Eastern Memorials.

Further rationalisation will be necessary as we strive to ensure that our Society is able to negotiate its way successfully through recessionary times - and thrive when the financial climate improves.

Looking Ahead

The harsh economic climate continues to present huge difficulties for businesses of all kinds across the UK and in our region this situation will be exacerbated by plans for significant additional food retail space by our competitors in a number of locations.

To compete effectively, we must continue to improve our offering to our customers and Members and the Society is committed to investing in its core business activities, with an active development programme being maintained.

Refurbishment of a number of key supermarkets is planned during 2009, with Framlingham having completed a £1.2 million refit in March, which has been warmly received by our customers.

As mentioned earlier, the re-branding exercise to the East of England Co-operative standard will continue throughout the year, with completion across the Society anticipated in 2010.

In Hatfield Peverel work is underway to build a new convenience food store with flats above, with completion anticipated before Christmas 2009.

In Wimpole Road, Colchester, a new convenience store is planned.

Sites for new food store developments have been acquired in Coggeshall and Wickham Market, both of which are intended to result in larger replacement stores being built to replace existing Society stores, subject to appropriate planning permission being granted.

As well as pursuing our ambitious development plans, we will continue to rationalise our businesses where necessary and recycle assets, to ensure we plan carefully for the Society's future success.

In February 2009 we closed our Dovercourt Department Store and leased the premises to another retailer.

In spring 2009, we announced that four of our Department Stores are likely to close unless a buyer can be found, as they have been producing losses for some time.

In contrast, we are actively considering new business ventures for the future and look forward to being able to launch our Events Centre and Training Academy from The Mansion at Wherstead Park later this year.

The acquisition of this prime asset has already enabled the Society to relocate virtually all its Head Office personnel onto a single, modern site, creating a more

effective and streamlined operation to support its business network across Norfolk, Suffolk and Essex.

The purchase of Somerfield by The Co-operative Group, the UK's largest Co-operative Society, will change the landscape of food retailing by significantly increasing the presence of Co-operative food stores in the UK and by improving the national buying power of the Co-operative Retail Trading Group (CRTG), of which we are one of its largest members.

Early trends in 2009 show that we have recorded our 12th successive quarter of like-for-like food sales growth, an enviable record, but food competition is becoming even more intense and there is no sign of a let-up in the depressing nature of the economic climate.

We will continue to exert a firm grip on costs and consider further rationalisation of business activities which show little prospect of being brought into profit in the future.

Although we would not feel confident in predicting a further year of increased underlying profit at this stage, your Directors are optimistic about the Society's future and believe that our business model is robust enough to withstand the recession much more effectively than many of our competitors.

People

As a major regional employer with more than 5,000 employees, we wish to do everything possible to make the East of England Co-operative Society a desirable place to work and to provide our colleagues with opportunities to develop successful careers within the Society.

The economic climate has been particularly difficult, however, and with the acquisition of Wherstead Park as our new registered office, various job functions were reorganized to enable us to operate a streamlined and efficient Head Office function, regretfully resulting in the loss of more than 55 jobs.

The relocation to Wherstead Park, completed in the spring of 2009, has provided an excellent working environment for around 150 colleagues, offering modern office facilities with on-site catering, set in attractive grounds.

Following publication of last year's financial results, the Directors announced the introduction of a new Employee Dividend or Bonus Scheme, enabling more than 3,000 employees to share in the success of their Society.

Whilst this is a discretionary, non-contractual scheme, it is the Directors' intention to consider, on an annual basis, the affordability or otherwise of providing such an employee reward.

To celebrate employee achievements across the Society, we held our second, highly successful OSCAS (Outstanding Service to Customers and Staff) Awards evening at Trinity Park, Suffolk in June.

The 'surprise' special guest for the evening was Christopher Biggins, who was a hugely popular figure throughout the evening, mingling with many of the 250 guests and helping to create an atmosphere of excitement prior to the OSCAS Awards being presented.

The Society's Employee of the Year was Lesley Marshall, a tremendous ambassador for the East of England Co-op, who is based at our Mersea Island Supermarket.

We were also able to recognise the achievements of many of our colleagues from across East Anglia with our second Long Service and Retirees' Evening, held at the Stoke-by-Nayland Hotel and well attended by colleagues from across the region.

Gold watches and flowers were presented to our long-serving employees by Gillian Bober - Society President,

Phil Hartwell - Vice-President and Richard Samson - Chief Executive.

Several key appointments were made during the year, including Lorraine Wreford as Management Accountant Designate, Douglas Field as Financial Controller, Chris Doggett as Bereavement Services Manager, Lesley Frost as Commercial Manager for Wherstead Park and Andrew Dawes as Logistics Manager.

We would like to wish all appointees every success with the Society in their new roles.

We note with sadness, colleagues and friends of the Society who passed away during the year, to whose families we offer our sincere condolences.

Appreciation

Once again, the Directors and Management wish to place on record their sincere appreciation to Society Members for their ongoing support and to all employees for their diligent and conscientious work, which has enabled the Society to continue to make excellent progress throughout one of the most difficult trading years on record.



Gillian Bober
President



Richard Samson
Chief Executive

Membership and Communities

The East of England Co-operative Society is more than just a trading business. As well as generating significant dividends for its Members, it aims to make a difference to both Members and non-members across its trading area, showing a strong commitment to social responsibility.

The Society aims to get its Members involved in their local Co-op, and provides the opportunity for them to give feedback through County Forums. We also aim to inform local people of the benefits of Society Membership and encourage new Members to join.

We also look beyond our Membership to encourage the wider community to think and act 'co-operatively' including an extensive programme of work with young people and schools, as well as providing support to charities, groups and organisations across the region.

Here are some examples of the work the Society undertook with its Members and the communities within its trading area during 2008:

Members' Activities

The Membership Department continues to provide a wide range of activities for the Society's Members. These range from concerts, walks and talks to community groups and supported co-operative groups. The Members' magazine 'co-operating today' is published twice a year, and the opportunities available for Members across the region are promoted on Members' Notice Boards in Society stores.

Community Groups

Co-operative Community Groups continue to be developed and promoted across the Society's trading area. Members of the groups have assisted with instore promotions, organising activities for Members, and community projects. They have also helped to raise valuable funds for projects in their communities such as library books for schools, and by supporting local scout and guide groups.

Community Dividend 660

As a co-operative, the Society is entirely owned by its Members, all of whom can enjoy a share of its profits through the Dividend Scheme. Many of our Members choose to divert their Dividend to the Society's Community Dividend Fund 660. This is a simple but effective method of supporting local good causes, and funds are now distributed four times a year by one-off donations of cash, vouchers or goods in kind, ranging from £10 to £1000.

Just some of the projects supported by the fund in the last year include; new shower facilities in a health centre for the homeless and those in insecure accommodation, a gazebo to assist a museum with fund raising activities; equipment for community halls and school gardening and music projects.

Community Support

The Society supports a range of events around the region through sponsorship. The East of England Co-op RYA East Zone Championships in West Mersea saw around 150 of the region's top sailors and windsurfers competing at the youth sailing event. In addition to the Society sponsoring the event, the Membership team attended to promote the benefits of becoming a Member. We also sponsored the Clacton Air Show, with the Membership team and Clacton Co-operative Community Group on hand to promote the benefits of Membership and Fairtrade.

Promoting other Co-operatives

The Society continues to take an active role in Co-operatives East, working to unify, support and promote the Co-operative Movement in the Eastern region. It also undertakes Board Members' duties at Social Enterprise East of England on behalf of Co-operatives East.

The development of the 1st Question Team North is also continuing, as well as expanding the work of the existing 1st Question team of trainers.

Events and Activities

We organised the fifth 'Permission to Rock' as a festival in Ipswich's Christchurch Park, which saw some excellent young bands co-operating to support each other. As a major event partner at Ipswich Music Day we hosted a main stage featuring a selection of our own groups in addition to a broad spectrum of music from folk to global sounds.

The Brass & Voices Concerts and Christmas Lecture were well supported, raising money for the Crisis at Christmas Fund. Other events we took part in included the Ipswich Community Carnival and Heritage Open Day.

Activity Groups

The Society supports a wide range of activity groups, including art classes, bands, garden clubs and dance classes. We also supported the Woodcraft Folk groups in our trading area and assisted with their regional conference and training event.

Co-op Juniors

The Co-op Juniors performed two highly successful productions this year; High School Musical in the spring and the Christmas Spectacular at Snape Maltings, which was also performed at Colchester's Charter Hall for the first time.

Youth Programme

The Co-op Music School provides individual music tuition, as well as the Co-op Concertio Youth Choir, Jazz Band and Orchestral and Recorder ensembles. Some 100 young people visit the music school and their talents were showcased at the Co-op Music Fest.

Our work with schools and teachers included teacher training on co-operative business and enterprise, 'The Challenges of Being a Manager' and 'How to Make Your School Fairtrade Friendly.' The primary curriculum pack 'More Than Just a Shop' was developed and written by teachers and pupils, for teachers and pupils and involved filming at a local school and one of our stores.

Our continuing work with schools has seen the Education Development Department work with more than 1800 young people, nearly 400 teachers and 240 other adults working with young people during the last year.

At the seventh annual Co-operative Education Conference we worked with six other UK Co-operative Societies on the theme of co-operative approaches to engage learners from the voluntary, community and education sectors. We have also worked with a number of other local organisations including the Prince's Trust, CRed (Carbon Reduction Project), local councils and Education Business Consortia.

Last year the Society received the Business in the Community Government Office East Social Cohesion Award for its work with communities in the East of England.

Employee Fundraising

Colleagues from all departments of the Society continue to raise money for a wide range of charities, both local and national, in a variety of ways from Christmas Day dips to running marathons. Many of their fundraising efforts have received support from the Society's Employee Charity Cash Match scheme.

Employees have also taken part in nationwide fundraising events such as Children in Need, Red Nose Day and Glitter up Day in aid of Marie Curie Cancer Care.

The Christmas Tree to Remember scheme offered our Funeral Service clients the chance to remember their loved ones by hanging a message on the tree, many of whom made a donation to our local hospices in their memory. Once again the Society elected to make donations to local charities instead of sending corporate Christmas Cards, along with many colleagues who gave donations instead of sending cards to each other.

The Directors take great pride in the work undertaken across East Anglia within local communities, and appreciate the commitment given by the Membership and Community Committee, Senior Managers, and the involvement of Members, tutors, volunteers and helpers.

Membership and Community Committee

Mary Blacksell	Ann White-Howles
Gillian Bober	*Scott Grimmer (N)
Dianne Dallender-Jones	*Bill Knowles (S)
Ian Grimwood	*Stan Kordys (E)
Clive Mann	*Chris Newbury (S)
John Pendle	

*County Forum Representative
(N) Norfolk, (S) Suffolk, (E) Essex

Co-operative County Forums

NORFOLK	SUFFOLK	ESSEX
Scott Grimmer	Gwen Carey	Christopher Burrow
Derek Heffer	Deborah Carr	George Craft
Karyn Proctor	Peter Coghill	Michael Dale
Kathy Walsh	Vanessa Gregory	Stan Kordys
Karin Winter	Frances Hartley	Yvonne Peperell
	Jill Higgleton	John Saville
	Bill Knowles	
	Trevor Lockwood	
	Chris Newberry	
	Barry Saunders	
	Gordon Soames	
	Margaret Tillotson	

THE TEN KEY SOCIAL AND CO-OPERATIVE PERFORMANCE INDICATORS

Co-operatives across the country have adopted a standard set of key social and Co-operative performance indicators in order to measure the application of Co-operative values and principles in non-trading matters.

Member economic involvement: Trade (£) conducted with Members as a proportion of Total Sales (%).

To the extent that it can be measured, trade with our Members accounted for 48% of the Society's total sales (2007/08: 39%).

We aim to increase membership and Member sales through special Members' sale events, continued promotion of the Dividend card, and through our Member engagement programme.

Member democratic participation: Number of Members voting in elections as a % of total Membership.

In 2008/09 a total of 1,669 Members voted in Society elections (2007/08: 648). This represents 0.38% of the Society's membership that is entitled to vote. During 2008 the Society introduced the option of postal voting as an alternative to voting in person at the Society's Members' Meetings.

Participation of employees and Members in training and education schemes: Average number of hours of training received per employee and per Member per year.

The total number of hours of training given to employees during 2008 was 27,745. This translates to 5.29 hours of training per employee for the year (2007/08: 31.73 hours reflecting the cascading of detailed training throughout the organisation on a new employee handbook and approval system).

The Society maintains a Departmental team that aims to increase Society membership, deepen Members' engagement with the Society, promote an extensive range of social, cultural educational and recreational activities.

The Society has now established three County Forums under the terms of reference of the Society's Membership and Community Committee, along with a number of community groups based across the Society's trading area. The County Forums aim to meet quarterly. The Society is not able to translate these activities into a meaningful figure expressed in hours per active Member.

Staff Injury and absentee rates: Average number of accidents/injuries, and average working days lost through injury, illness etc per employee.

There were 49 reportable incidents in 2008 (2007: 58), representing a 16% reduction. The total number of minor accidents reported in 2008 was 737 (2007: 966), a reduction of 24%.

Days lost through injury/illness are not currently recorded separately from those arising from other work place incidents.

Staff Profile - gender and ethnicity: The Proportion of Male/Female staff. The percentage of staff from particular ethnic backgrounds.

At the year end, the Society had 5,242 employees (2007/08: 5,590), consisting of 1,579 males (2007/08: 1,913) and 3,663 females (2007/08: 3,677). There are 175 women in management grades (2007/08: 176) which accounts for 39.6% of the total management positions (442 in total).

During 2008 the Society completed the integration of its personnel systems. This will allow for the facilitation of a full ethnicity report to be produced for 2009/2010.

Customer satisfaction %: The percentage of customers who are satisfied with a key aspect of the business.

The Society has not to date invested in a formal programme of customer satisfaction surveys.

We closely monitor product availability through our distribution centre, and recorded a level of 95.8% product availability through

that facility for the year. We are always looking for ways to improve our customer service and take careful note of the comments, both complimentary and critical that we receive by correspondence, e-mail, telephone or directly at Member events. The Society recorded approximately 1,370 customer complaints last year arising from 40 million transactions.

Consideration of ethical issues in procurement and investment decisions: A description of the way in which ethical issues are considered in purchasing and investment decisions.

The majority of our procurement is done through our membership of the Co-operative Retail Trading Group (CRTG). We support the ethical buying policies of CRTG.

We have also made a number of decisions regarding the sourcing of products and services, including:

- ensuring that the benefits of Fairtrade products are promoted as well as the products themselves;
- seeking to work with local suppliers, for example, sourcing the Tastes of Anglia selections in many of our supermarkets and foodstores; and
- sourcing all our electricity from renewable (Type I Green) energy sources.

Investment in community and Co-operative affairs:

The proportion of pre-tax profits invested in the community and Co-operative initiatives per year.

A significant proportion of the budget of the Membership and Community Committee (£469,000) relates to community and Co-operative matters (i.e. excluding pure Membership development work) (2007/08: £458,000).

During the year the Society donated £150,000 to the Co-operative Loan Fund. The Society has also contracted with the Phone Co-op for Telecom Services to its new Head Office.

Net Carbon Dioxide (CO₂) Emissions arising from operations (tonnes): Net tonnes of CO₂ emissions associated with energy used for all on-site operations over the year.

For 2007/08 the Society reported a reduction in CO₂ emissions of 22,900 tonnes due to a move to CCL (Climate Change Levy) Exempt Green Electricity. Based on the same conversion factors as last year, for 2008/09 the Society has displaced 26,498 tonnes by bringing more of our electricity supplies onto CCL exempt Green Electricity contracts, an improvement of 3,598 tonnes. This figure has further increased to 33,092 tonnes due to a change in Government conversion figures.

There have been a number of projects and initiatives, including the introduction of smart metering, which have led to reduced energy consumption and therefore reduced CO₂ emissions. These have realised carbon reductions of approximately 222 tonnes annually.

Waste recycled/reused as % of waste arising: The weight or volume of waste recycled and/or reused as a proportion (%) of total waste.

At the end of the financial year we were recycling approximately 41.9% of our waste (2007/08: approx 39%), the bulk of which included the recycling of cardboard and plastic packaging material through the Distribution Centre.

Under the terms of the Waste Electrical and Electronic Equipment (WEEE) directive, the Society also contributes financially to a government backed compliance scheme to subsidise the return of electrical goods to Local Authority recycling centres.

CORPORATE GOVERNANCE REPORT

OVERVIEW

The Board is pleased to report on the governance policies and practices within the Society for the year ended 24 January 2009. This report is published in accordance with the Code of Best Practice adopted by the Co-operative Congress in May 2005. The Code, which established a set of overarching governance principles together with 'key' and 'supporting' provisions, applies to all members of Co-operatives^{UK} (the apex body for co-operative enterprises in the UK).

The Board has a responsibility to ensure that the Society complies with those recommendations in the Code that are appropriate to its circumstances and to report to members thus, and where this is not the case, to explain to members the reasons why. This report serves to meet these obligations.

The Board believes the Society's governance arrangements are appropriate for an organisation of its size, nature and complexity, although there are a number of areas of the Code, detailed on page 25 in this report, where the Society does not comply.

The following sections in this report cover the key areas of governance as set down in the Code.

The Board would welcome questions and comments from members on this report at the Society's Annual General Meeting, or otherwise. Interested members are welcome to contact the Secretary in the first instance.

A copy of the Code is available from the Secretary.

PRINCIPAL ACTIVITIES

The Society's principal business activities are Food and Non-Food retailing and Funeral Services. In addition, the Society has interests in retail garages and manages a significant investment property portfolio. During the year, the Society was also engaged in dairy production and distribution. The dairy distribution business was sold in February 2008, and the dairy production plant was closed in March 2008.

MEMBERSHIP

Membership stands at the heart of any true co-operative enterprise and is vital to building the future of the Society. The Board is in the process of strengthening the Society's Membership Development team that undertakes the development programme under the oversight of the Membership and Community Committee. The aim is to recruit, engage, develop and involve members in the Society, as well as reaching out to those members who have not engaged with the Society previously. In addition, the Society has more traditional member engagement channels – principally, the Annual General Meeting and the half yearly meetings. These are publicised through the Society's membership magazine, on posters in all trading outlets, and on the Society's website.

A report on the activities of the Membership and Community Committee is included at pages 11/12 of this report.

APPLICATION OF PROFITS

The distributions from trading profit recognise and reward members and the community for their contribution to the Society. The Members' Card records points for purchases from the Society and, based on trading in the year to 24 January 2009 the Society proposes to pay a dividend of £1 per 398 points collected up to 24 January 2009 (2008: dividend of £1 per 397 points collected up to 26 January 2008). This will be paid in Society vouchers shortly after approval at the Annual Members' Meeting in May 2009.

Financial Reporting Standards determine how we treat this dividend and other profit distributions in our accounts. Our rules determine how the profit can be used. The table overleaf analyses the way that we plan to distribute the profit made in the year under review, in accordance with these rules. The aggregate dividends recognised as an expense in the year amount to £4,029,000 (2008:£3,653,000).

The Society's policy with regards to use of its profits, is the application of profits in one financial year should not exceed the profit available for distribution (adjusted for any surplus as arising on its sale of assets and/or any unrealised losses on investment properties) from the previous year.

	Year ended 24 January 2009 £000	Year ended 26 January 2008 £000
Profit before distributions and taxation per the financial statements	12,392	12,804
Less taxation	(5,613)	(3,317)
Less surplus on sale of assets	(4,246)	(24)
Add impairment of investment properties	6,073	633
	8,606	10,096
Adjustment for items expensed in the year out of prior year profits		
Employee bonuses	751	81
Co-operative Party	30	28
*Revised profit available for distribution	9,387	10,205
	Proposed application during year ahead	Actual application during year ended 24 January 2009
Interest on share accounts	(227)	(536)
Dividend	(4,234)	(4,029)
Employee bonus	(813)	(751)
Member and communities	(504)	(469)
Healthcare	(250)	(245)
Co-operative Loan Fund	-	(150)
Community	(25)	(25)
Co-operative Party	(30)	(28)
*Profit retained by the Society	3,304	3,972

*This represents non statutory measures and are shown for the purpose of providing additional information to Members.

THE BOARD

The Board - duties and responsibilities

The Board is responsible for setting the Society's policy objectives, monitoring the achievement by management of those objectives, and identifying and managing risk. In addition, and given the distinctive nature of co-operative societies, the Board has a duty to ensure that the Society operates as a bona fide co-operative and adheres to the values and principles unique to such organisations. All Directors on the Board, which collectively is responsible for the success of the Society, are equally responsible in law for the Board's decisions and are bound by the overriding fiduciary duty to act in good faith in pursuit of the best interests of the Society as a whole.

The Society's rules prescribe certain duties and responsibilities that are the sole preserve of the Board. In addition, the Board has a formal schedule of matters reserved for its decision. The rules and the schedule include, for example, all matters concerning the determination and general operation of the Society's rules, all aspects of membership policy, the appointment and removal of the Chief Executive and the Secretary, approval of all funding arrangements and approval of

property acquisitions and disposals above certain thresholds.

The Board has delegated the day-to-day management of the Society's activities to the Chief Executive and Management Executive who are responsible for the execution of the Society's strategy within the framework laid down by the Board.

Board procedures

The Board meets approximately monthly throughout the year. At its meetings it receives reports from management on trading and other matters, reviews the financial performance of the Society by trading period and cumulatively for the year and considers papers presented for decision or information. Whenever possible, papers are circulated in advance to give Directors the opportunity to prepare for meetings, and the minutes of all Board meetings are submitted to Directors for their review and approval. Decisions made are actioned as appropriate by management.

In addition, the Board holds ad-hoc meetings to consider particular issues and informal meetings to consider strategic and other issues. The Board meets in private session without the presence of management as and when required.

Independent advice

The Directors have access to the advice and services of the Secretary who has responsibility for advising the Board on governance matters.

A number of external consultants also provide advice to the Board and its committees. There is an agreed procedure by which Directors may take independent professional advice at the Society's expense in furtherance of their duties.

During the year the Directors and Management Executive sought professional external advice as set out in the table below.

Mercer provide actuarial and administration services to both the Society and the Trustees of the Society's pension funds, but these services are provided by different actuaries. The risk of any potential conflict of interest materialising is monitored by Mercer, the Society and the Trustees, and no such conflict is considered to have existed at any time during the year.

Board training and evaluation

In October 2007, the Board undertook a Skills Audit and Board Performance Appraisal which identified a number of potential training areas. Since then, training has been provided on a range of subjects by internal and external providers. Continuing recent practice, the Board has also

participated in a number of strategy-setting discussions, some of which have been externally facilitated. Further consideration will be given to Director training needs during 2009 under a programme monitored by the Board's Search Committee.

During the year, the Board, through its Search Committee, established a formal programme for the induction of new Directors. The process involves the provision of essential induction material as well as discussion meetings with the Society's Secretary and members of the Management Executive. Progress monitoring is carried out by the Secretary and the Search Committee by reference to an induction log-book which new Directors are required to complete.

Board size

At the close of the year under review, the rules provided for a Board of eighteen Directors. This will be reduced to sixteen in May 2009. The Directors are now elected by all members across the region irrespective of where the candidates or the members live.

Terms of office

The standard term of office on the Board is four years with approximately one quarter of the Board retiring each year.

The rules also prescribe that a Director may be removed from office at any time by a two-thirds majority of the votes cast at a special meeting.

Consultant	Purpose	Fees Paid £000
PricewaterhouseCoopers LLP	External auditors	94
KPMG LLP	Corporate Tax compliance, advice on investigations, VAT review, capital allowances claims	392
Hewitt New Bridge Street Consultants	Executive remuneration	6
Fenn Wright	Property valuations	180
Stanley Bragg Architects	Planning applications and design of property developments	79
MLM	Structural engineers	36
Mercer (Actuary and Administration)	Pension fund valuations for annual financial statements (FRS 17) and advice on triennial valuation	91
Jackson and Partners	Legal advice	60
Kerseys	Legal advice	69

In addition the Trustees of the Society's pension funds received external advice at the Society's expense as follows:

Consultant	Purpose	Fees Paid £000
KPMG LLP	External auditors	14
WM Company	Pension fund performance	5
Mercer	Actuarial, administration and investment consultancy	261
Gissings	Pension scheme review	6
Shoosmiths	Legal advisors	49
Hewitt New Bridge Street Consultants	Executive pension	2

The President and Vice-President

The Board is chaired by the President who is supported by a Vice-President. Both posts are elected each year by the Board of Directors. The President leads the Board in the determination of Society policy.

The President cannot be an employee of the Society and cannot hold office for more than four years in a row.

Board independence

To ensure the Board retains its independence, the Society's rules prescribe that neither a Director, nor their spouse nor partner, may be engaged in a managerial capacity in any business which competes with the Society or has an interest of more than 1% of the issued share capital of a business trading with the Society.

In addition, no more than four directors on the Board (two from May 2010) can be current employees or in receipt of a pension from the Society, and Directors must resign their position at the next member meeting following their 68th birthday.

The Secretary maintains a register to record any conflicts of interest that may arise for Directors and the Management Executive of the Society. Formal updates to the register are requested annually, and individuals are charged with informing the Secretary at the first opportunity of any conflicts should they arise in the interim. The register is open to inspection by members. In addition, at each Board or Committee meeting, directors are asked to declare any interests they may have in relation to the business on the agenda.

The Board believes the above measures serve to ensure the independence of Directors and management is safeguarded.

Board attendance record

The table on page 18 lists the attendance record of directors at Board and Committee meetings for the year under review. The figures show the number of meetings each director actually attended, against the number of meetings they were eligible to attend (this latter figure is shown in parenthesis).

Elections

During the year, elections to the Board were conducted by postal voting and voting in person at the Annual Meeting. The Board is keen to encourage Members to use the facility for postal voting.

In May 2008, there were four vacancies on the Board. Of the five candidates who contested these places, two

were also employees and only one could be elected owing to the limit of 4 such directors referred to above. An election therefore took place to determine which employee candidate would be appointed.

BOARD COMMITTEES

The Board has appointed a number of Committees to review specific matters on its behalf and to bring forward recommendations for consideration by the Board as and when appropriate. The membership of these Committees and the number of meetings that were held during the year are shown on the attendance table.

Audit Committee

The Audit Committee comprises up to seven directors with a current membership of five, see the table on Page 18. During the year Ann White-Howles was appointed to the committee. In November the Committee re-appointed John Pendle as Chair and Phil Hartwell as Deputy Chair. The committee members bring a diverse range of experience to their work, although they do not have recent and relevant experience of financial audit practice.

The Committee met formally nine times during the year, with Management Executive as well as with the external auditors present as appropriate. The Committee also exercised its prerogative to meet the Society's external auditors and the internal audit function without the presence of Management Executive. Between meetings the Chair and Deputy Chair maintained a dialogue with the Management Executive, External Auditors and the internal audit function.

The Committee's terms of reference are based on the Co-operatives^{UK} Code of Best Practice. These provide the Committee with a focus on ensuring the routine use by the Society of appropriate and effective controls. To support this focus Grant Thornton LLP were appointed as advisors to the Committee on Information Technology and Communications related matters.

One of the Committee's key roles is to review the Society's accounting policies and judgments and to recommend any necessary changes to the Board. The Board has sole responsibility for agreeing the policies.

The Committee evaluates on a regular basis, the work of the internal audit function and reviews its effectiveness. The Committee also keeps under review the relationship with the External Auditors, including their terms of engagement, independence, objectivity and effectiveness.

BOARD AND COMMITTEE MEMBERSHIP Attendance shown 9(11) means 9 meetings attended out of a possible (11)

DIRECTORS	Term of Office		Board	Remuneration	Audit	COMMITTEES					Fees Received	
	Last Elected	Term Ends				Co-op Party Working Group	Membership and Community	Search	New Ventures	Healthcare Review		Pension Trustee Colchester & East Essex Scheme
PRESIDENT											£	
Gillian Bober*	May 08	May 12	14(14)	6(6)			4(7)			4(4)	11(11)	6,442
VICE-PRESIDENT												
Phil Hartwell	May 07	May 11	14(14)	3(4)	7(8)				4(4)			6,442
Colin Barrett	May 07	May 10	14(14)		5(8)						4(7)	6,442
Colin Beales	May 06	May 09	5(10)							2(3)	2(4)	4,470
Mary Blacksell	May 07	May 10	14(14)				6(7)			1(1)		6,442
Graham Bober	May 06	May 10	13(14)	6(8)	3(5)	1(1)		5(7)			7(7)	6,442
John Booth	Oct 04	May 08	5(5)							2(2)		2,608
Jackie Bowis	May 07	May 10	11(14)						3(4)	3(3)	4(7)	6,442
Tim Carey	Oct 05	May 09	10(14)	4(6)					4(4)			6,442
Mick Cornish	Oct 04	May 08	5(5)	1(1)	2(2)	1(1)						2,021
Dianne Dallender-Jones	May 06	May 09	11(14)	5(6)		0(1)	6(7)					6,442
Les Double	May 07	May 10	13(14)		2(5)				3(4)	3(4)		6,442
Ian Grimwood	Oct 05	May 09	13(14)			1(1)	2(2)	5(5)		2(2)		6,451
John Holmes	Oct 05	May 09	10(14)			0(1)			0(4)			6,442
Christine Hay	Oct 04	May 08	5(5)		2(2)		2(2)					2,021
Clive Mann	May 07	May 10	14(14)				5(7)			1(1)		6,442
Andy Moore	May 08	May 10	7(9)						2(3)			4,480
Celia Moore	May 07	May 10	12(14)		7(8)		5(5)	5(5)				6,442
John Pendle	May 06	May 09	12(14)	6(6)	8(8)		3(4)				8(11)	6,442
Roger Smith	May 08	May 12	14(14)	6(6)	6(7)			4(4)		3(3)		6,442
Ann White-Howles	May 08	May 11	9(14)				6(7)	2(5)	3(4)	3(4)		6,442

*On 1 November 2008, Mrs Bober was re-elected by the Directors to serve for a further year as President. Mr Hartwell was elected to the office of Vice-President, succeeding Mr Smith whose term was completed on that date. Mr Cornish and Mrs Hay retired from the Board on 14 May 2008 and Mr Beales resigned in October 2008. Mr Booth completed his term of office as Director on 14 May 2008 and elected in his place was Mr Moore. Several absences recorded above arose from Directors attending to other Co-operative duties or as a result of meetings being held at short notice.

During the year the Board confirmed their request for the Committee to extend its terms of reference to review the way that the Board routinely monitors and reviews the Society's performance. A number of improvements have already been implemented with further changes due in the next financial year.

The Committee collectively reviewed its performance against its terms of reference and individual committee members undertook relevant training.

Towards the end of the year the Chair and Deputy Chair supported the Management Executive as they appointed Mutual One Limited as Internal Auditors, following the resignation of the Society's Head of Internal Audit. The Committee looks forward to building its relationship with Mutual One as they undertake this critical task.

The Committee reports formally to the Board on its proceedings after each meeting, making recommendations to the Board on any and all actions and improvements that it deems appropriate.

Remuneration Committee

The Board's Remuneration Committee is established in accordance with the Co-operatives^{UK} Code of Corporate Governance Best Practice and has terms of reference as suggested by the Code with minor amendments to facilitate prompt reporting to the Board.

The Committee Membership is indicated on the list of Board and Committee attendances set out above. In November, the Committee re-appointed Graham Bober as Chair and appointed Roger Smith as Vice-Chair.

The Committee met five times during the year, with external consultants (New Bridge Street Consultants) and members of the Management Executive present at the discretion of the Committee. Executives were not present when specific aspects of their own remuneration were under review.

The key responsibilities of the Committee have been to review Director and Executive remuneration.

DIRECTORS' FEES

The Society Board is entirely non-Executive and Directors do not have service contracts with the Society. However, they are provided with a formal Letter of Appointment, setting out responsibilities, expected levels of attendance, fees etc.

Directors' fees are determined by the Society's Members on a recommendation from the Board, which itself considers a recommendation from the Remuneration Committee. At the Annual Meeting in May 2008 Members approved the retention of the formula for determining Directors' fees that was introduced in 2006. The fee for 2008-09 is £6,616, with no additional supplements payable for the particular offices (e.g. President, Vice-President or Committee Chair). There are no delegate fees payable for Directors attending meetings or conferences on behalf of the Society though all reasonable travel and subsistence is paid by the Society.

Having considered the Committee's recommendations in this matter, the Board is recommending that the formula be retained for 2009-10.

Directors do not participate in any bonus/incentive scheme but do receive staff discount.

COMMITTEE FEES

The Committee is responsible for the fees paid to Members directly elected to serve on the Membership and Community Committee. Currently, the fee is set at £750.

MANAGEMENT EXECUTIVE

In determining the remuneration of the Management Executive the Committee considers the following factors:

- The importance of attracting, retaining and motivating

management of the appropriate calibre to further the success of the Society;

- The linking of reward to both individual and business performance; and
- Ensuring that the interests of the Management Executive are aligned with those of the Society.

The main components of the Management Executive remuneration packages were:

Basic Pay

Executive salaries are reviewed annually as at 1 February.

The Committee's policy is to ensure that the basic salary for each Executive is appropriate and competitive for the responsibilities involved.

Salaries received by Executives during 2008-09 are set out in the table below.

Annual Executive Incentive Scheme/All Employee Scheme

On the recommendation of the Committee, the Board terminated the Executive performance-related incentive scheme that had been in place for 2006-07 and 2007-08. However, the Committee was required to determine the performance-related bonus for the year ended 26 January 2008, which was payable during 2008-09.

In accordance with the principal terms of the scheme, under which bonus accrued at a uniform 'straight-line' rate with 17.5% of basic pay being paid for on-target performance, up to a maximum of 35% for over-performance, the agreed payments are set out in the table on below.

During the year, the Board has introduced an all employee scheme, known as Employee Dividend and agreed an aggregate payment of £751,200. The Board

MANAGEMENT EXECUTIVE EMOLUMENTS (excluding pension contributions)

	Date of service contract or appointment	Basic salary £000	Salary Cap £000	Performance Related Pay £000**	Benefits in kind £000	2009 Total emoluments £000	2008 Total emoluments £000
Richard Samson	*30/10/05	314	48	29	16	407	409
Michael Faulkner	30/10/05	121	-	10	16	147	145
Maria McGettigan	25/03/06	121	-	10	21	152	156
Brian Salter	25/03/06	143	4	9	14	170	173
Roger Grosvenor	13/05/06	194	30	15	16	255	253
David Cook-Abbott	13/05/06	115	-	8	14	137	141

*Appointed Chief Executive ** Performance related pay for 2007/08 paid in the current year.

will decide on any appropriate rate of Employee Dividend each year, after considering other demands on profits, such as Members' Dividend and reinvestment in the business. The Board reserves the right to determine that all available profit will be paid to meet those demands. From 2008/09, the Management Executive will participate in this scheme on the same basis as other Society employees.

Salary cap

All current Executives are Members of one of or other of the final salary schemes. These schemes operate a common cap on pensionable salaries and this cap, which rises in line with inflation, amounted to £117,600 at the year end. The Society compensates Executives whose salary exceeds the cap to maintain the position as at the time of their appointment. The impact of this is assessed annually by the Society's pension adviser and appropriate sums are paid as additional remuneration.

SERVICE CONTRACTS

It is the policy of the Society for the notice period in Executive service contracts not to exceed one year.

SOCIETY PENSION PROVISION

The Society has two final salary pension schemes that are closed to new members and a Stakeholder scheme for employees who wish to save for their retirement.

The final salary schemes had an aggregate past funding deficit of £30.3 million based on the full actuarial valuations as at 31 December 2006. In response to this, the Board and the Fund Trustees agreed scheme Recovery Plans under which the Society will inject substantial cash sums over a period of years to rectify the deficits. The Recovery Plans have been filed with the Pensions Regulator.

During the year amendments to early retirements provisions within the Colchester and East Essex pension scheme gave rise to a curtailment gain.

The Stakeholder Scheme, details of which are available to employees on request to Human Resources, is administered by Co-operative Insurance Society. Employees may choose to contribute at a rate of 2.5% or 5% of pensionable salary and the society will contribute twice the employee rate (i.e. 5% or 10%).

Search Committee

The Search Committee was established in March 2008 with its core responsibilities being to review succession planning (at Board and Executive level); Director recruitment, induction and training; and Committee

appointments. The Committee has agreed a new induction workbook for Directors, overseen the introduction of training plans and logs and stimulated training on specific subjects identified during the 2007 Board skills audit.

The Committee is looking at ways to enhance the Society's democratic processes with particular attention on bringing forward suitable candidates to fill future Board vacancies.

New Ventures Committee

The New Ventures Committee was re-established in May 2008 with the aim of generating ideas, commissioning research and making recommendations to the Board on prospective new ventures that are in line with Board policy. The Committee has provided a constructive challenge for opportunities arising from the acquisition of a new Society Head Office and has been researching opportunities relating to the provision of legal services.

The Committee has also reviewed the Society's website and is keen to encourage development to ensure that this provides an effective marketing tool as well as a source of helpful information for Members.

Healthcare Review Group

The Healthcare Review Group was formed to advise the Board on how to implement the Society's policy of using the profit from the sale of tobacco products for promoting healthcare. On the Committee's recommendation, the Board has recently approved the acquisition of a multi-purpose commercial vehicle to provide a mobile health resource facility that will travel throughout the Society's Membership area. It is hoped that this activity might be carried out alongside similar initiatives by Primary Healthcare Trusts.

Co-operative Party Working Group

The Co-operative Party Working Group meets once or twice each year to review the benefits to the Society of maintaining an affiliation with the Co-operative Party. Recommendations are brought forward to the Board and may subsequently be put to Members in General Meeting concerning affiliation and the payment of consequent Party subscriptions.

Committee Performance Appraisal

The Board encourages its Committees to review their performance annually and to bring forward recommendations that might improve their effectiveness. This has led to regular updating of Committee terms of reference and occasional review of the Board Committee structure. The creation of the Search Committee was a direct result of such a review.

INTERNAL CONTROL

The Board has overall responsibility for the Society's system of internal controls which aim to safeguard the Society's assets, ensure that proper accounting records are maintained and that the financial information used within the business and for publication is accurate, reliable and fairly presents the financial position of the Society and the results of its business operations. The Board is also responsible for reviewing the effectiveness of the system of internal controls and for this purpose it has established the Audit Committee (see above). The system is designed to provide reasonable assurance of effective operations and compliance with laws and regulations, although any system of internal controls can only provide reasonable, not absolute, assurance against material mis-statement or loss, and can only mitigate rather than eliminate the risk of failure to achieve business objectives.

With the assistance of the Audit Committee, the Directors have continued to review the effectiveness of the Society's system of non-financial as well as financial controls, including operational and compliance controls, risk management and the Society's high level internal control arrangements.

The Society's internal control framework contains the following key elements:

Control Environment

The Society's control environment is designed to create an attitude of taking acceptable business risk within clearly defined limits. The control environment includes:

- an organisational structure with clear lines of responsibility, delegation of authority and reporting requirements;
- co-ordinated activity across the whole Society by the Chief Executive and Management Executive;
- clearly defined policies for capital and revenue expenditure. Larger capital and revenue expenditure proposals require Board authorisation;
- comprehensive systems of financial reporting. The annual budget and long-term plan of the Society and of each Department are reviewed and approved by the Board. Results are reported against budget and prior year. The relevant Executives consider any significant changes and variances and remedial action is taken where appropriate. Society tax, treasury and insurance activities are co-ordinated centrally; and

- an internal audit function which reports directly to the Audit Committee;

The Society has issued a formal Employees Handbook which sets out the policies that explain and illustrate the high standards of conduct and personal behaviour that are expected of all colleagues in their dealings with Members, customers, suppliers and each other.

The Employees Handbook also contains the Society's Whistle Blowing Policy and procedures.

Control Procedures

The Society's control procedures are designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include preventative controls (including physical and systems access controls), authorisation procedures, detective controls (including review and reconciliation procedures), segregation of duties, and reviews of processes by management, internal audit and the external auditors.

Monitoring

The operation of the system of internal control is the responsibility of line management. It is subject to review by the Finance Department and independent review by Internal Audit. Review also takes place, where appropriate, by the Society's external auditors and external regulators.

Information and Communication

At the start of each financial year Management Executive produces a business budget for the group based on each of the trading divisions. The Board reviews the underlying assumptions and resulting figures. Throughout the year, following each trading period, comprehensive performance reviews are presented by Management Executive that compare the results with both the budget and previous year. Significant variations are examined by the Board in detail.

Opinion on internal control system

The Audit Committee has reviewed the operation and effectiveness of the Society's internal control system during the year under review and through to the date of this report. The Committee considers that there have been no weaknesses that have resulted in any material losses or contingencies which require disclosure.

FINANCIAL AND BUSINESS RISK MANAGEMENT

The Board and Management Executive have the primary

responsibility for identifying the key business risks facing the Society. The Society operates a risk management process that identifies the key risks facing each business. Each business and division has a risk register which identifies the likelihood and impact of those risks occurring and the actions being taken to monitor and control them. Risk assessments are updated regularly and reported to the Audit Committee which has responsibility for establishing a coherent framework for the Society to manage risk. The objective of the Committee is to assist the Board in carrying out its responsibility to ensure effective risk management and systems of control.

Examples of significant risks to be managed by the Society follow:

Economic Environment

With the global economy in a time of uncertainty there has already been a marked shift in the macro-economic climate with indications of a significant slow-down in the UK. Whilst the nature of our core businesses provides a degree of protection against the general economic downturn affecting the UK we are vulnerable to falling revenues from our non-core categories.

Competition

The Society trades in highly competitive markets, and faces an increasing threat from national and international businesses seeking growth opportunities through expansion into new geographical areas, new formats and in some cases from food into non-food categories. The Society monitors competitor actions as far as is possible from information in the public domain and takes appropriate mitigating actions where possible.

Compliance with legislation and regulation

The Society is subject to a wide range of legislative and regulatory requirements, principally designed to protect our customers and employees, and the Society is naturally fully committed to complying with all such requirements. Significant resource is directed to training staff and monitoring the effectiveness of training in compliance obligations. Compliance failures can have serious implications for the trading performance of the unit concerned, or even for the Society as a whole, as well as potentially damaging our reputation.

Damage to our reputation and brand

The Society's reputation as an ethical retailer is based not only on our co-operative structure and philosophy, but also our longstanding commitment to ethical business

practices, the quality of our products and services and our ability to respond to changing member and customer demand for our products and services. Any failure to meet the high standards our members expect from us in these core areas will damage our reputation, and potentially affect the ongoing success of our businesses. In practical terms, elements of this risk are outside the Society's control as the Co-operative 'brand' is managed by many different societies in different parts of the country.

Pension schemes

The Society took action during the year to reduce the uncertainty as to future pension costs associated with the Society's pension schemes in years ahead, further details of which are provided on page 20. However, there remains a risk that key variables, such as life expectancy, and investment returns earned may vary from current expectations and potentially increase the future costs that will have to be borne by the Society.

Property investment values

The Society's property portfolio comprises both trading and investment properties. The latter are revalued on a regular basis in line with generally accepted accounting principles and in commercial terms provide a significant source of investment income to the Society. Any downturn in the commercial and residential property markets is likely to impact this income stream and in consequence, reduce the capital value of those investments.

Price risk

The Society is exposed to commodity price risk as a result of its operations. Examples include the costs of different agricultural products that have a direct or indirect impact on input costs charged to the Society by its suppliers, the cost of diesel fuel and the cost of electricity, which each fluctuate with conditions of supply and demand in both local and international markets. However, given the size of the Society's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the Society's operations change in size or nature. The Society has no exposure to equity securities price risk as it holds no listed equity investments.

Credit risk

Credit risk is managed on Society-wide basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables and

committed transactions. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards and as such the Society is not generally exposed to credit risk. Debt finance is only offered to members, and is subject to pre-approval by the credit control team following credit-checks and review of membership history. The Society has limited exposure to credit risk by virtue of its diverse customer base.

The credit risk on deposits and cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Society has significant liquid assets and as such its exposure to liquidity risk is considered low.

Interest rate cash flow risk

The Society has interest bearing assets, which attract interest at variable rates of interest. The Society does not have any debt and as such is not subject to interest rate cash flow risks on such liabilities.

Exchange rate risk

The Society enters into a relatively small but increasing proportion of purchase commitments with overseas suppliers and denominated in currencies other than sterling (predominantly US dollars). To date, the Society's potential exposure to movements in the £/USD exchange rate has not been significant, although this position is monitored on an ongoing basis.

CORPORATE MATTERS

Employees

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Society as a whole. Communication with all employees continues through the in-house newsletters and briefing groups.

Equal opportunities

We have continued our policy of equal opportunities including the employment of people with disabilities. We ensure full and fair consideration is given to applications for employment where a disability is advised, having regard to particular aptitudes and abilities.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Society continues and the appropriate training is arranged. 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.

Supplier payment policy

It is our policy to agree the terms of payment as part of the commercial arrangement negotiated with suppliers and then pay according to those terms once we receive an accurate invoice. Trade creditor days as at 24 January 2009 were 25 days (2008: 13 days). This represents the ratio, expressed in days, between the amounts we are invoiced by our suppliers in the year and the amounts due at the year end to trade creditors.

Political and charitable donations

The Society's rules provide that an annual grant may be made to the Co-operative Party as the Board of Directors shall determine. For 2008-09, the Board agreed to maintain its affiliation to the Co-operative Party and approved an aggregate subscription of £29,961 (2008 : £27,695) on receipt of activity reports from the National Party and the Norfolk, Suffolk and Essex local branches.

Auditor independence

To ensure auditor independence and objectivity is safeguarded, the Board has a policy of monitoring any non-audit work undertaken by the Society's auditors. All non-audit engagements of the external auditor require formal approval by the Committee except that the Committee's authorisation is not required where the External Auditor will be undertaking the proposed engagement in conjunction with other external organisations (as a member of a consortium; as a sub contractor or through some other relationship) and the External Auditor will receive less than 15% of the value of the contract.

In addition the Society and its auditors have both adopted a policy whereby the audit engagement partner does not conduct the Society's audit for more than five years.

Directors' and Officers' indemnity insurance

The Society maintains appropriate directors' and officers' liability insurance cover in respect of legal action against its directors. The arrangements for this were reviewed during the year

Difference between market and Balance Sheet Values of land

In the opinion of the directors, the difference between the market value and balance sheet value of land is not significant.

Post Balance Sheet Events

On 31 March 2009 the Society entered into a period of consultation that may lead to the closure of four of its Department Stores.

Subsidiaries

During the year, the Society maintained the following subsidiary societies and companies:

Active Subsidiaries:

A Smith & Sons (Funerals) Limited
(Funeral furnishing company)

Anglian Convenience Stores Limited
(Foodstore company)

Ardencrest Limited
(Property holding Society)

Colchester & East Essex Co-operative (Trustees) Limited
(Pension Trustee Company)

Local Convenience Stores Limited
(Property holding company)

W H Shephard Funeral Furnishing Services Limited
(Funeral furnishing company)

Dormant Subsidiaries:

Colchester & East Essex Co-operative
Chemists Limited*

Colchester Funeral Services Limited

INCS Limited

*This company was dissolved 22 September 2008

Statement of Compliance

To help members assess the Society's governance arrangements, the Society is required to specify those elements of the Code with which it does not comply. This section covers this requirement. The matters listed will be kept under review by the Board.

Members should note that the Society is required to complete a compliance questionnaire, drawn up by Co-operatives^{UK}, to enable a formal assessment of its compliance with the Code by Co-operatives^{UK}. This questionnaire will be available to members on request. Those interested should contact the Secretary.

Board size

After the merger of the Ipswich and Norwich Co-operative Society and the Colchester and East Essex Co-operative Society the Board was comprised of twenty Directors. This is being reduced under the new rules to sixteen in May 2009. However, the Code recommends a maximum of fifteen Directors.

Professional External Directors

Whilst the Society's new rules allow the co-option of professional external directors, the Board does not believe co-option is currently appropriate for a bona fide co-operative that believes in the principle of democratic member control. Should expert opinion be required by the Board, independent to that provided by management, the Board is content to engage external professionals on an as needs basis.

Audit Committee Membership

The Audit Committee does not contain at least one member with recent and relevant financial experience as recommended under the Code. The Directors of the Society are elected by and from the Society's members and currently no eligible director has the specific experience. Members of the Audit Committee are aware of this issue which is mitigated through the Committee's training programme.


Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and their reappointment has been approved by the Board.

Statement of disclosure of information to Auditors

So far as each of the Directors are aware, there is no relevant audit information of which the Society's auditors are unaware, and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

On behalf of the Board.



Chief Executive



Secretary



President

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Industrial and Provident Society Law requires the Directors to prepare financial statements for each financial year.

The financial statements are required by law to give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for the period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial Statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial statements comply with the Industrial and Provident Society Acts. They have 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 and financial information included on the Society's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The Board of Directors has considered the requirement of the Corporate Governance Code of Best Practice for Consumer Co-operative Societies to confirm its view that the Society can be regarded as a going concern. After making all appropriate enquiries, the Directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future.

Board Certification

The Financial Statements on pages 29 to 48 are hereby signed on behalf of the Board of Directors pursuant to Section 3(5)(c) of the Friendly and Industrial and Provident Societies Acts 1968.

On behalf of the Board.



Gillian Bober
President



Richard Samson
Chief Executive



Phil Hartwell
Vice-President



Michael Faulkner
Secretary

18 April 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST OF ENGLAND CO-OPERATIVE SOCIETY

We have audited the group financial statements of East of England Co-operative Society Limited for the 52 weeks ended 24 January 2009 (the 'financial statements') which comprise the group revenue account, the group balance sheet, the group cash flow statement, group statement of total recognised gains and losses, the reconciliation of movement in members' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Society's members as a body in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and the Industrial and Provident Societies (Group Accounts) Regulations 1969. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the statement on pages 14 to 25 reflects the Society's compliance with paragraph D1.1 (paragraph 5), D2.1, D2.4, D3.1 (paragraph 3) and D3.2 of the Co-operatives^{UK} Limited's Corporate Governance Code of Best Practice issued in May 2005, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls or form an opinion on the effectiveness of the Society's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 24 January 2009 and of its profit and cash flows for the 52 week period then ended;
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and the Industrial and Provident Societies (Group Accounts) Regulations 1969; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Norwich

18 April 2009

Notes

a) The maintenance and integrity of the East of England Co-operative Society Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Group Revenue Account

For the 52 weeks ended 24 January 2009

	Note	2009		2008 As restated	
		£000	£000	£000	£000
Gross value of sales (including VAT)			431,324		441,187
Less Gross Concession sales			(14,699)		(14,865)
Gross sales of the Society (including VAT)			416,625		426,322
Less Value Added Tax			(34,688)		(34,499)
Total turnover			381,937		391,823
Turnover is analysed as:					
Continuing operations		380,613		368,959	
Discontinued operations		1,324		22,864	
Total turnover	1		381,937		391,823
Cost of sales	2		(273,928)		(277,603)
Gross profit			108,009		114,220
Operating expenses	2		(98,975)		(104,498)
Trading profit before surplus on sale of assets and employee bonus					
Continuing operations		9,281		8,854	
Discontinued operations		(247)		868	
Trading profit before surplus on sale of assets and employee bonus	1		9,034		9,722
Employee bonus			(751)		-
Surplus on sale of assets			12		24
Trading profit after surplus on sale of assets and employee bonus			8,295		9,746
Restructuring costs	2		(1,626)		-
Net surplus on sale of the dairy distribution business and closure of dairy production business	22		4,234		-
Profit before interest, distributions and taxation			10,903		9,746
Interest receivable	8		2,161		2,778
Interest payable			(2)		(9)
Other finance (cost)/income	14		(670)		289
Profit before distributions and taxation			12,392		12,804
Dividend			(4,029)		(3,653)
Grants/donations	4		(644)		(478)
Profit before taxation			7,719		8,673
Taxation	5		(5,613)		(3,317)
Retained profit for the year			2,106		5,356

Alternative performance measure		2009	2008
- Underlying trading profit		£000	£000
		10,903	9,746
		6,073	633
		(2,937)	-
		1,626	-
		(4,234)	-
		11,431	10,379

Group Balance Sheet

As at 24 January 2009

	Note	2009		2008 As restated	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	6		7,645		6,667
Tangible assets	7		216,692		210,296
Investments	8		11,380		10,236
			235,717		227,199
Current assets					
Stocks		23,446		24,354	
Debtors	9	14,593		10,954	
Investments	8	15,630		40,437	
Cash at bank and in hand		9,827		3,396	
		63,496		79,141	
Current liabilities					
Amounts falling due within one year -					
Creditors	10	(29,117)		(22,800)	
Loans	11	(79)		(81)	
		(29,196)		(22,881)	
Net current assets			34,300		56,260
Total assets less current liabilities			270,017		283,459
Long term liabilities					
Amounts falling due after more than one year -					
Creditors	10		(14,017)		(11,814)
Provisions for liabilities					
Deferred tax	5		-		(461)
Net assets excluding pension liabilities			256,000		271,184
Pension liabilities					
Deficit on defined benefit schemes net of deferred tax	14		(20,458)		(26,422)
Other retirement benefits	15		(988)		(937)
Net assets			234,554		243,825
Capital and reserves					
Share capital	13		18,589		18,640
Revaluation reserve	16		30,860		36,470
Revenue reserve	17		185,105		188,715
Members' funds			234,554		243,825

Group Cash Flow Statement

For the 52 weeks ended 24 January 2009

	Note	2009		2008	
		£000	£000	£000	As restated £000
Net cash inflow from trading activities	18		15,166		14,389
Returns on investments and servicing of finance					
Share interest paid		(603)		(595)	
Interest received		2,319		2,530	
Interest paid		(2)		(9)	
Net cash inflow from returns on investments and servicing of finance			1,714		1,926
Taxation					
Corporation tax paid			(6,757)		(4,917)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(27,648)		(10,253)	
Receipts from sale of tangible fixed assets		100		145	
Payments to acquire fixed asset investments		(9)		-	
CIS Funeral Bond Investment	8	(1,328)		(2,124)	
Net cash outflow from capital expenditure and financial investment			(28,885)		(12,232)
Acquisitions and disposals					
Acquisition of subsidiary undertaking		-		(2,428)	
Acquisition of business		-		(7)	
Disposal of business		4,275		-	
Net overdraft acquired with subsidiary undertaking		-		(1,360)	
Net cash inflow/(outflow) from acquisitions and disposals			4,275		(3,795)
Dividend paid			(4,029)		(3,653)
Net cash outflow before use of liquid resources and financing			(18,516)		(8,282)
Management of Liquid Resources					
Reduction in current asset investments	8		25,000		2
Financing					
Movement in share capital	13	(51)		(546)	
Movement in other loans	19	(2)		(3)	
Repayment of bank loans		-		(4,423)	
			(53)		(4,972)
Increase/(decrease) in cash	19		6,431		(13,252)

Group Statement of total recognised gains and losses ('STRGL')

For the 52 weeks ended 24 January 2009

	Note	2009 £000	2008 £000
Retained profit for the year		2,106	5,356
Defined benefit pension schemes actuarial (loss)/gain	14	(7,194)	507
Movement on deferred tax relating to pension liability		2,014	(142)
Effects of change in tax rates on movement on deferred tax relating to pension liability		-	155
Brought in on transfer of engagements of the East Anglia Federal Co-operative Society Limited		-	254
Unrealised net deficit on revaluation of properties	16	(5,610)	(1,396)
Total gains and losses relating to the financial year		(8,684)	4,734

Reconciliation of movement in Members' funds

For the 52 weeks ended 24 January 2009

	2009 £000	2008 £000
Retained profit for the year	2,106	5,356
Decrease in share capital	(51)	(800)
Brought in on transfer of engagements of East Anglia Federal Co-operative Society Limited ('Federal')	-	254
Other recognised losses for for the year (shown in STRGL)	(10,790)	(876)
Share interest	(536)	(606)
Elimination of minority interest on transfer of Federal	-	343
Net (decrease)/increase in members' funds	(9,271)	3,671
Opening members' funds as originally stated	243,825	240,034
Prior year adjustments re funeral bonds	-	1,018
Prior year adjustments re pensions	-	(49)
Prior year adjustments re consolidation of Federal	-	(849)
Opening members' funds as restated	243,825	240,154
Closing members' funds	234,554	243,825

Accounting Policies

Basis of accounting

The following accounting policies have been applied consistently, other than as detailed below. The Group financial statements are prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Industrial and Provident Societies (Group Accounts) Regulations 1969, applicable accounting standards, (UK generally accepted accounting principles ("UK GAAP")) and under the historical cost convention modified to include the revaluation of certain land and buildings.

Changes in accounting policies

The Group has adopted the amendment to FRS 17, 'Retirement benefits'. As a result of this, quoted securities held as plan assets in the defined benefit pension scheme are now valued at bid price rather than mid-market value. As stated in note 14 to the financial statements, in the opinion of the Directors the adoption of the amendments to FRS 17 does not have a material impact on the comparative figures and as such no adjustments have been made.

Accounting date

The Group financial statements are made up to the fourth Saturday in January of each year. The current period is for the 52 weeks ended 24 January 2009 (2008 : 52 weeks ended 26 January 2008).

All societies and companies within the Group made up their accounts to 24 January 2009 except for Ardencrest Limited and INCS Limited whose year end is 31 January 2009.

Comparatives

The comparatives for gross value of sales, adjustment in respect of the gross value of agency sales, total turnover, cost of sales, tangible fixed assets, creditors and other retirement benefits balances have been restated in order to more accurately reflect the nature of the underlying transactions. There is no effect on net assets and profit for the comparative period.

In addition to the above, the comparatives for cash at bank and in hand and current asset investments have been restated to more accurately reflect the nature of the amounts held in short term deposit. The effect on the presentation of cash flows of the Society, is that the decrease in cash in the comparative year is restated to £13,252,000 (previously £4,852,000). The effect on net assets and profit for the comparative period is £nil.

Basis of consolidation

The Group financial statements consolidate the audited financial statements of East of England Co-operative Society Limited and all its subsidiaries.

Subsidiaries are those entities controlled by the Group. Control exists when the Society has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate line of business or geographical area of operation. Classification as a discontinued operation occurs upon disposal or

earlier if the operation meets the criteria to be classified as a discontinued operation, under FRS 3 'Reporting financial performance'.

Transfers of engagements

Assets and liabilities accepted under a transfer of engagements are restated at fair value, including any adjustments necessary to comply with the accounting policies of the Group. The resulting surplus or deficit is taken directly to reserves.

Turnover

Turnover includes cash sales, goods sold on credit, commissions and property rental income and arises wholly in the United Kingdom. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured.

Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales tax or duty. The following criteria must be met before turnover is recognised:

Sale of goods

Turnover is recognised at the point of sale.

Rental income

Rental income from operating leases, excluding charges for insurance and maintenance, is recognised on a straight-line basis over the period of the lease, even if payments are not made on this basis.

Agency fees and commissions

Turnover includes amounts in relation to commission receivable in respect of sales made on an agency basis, principally relating to travel and concession sales, and is recognised at the point of sale.

Gross sales

Gross sales is a memorandum disclosure and represents the total transaction value of all our services including VAT and hence, in respect of concession business, includes the total amount paid by customers, as opposed to the commission earned using the Group's turnover definition.

Investment income

Interest receivable is accounted for on an accruals basis. Dividends are accounted for when received.

Goodwill

Purchased goodwill, being the excess of the consideration paid for a business over the fair value of its net assets in respect of acquisitions since 1 January 1998 is capitalised and amortised evenly over its useful economic life. The useful economic life is assessed individually for each acquisition with a maximum useful life of 20 years. In accordance with FRS 11, 'Impairment of fixed assets and goodwill' an impairment review is undertaken at the balance sheet date after the first full year of acquisition, or if an event occurs which would impact the carrying value of the goodwill.

Purchased goodwill (both positive and negative) arising on business combinations in respect of acquisitions before 1 January 1998, when FRS 10 'Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs, any related goodwill previously written off to reserves is written back through the revenue account as part of the profit or loss on disposal.

Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows

(cash-generating units). Recoverable amounts for cash-generating units are based on value in use, which is calculated from cash flow projections for five years using data from the Group's latest internal forecasts, being one year detailed forecast and four year extrapolated forecasts, the results of which are reviewed by the board.

Tangible fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses. The assets' residual values and useful lives are reviewed annually, and adjusted as appropriate.

Depreciation is provided so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets in equal annual installments at the following principal rates:-

Investment property	Nil
Freehold buildings	2% per annum
Fixtures, fittings and plant	5/33.3% per annum
Transport	15/40% per annum

Depreciation is not provided on land.

Freehold properties transferred into the East of England Co-operative Society relating to the former Colchester Society were valued at their fair values on merger. This carrying value is deemed cost in the case of these properties.

Repairs

Repair expenditure is charged against profits in the year that the cost is incurred.

Investment properties

Certain of the Group's properties are held for long-term investment and, in accordance with SSAP 19 'Accounting for investment properties':

(i) investment properties are revalued at least once every five years at open market values by external valuers. In all other years, all investment property valuations are internally reviewed. All surpluses and deficits arising are taken directly to the revaluation reserve except that any permanent diminution in value of an investment property is taken to the revenue account for the year where the deficit exceeds any previously recognised surpluses;

and

(ii) no depreciation or amortisation is provided in respect of freehold investment properties and long leasehold investment properties.

Stocks

Stocks consist of goods held for resale and are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Where necessary, provision is made for obsolete, slow moving or defective stocks. The Directors do not consider the difference between the purchase price of stocks and their replacement cost to be material.

Provisions

The Group makes provision for liabilities and charges when it has a legal or constructive obligation arising from a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not discounted on the basis of materiality.

Taxation

The tax charge for the period comprises both current and deferred tax.

Taxation is recognised in the Group revenue account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous periods.

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. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the 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 a non-discounted basis.

Pension costs

The Group operates two defined benefit pension schemes covering certain full-time and part-time employees (both of which are closed to new members) funded by employees' and employer's contributions. The contributions are assessed in accordance with the advice of a qualified actuary based on actuarial valuations normally conducted every three years using the projected unit credit method. The assets of the schemes are held in separate trustee administered funds.

The deficit on the defined benefit schemes is recognised in full on the balance sheet and represents the difference between the fair value of the plan assets and the present value of the defined benefit obligation at the balance sheet date, net of any deferred tax asset. The pension charge recognised in the revenue account consists of current service costs. In addition a finance cost is charged based on the interest on pension scheme liabilities less the expected return on pension assets. Differences between the actual and expected return on assets, experience gains and losses and changes in actuarial assumptions are included directly in the statement of total recognised gains and losses.

Funeral plans

Amounts received in advance for funeral plans are recorded as liabilities on the balance sheet. The liability has been apportioned between current and long term liabilities based upon the Group's experience of funerals carried out under its pre-payment plans over the last five years. All money received for funeral plans taken out from 1 January 2002 is paid into a contract for whole life insurance on the life of the customer for the purpose of providing the funeral and disclosed within fixed asset investments. This is to comply with the provisions of the Financial Services and Markets Act 2000. Interest income earned in the year is not recognised in the revenue account, but is held on the balance sheet in debtors and released to profits on performance of the related funeral.

Share interest

The Group's members' share capital is maintained at a fixed nominal value and attracts a rate of interest. Share interest is disclosed as a movement in equity and within the reconciliation of movements in members' funds.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

(a) Trade debtors

Trade debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of any loss is recognised in the income statement within administrative expenses.

Subsequent recoveries of amounts previously written off are credited against operating expenses in the profit and loss account.

(b) Investments

Investments in shares are stated at cost less provision for any impairment in value.

(c) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the Group after deducting all of its liabilities.

(d) Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

(e) Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Dividends

Dividends are paid using dividend vouchers. The dividend vouchers issued during the year are valid for six months from the date of issue and as such only those that have been redeemed have been accounted for as payments at the year end. No liability is therefore held for those dividend vouchers not redeemed at the balance sheet date. Any unredeemed dividends are released to the profit and loss account for the year. Dividend distribution to the Society's Members is recognised as a liability in the Society's financial statements in the period in which the dividends are approved by the Board.

Employee bonus

The employee bonus approved by the Board during the year, was paid in the form of vouchers during the year and these were valid until the 4 April 2009. The full cost of vouchers has been accounted for as payments at the year end. A liability for the unredeemed vouchers at the balance sheet date has been provided for. Any unredeemed vouchers after the expiry date will be released to the profit and loss account for that year.

Use of non-GAAP profit measures - Underlying trading profit

The Directors believe that an underlying trading profit measure provides additional useful information for members on underlying trends and

performance. This measure is used for internal performance analysis. Underlying profit is not defined by UK GAAP and therefore may not be directly comparable with other societies or companies' adjusted profit measures. It is not intended to be a substitute for, or superior to, UK GAAP measurements of profit.

Underlying trading profit is calculated by reference to profit before interest, distributions and taxation, adjusted for impairments of investment properties, curtailment gains arising on the Society's defined benefit pension schemes relating to continuing activities and exceptional items.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Society's financial performance. Transactions which may give rise to exceptional costs/gains are principally re-organisation/restructuring costs and any surplus/deficit arising in respect of discontinuance of operations.

In determining underlying trading profit, it is considered appropriate to adjust for exceptional items as these gains or losses can have a significant impact on both absolute profit and profit trends.

Notes to the Financial Statements

			2009			2008
	Continuing £000	Discontinued £000	Total £000	Continuing £000	Discontinued £000	As restated Total £000
I Segmental reporting						
Turnover						
Trading	313,297	1,324	314,621	309,074	22,864	331,938
Property	5,018	-	5,018	4,261	-	4,261
Other	62,298	-	62,298	55,624	-	55,624
	380,613	1,324	381,937	368,959	22,864	391,823
Trading profit before surplus on sale of assets, employee bonus and exceptional items						
Trading	13,216	(247)	12,969	6,634	868	7,502
Property	(2,754)	-	(2,754)	2,212	-	2,212
Other	(1,181)	-	(1,181)	8	-	8
	9,281	(247)	9,034	8,854	868	9,722
Employee bonus			(751)			-
Restructuring costs			(1,626)			-
Surplus on sale of assets			12			24
Net surplus on sale of the dairy distribution business and closure of dairy production business			4,234			-
Interest receivable			2,161			2,778
Interest payable			(2)			(9)
Other finance (cost)/income			(670)			289
			12,392			12,804
Profit before distributions and taxation			12,392			12,804

Comparatives have been restated in order to more accurately reflect the nature of the underlying transactions.

Turnover consists entirely of sales made in the UK.

Discontinued operations in the financial year under review and the comparative period relate to the dairy distribution business sold on 16 February 2008 and the dairy production business which ceased on 15 March 2008.

			2009			2008
	Continuing £000	Discontinued £000	Total £000	Continuing £000	Discontinued £000	As restated Total £000
2 Expenses						
Cost of Sales	273,347	581	273,928	268,244	9,359	277,603
Personnel (note 3)	53,340	555	53,895	57,264	8,020	65,284
Occupancy costs	13,086	159	13,245	11,661	1,446	13,107
Hire of plant and machinery	152	3	155	16	-	16
Vehicle contract hire/lease	517	5	522	431	147	578
Depreciation and impairment of tangible fixed assets	6,938	-	6,938	6,888	510	7,398
Impairment of investment properties	6,073	-	6,073	633	-	633
Amortisation and impairment of intangible fixed assets	526	-	526	530	-	530
Auditors' remuneration - Fees payable for the audit of consolidated accounts	12	-	12	14	-	14
- Fees payable for the audit of the Society and its subsidiaries pursuant to legislation	82	-	82	96	-	96
Directors' fees (note 3)	119	-	119	117	-	117
Other expenses	17,140	268	17,408	14,211	2,514	16,725
Operating expenses	97,985	990	98,975	91,861	12,637	104,498

Restructuring costs of £1,626,000 relate to the rationalisation of head office functions, funeral divisional reorganisation, closure of non food warehouse and closure of a jewellery store. The Corporation tax impact was a £455,000 credit.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2009 Number	2008 Number
3 Employees		
The number of persons employed by the Group at the year end was:		
Full time	1,370	1,750
Part time	3,872	3,840
	5,242	5,590

	2009 £000	2008 £000
The cost incurred in respect of these employees was:		
Wages and salaries	53,396	56,950
Social security costs	3,318	3,825
Other pension costs (note 14)	(2,819)	4,509
	53,895	65,284

	2009 £000	2008 £000
Directors' emoluments		
The total remuneration of the Directors for their Board duties was as follows:		
Fees	119	117
Taxable benefits	1	2
	120	119

The number of Directors whose emoluments fell in each £5,000 bracket was as follows:

£0 - £5,000	5	3
£5,001 - £10,000	16	18

	2009 £000	2008 £000
Management Executive remuneration		
The total remuneration of the Management Executive was as follows:		
Salary	1,090	989
Taxable benefits	97	76
Performance related bonuses	-	162
	1,187	1,227

All of the Management Executive participate in the groups defined benefit pension schemes.

The remuneration of the Chief Executive (who is also the highest paid employee) included above was as follows:

	2009 £000	2008 £000
Salary	362	328
Taxable benefits	16	17
Performance related bonuses	-	50
	378	395

	2009 £000	2008 £000
Accrued annual pension	70	66
Increase in accrued pension (net of inflation)	3	3
Transfer value of total accrued pension	1,221	764

3 Employees (continued)

The emoluments (excluding pension contributions) of the members of the Management Executive fell in the following £10,000 brackets:

	2009 Number	2008 Number
£120,000 - £130,000	1	-
£130,000 - £140,000	1	-
£140,000 - £150,000	1	2
£150,000 - £160,000	-	1
£160,000 - £170,000	1	-
£170,000 - £180,000	-	1
£230,000 - £240,000	1	-
£250,000 - £260,000	-	1
£370,000 - £380,000	1	-
£400,000 - £410,000	-	1

	2009 £000	2008 £000
4 Grants/Donations		
Member and Communities expenditure	469	456
Donations	175	22
	644	478

	2009 £000	2008 £000
5 Taxation		
(a) Revenue account		
Current tax:		
UK corporation tax on profits of the year	2,118	4,548
Adjustment in respect of previous periods	(242)	1,071
Total current tax	1,876	5,619
Deferred tax:		
Origination and reversal of timing differences	(788)	(577)
Effect of tax rate change on opening balance	-	(203)
Effect of tax rate change on opening balance - FRS17 liability	-	867
Timing differences - FRS17 liability	4,334	(439)
Adjustment in respect of previous periods	191	(1,950)
Total deferred tax	3,737	(2,302)
Taxation charge for the year	5,613	3,317

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation (continued)**Factors affecting taxation charge for the year**

The standard rate of Corporation Tax in the UK changed to 28% with effect from 1 April 2008. The tax assessed for the period is lower (2008 : higher) than the standard rate of corporation tax in the UK (28.3%). The differences are explained below.

	2009 £000	2008 £000
Profit before taxation	7,719	8,673
Profit before taxation multiplied by an effective rate of corporation tax in the UK of 28.3% (2008 : 30%)	2,184	2,602
Effects of:		
Expenses not deductible for tax purposes	2,651	1,180
Accelerated capital allowances	(699)	58
Other timing differences	2,069	(504)
Pension cost charge in excess of pension cost relief	(4,334)	439
Capital gains	-	8
Effects of dividend stagger arrangement	336	765
Utilisation of tax losses	(89)	-
Adjustment in respect of previous periods	(242)	1,071
Current taxation charge for the year	1,876	5,619

Factors that may affect future taxation charges

Tax relief is obtained on pension contributions paid to the two defined benefit pension schemes. Because of the level of these contributions in the current year the relief will be spread over the next three years. Based on current capital investment plans, the Society expects to be able to claim capital allowances in excess of depreciation in future periods at a similar level to the current period.

	2009 £000	2008 £000
(b) Deferred tax asset/liability for deferred tax		
Accelerated capital allowances	1,281	(71)
Short term timing differences	(1,416)	622
Capital gains	186	186
Tax losses	(187)	(276)
Deferred tax (asset)/liability excluding asset relating to pension liability	(136)	461
Deferred tax asset relating to pension liability (note 14)	(7,956)	(10,276)
Total deferred tax asset	(8,092)	(9,815)

	2009 £000	2008 £000
Movement on deferred tax		
At the beginning of the year	(9,815)	(7,645)
Arising on acquisition of ACS	-	145
Charged/(credited) to the revenue account in the year	3,737	(2,302)
Charged to the statement of total recognised gains and losses	(2,014)	(13)
At the end of the year	(8,092)	(9,815)

Goodwill
£000**6 Fixed assets - Intangible****Cost**

At 26 January 2008	9,578
Additions	1,504

At 24 January 2009	11,082
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Amortisation

At 26 January 2008	2,911
Charge for the year	526

At 24 January 2009	3,437
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Net book value at 24 January 2009	7,645
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Net book value at 26 January 2008	6,667
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The additions in the year represent the finalisation of the purchase price allocation exercise in relation to Anglian Convenience Stores Limited, which was acquired in the year ended 26 January 2008. The adjustments made to the provisional fair values as reported in the financial statements for the year ended 26 January 2008, comprise, additional consideration due amounting to £404,000 and a reclassification of tangible fixed assets to reflect the valuation of certain leasehold properties and fixtures, fittings and plant as at the date of acquisition, amounting to £1,100,000.

	Land & buildings £000	Investment properties £000	Fixtures, fittings & plant £000	Transport £000	Total £000
7 Fixed assets - Tangible					
Cost or valuation					
At 26 January 2008 as originally stated	149,058	67,808	59,550	6,560	282,976
Prior year adjustments-reclassifications	5,605	15,532	10,437	4,279	35,853
At 26 January 2008 as restated	154,663	83,340	69,987	10,839	318,829
Additions	1,507	16,492	8,685	964	27,648
Disposals	-	(9)	(2,128)	(4,002)	(6,139)
Transfers	(6,763)	4,811	-	-	(1,952)
Revaluation	-	(12,878)	-	-	(12,878)
Fair value adjustment (note 6)	(649)	-	(537)	-	(1,186)
At 24 January 2009	148,758	91,756	76,007	7,801	324,322
Depreciation					
At 26 January 2008 as originally stated	27,121	-	40,501	5,058	72,680
Prior year adjustments-reclassifications	15,810	-	15,704	4,339	35,853
At 26 January 2008 as restated	42,931	-	56,205	9,397	108,533
Charge for the year	1,734	-	4,637	567	6,938
Disposals	-	-	(1,978)	(3,825)	(5,803)
Transfers	(1,952)	-	-	-	(1,952)
Fair value adjustment (note 6)	(19)	-	(67)	-	(86)
At 24 January 2009	42,694	-	58,797	6,139	107,630
Net book value at 24 January 2009	106,064	91,756	17,210	1,662	216,692
Net book value at 26 January 2008 as restated	111,732	83,340	13,782	1,442	210,296

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Fixed assets - tangible (continued)

Following a review of the Society's tangible fixed assets a number of fixed assets have been reclassified to reflect the correct categorisation.

The net effect on net assets and profit for last year is £nil. No deferred tax is provided on timing differences arising from the revaluation of fixed assets, unless by the balance sheet date, a binding commitment to sell the assets has been entered into and it is unlikely that any taxable gain will be rolled over.

Particulars relating to revalued assets are given below:

	2009 £000	2008 As restated £000
Investment properties		
At valuation	91,756	83,340
At historical cost	77,535	56,241

Revaluation of Investment Property

A full revaluation of the Society's freehold investment properties was undertaken by an independent firm of Chartered Surveyors, Fenn Wright as at 29 October 2005. The valuation was undertaken in accordance with the R.I.C.S. appraisal and valuation manual. Investment properties and properties held for development (non trading) were valued on an open market basis. During the course of the year 20% of the Society investment properties were valued by Fenn Wright on the same basis. The remainder have been valued by the Society Group General Manager Property on a consistent basis.

	Fixed Assets		Current Assets As restated		Interest	
	2009 £000	2008 £000	2009 £000	2008 £000	2009 £000	2008 £000
8 Investments						
Co-operative Group Limited - Shares	757	757	-	-	24	53
- Corporate Investor Shares	-	-	15,000	40,000	1,696	2,299
- Loans	764	764	-	-	34	41
Other I & P Societies - Shares	5	5	-	-	-	-
- Loans	1	1	-	-	-	-
Building Societies	50	50	-	-	1	1
Other	9	-	-	-	-	-
Overnight deposit	-	-	-	-	246	380
Funeral bonds - held with C.I.S.	9,794	8,659	630	437	-	-
Sundry interest	-	-	-	-	160	4
	11,380	10,236	15,630	40,437	2,161	2,778

Losses in respect of Funeral Bonds held with C.I.S amounting to £136,000 (2008: gain £1,121,000) have been debited to Funeral Bond creditors.

Furthermore interest received by the Society on Funeral Bonds held within the Society's investments has been credited to Funeral Bonds. The value of this credit is £231,000 (2008:£273,000).

	2009 £000	2008 £000
9 Debtors		
Trade debtors	6,258	8,027
Other debtors	2,313	617
Prepayments and accrued income	3,420	2,310
Corporation tax	2,466	-
Deferred tax	136	-
	14,593	10,954

The above amounts fall due within one year, with the exception of deferred tax.

	Due within 1 year		Due after 1 year	
	2009	2008	2009	2008
	£000	As restated £000	£000	As restated £000
10 Creditors				
Trade creditors	19,099	12,545	-	-
Corporation tax	-	2,415	-	-
Other taxation and social security	1,112	1,337	-	-
Other creditors	2,455	938	-	-
Accruals and deferred income	5,391	5,147	-	-
Funeral bonds	1,060	418	14,017	11,814
	29,117	22,800	14,017	11,814

	Due within 1 year	
	2009	2008
	£000	£000
11 Loans		
Stamp club	79	81

The above amounts are unsecured and are repayable on demand

12 Commitments

Capital commitments

At 24 January 2009 there were capital commitments of £8.0 million (2008: £8.6 million) which have not been provided for in the financial statements.

Operating leases

At 24 January 2009 the Group had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other	
	2009	2008	2009	2008
	£000	£000	£000	£000
Operating leases expiring:				
Within one year	1	22	199	-
Within two to five years	224	245	166	20
After five years	684	571	-	-
	909	838	365	20

	2009	2008
	£000	£000
13 Share capital		
At 26 January 2008	18,640	19,186
Share capital brought in on transfer of engagements of East Anglia Federal Co-operative Society Limited	-	254
Contributions	1,154	1,464
Dividend cheques	1,151	1,437
Interest	603	592
	21,548	22,933
Withdrawals	(2,959)	(4,293)
At 24 January 2009	18,589	18,640

- (i) Share capital comprises 18,589,000 (2008: 18,640,000) shares of £1 attracting interest at 1.75% per annum, effective from November 2008 (previously 3.25% effective from April 2006).
- (ii) Shares are withdrawable on varying periods of notice dependent on the amount involved.
- (iii) Each Member is entitled to one vote.
- (iv) Members' rights on winding up are contained in the Society rules.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Pensions

The Group operates two defined pension schemes. These are the Ipswich and Norwich Co-operative Society Employees' Pension Fund and the Colchester and East Essex Co-operative Society Limited Employees' Superannuation Fund. The assets of both schemes are held in separate funds administered by Trustees. Both of these funds are closed to new members.

Ipswich and Norwich Co-operative Society Limited Employees' Pension Fund (closed to new members on 16 June 2007)

The Society operates a defined benefit pension fund for its employees (the Ipswich and Norwich Co-operative Society Limited Employees' Pension Fund). A full actuarial valuation was carried out at 31 December 2006 and updated to 24 January 2009 by a qualified independent actuary. The service cost has been calculated using the Projected Unit method. The major assumptions used by the actuary are:

	2009	2008	2007
Rate of increase in salaries	5.00%	5.10%	4.50%
Rate of increase of pensions in payment	- prior to 31 August 2008	3.60%	3.00%
	- post to 31 August 2008	N/A	N/A
Rate of increase of pensions in deferment	3.50%	3.60%	3.00%
Discount rate	6.70%	5.90%	5.10%
Rate of inflation	3.50%	3.60%	3.00%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the time scale involved, may not be necessarily be borne out in practice.

The post-retirement mortality assumptions used are based on the 'PA 92' standard tables with some allowance for future mortality improvements. The assumptions are such that a current non-pensioner Member who later retires at age 65 will live on average 21.3 further years after retirement and that a current pensioner Member age 65 will live on average a further 19.7 years. These assumptions were chosen following a review of the scheme's mortality experience in the year ended 24 January 2009.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Long term rate At 24/01/2009	Value at 24/01/2009	Long term rate At 26/01/2008	Value at 26/01/2008	Long term rate At 27/01/2007	Value at 27/01/2007 As restated
		£000		£000		£000
Equities	8.15%	41,299	7.50%	49,664	7.70%	49,819
Bonds	4.65%	14,544	4.50%	20,803	4.70%	21,155
Cash	4.65%	5,522	-	-	-	-
Total market value of assets		61,365		70,467		70,974
Actuarial value of liability		(80,737)		(95,088)		(94,894)
Total (deficit) in the scheme		(19,372)		(24,621)		(23,920)
Related deferred tax asset at 28% (2008: 28%;2007: 30%)		5,424		6,894		7,176
Net pension liability		(13,948)		(17,727)		(16,744)

The equity investments and bonds which are held as plan assets as at 24 January 2009 are quoted and are valued at the current bid price following the adoption of the amendment to FRS 17. The Directors do not consider the difference in value of the equity investment and bonds (which were held as plan assets in prior years) as calculated using the current bid price as opposed to the mid price to be material to the financial statements. As such, the comparative figures have not been restated following the adoption of the amendment to FRS 17.

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 the 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.

14 Pensions (continued)**Analysis of the amount charged to trading profit**

	2009 £000	2008 £000
Current service cost	1,449	2,486
Curtailments - discontinued operations	(1,654)	-
Total operating (credit)/charge	(205)	2,486

Analysis of the amount charged to other finance cost

	2009 £000	2008 £000
Expected return on pension scheme assets	4,837	4,842
Interest on pension liabilities	(5,456)	(4,884)
Net cost	(619)	(42)

Reconciliation of present value of scheme liabilities

	2009 £000	2008 £000
Benefit obligation at beginning of year	95,088	94,894
Current service cost	1,449	2,486
Interest cost	5,456	4,884
Member contributions	1,097	1,221
Curtailments	(1,654)	-
Actuarial gains	(16,034)	(5,880)
Benefits paid	(4,665)	(2,517)
Benefit obligation at end of year	80,737	95,088

Reconciliation of fair value of scheme assets

	2009 £000	2008 £000
Fair value of plan assets at beginning of year	70,467	70,974
Expected return on plan assets	4,837	4,842
Actuarial losses	(19,252)	(5,604)
Employer contribution	8,881	1,551
Member contributions	1,097	1,221
Benefits paid	(4,665)	(2,517)
Fair value of plan assets at end of year	61,365	70,467

Amount for current and previous four years:

	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Defined benefit obligation	(80,737)	(95,088)	(94,894)	(88,321)	(63,936)
Plan assets	61,365	70,467	70,974	61,929	45,915
Scheme deficit	(19,372)	(24,621)	(23,920)	(26,392)	(18,021)
Experience adjustments on plan assets	(19,252)	(5,604)	2,267	9,216	(313)
Experience adjustments on plan liabilities	-	4,327	(40)	(569)	(41)
Total amount recognised in statement of total recognised gains and losses	(3,218)	276	(217)	(9,617)	1,680

As stated above, the comparatives for the year ended 27 January 2007 and 26 January 2008 respectively have not been restated following the adoption of the amendment to FRS 17. Furthermore the Society has elected not to restate amounts for 2005 and 2006, as permitted by the amendment to FRS 17. Employer contributions for the year ending 23 January 2010 consist of a percentage of pensionable salaries together with additional contributions of £3,200,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Pensions (continued)**Colchester and East Essex Co-operative Society Limited Employees' Superannuation Fund
(closed to new members on 31 December 2007)**

The Society operates a defined benefit fund in the UK (the Colchester and East Essex Co-operative Society Limited Employees' Superannuation Fund). A full actuarial valuation was carried out at 5 April 2007 and updated to 24 January 2009 by a qualified independent actuary. The service cost has been calculated using the Projected Unit method. The major assumptions used by the actuary are:

	2009	2008	2007
Rate of increase in salaries	5.00%	5.10%	4.50%
Rate of increase of pensions in payment	- prior to 31 August 2008	3.60%	3.00%
	- post to 31 August 2008	N/A	N/A
Rate of increase of pensions in deferment	3.50%	3.60%	3.00%
Discount rate	6.70%	5.90%	5.10%
Rate of inflation	3.50%	3.60%	3.00%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the time scale involved, may not be necessarily be borne out in practice.

The post-retirement mortality assumptions used are based on the "PA 92" standard tables with some allowance for future mortality improvements. The assumptions are such that a current non-pensioner Member who later retires at age 65 will live on average 21.3 further years after retirement and that a current pensioner Member age 65 will live on average a further 19.7 years. These assumptions were chosen following a review of the scheme's mortality experience in the year ended 24 January 2009.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Long term rate At 24/01/2009	Value at 24/01/2009 £000	Long term rate At 26/01/2008	Value at 26/01/2008 £000	Long term rate At 27/01/2007	Value at 27/01/2007 £000
Equities	8.15%	28,727	7.50%	34,592	7.70%	35,899
Bonds	4.65%	8,046	4.50%	10,997	4.70%	10,510
Property	8.15%	1,649	7.50%	2,165	7.70%	2,510
Cash	4.65%	1,810	-	-	-	-
Total market value of assets		40,232		47,754		48,919
Actuarial value of liability		(49,274)		(59,831)		(60,637)
Total deficit in the scheme		(9,042)		(12,077)		(11,718)
Related deferred tax asset at 28% (2008: 28%;2007: 30%)		2,532		3,382		3,515
Net pension liability		(6,510)		(8,695)		(8,203)

The equity investments and bonds which are held as plan assets as at 24 January 2009 are quoted and are valued at the current bid price following the adoption of the amendment to FRS 17. The Directors do not consider the difference in value of the equity investment and bonds (which were held as plan assets in prior years) as calculated using the current bid price as opposed to the mid price to be material to the financial statements. As such, the comparative figures have not been restated following the adoption of the amendment to FRS 17.

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 the 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.

14 Pensions (continued)**Analysis of the amount charged to trading profit**

	2009 £000	2008 £000
Current service cost	1,259	1,936
Curtailments - continuing operations	(2,937)	-
Curtailments - discontinued operations	(1,030)	-
Total operating (credit)/charge	(2,708)	1,936

Analysis of the amount charged to other finance (costs)/income

	2009 £000	2008 £000
Expected return on pension scheme assets	3,321	3,429
Interest on pension liabilities	(3,372)	(3,098)
Net (cost)/return	(51)	331

Reconciliation of present value of scheme liabilities

	2009 £000	2008 £000
Benefit obligation at beginning of year	59,831	60,637
Current service cost	1,259	1,936
Interest cost	3,372	3,098
Member contributions	632	617
Curtailments	(3,967)	-
Actuarial gains	(8,909)	(4,139)
Benefits paid	(2,944)	(2,318)
Benefit obligation at end of year	49,274	59,831

Reconciliation of fair value of scheme assets

	2009 £000	2008 £000
Fair value of plan assets at beginning of year	47,754	48,919
Expected return on plan assets	3,321	3,429
Actuarial losses	(12,885)	(3,908)
Employer contribution	4,354	1,015
Member contributions	632	617
Benefits paid	(2,944)	(2,318)
Fair value of plan assets at end of year	40,232	47,754

Amount for current and previous four years:

	2009 £000	2008 £000	2007 £000 As restated	2006 £000	2005 £000
Defined benefit obligation	(49,274)	(59,831)	(60,637)	(57,320)	(48,258)
Plan assets	40,232	47,754	48,919	45,403	37,714
Scheme deficit	(9,042)	(12,077)	(11,718)	(11,917)	(10,544)
Experience adjustments on plan assets	(12,885)	(3,908)	1,992	5,312	737
Experience adjustments on plan liabilities	-	4,029	(67)	5	649
Total amount recognised in statement of total recognised gains and losses	(3,976)	231	808	(915)	212

As stated above, the comparatives for the year ended 27 January 2007 and 26 January 2008 respectively have not been restated following the adoption of the amendment to FRS 17. Furthermore the Society has elected not to restate amounts for 2005 and 2006, as permitted by the amendment to FRS 17.

Employer contributions for the year ending 23 January 2010 consist of a percentage of pensionable salaries together with additional contributions of £1,300,000.

Stakeholder Scheme

The stakeholder pension scheme is a defined contribution plan. The contributions made to the plan during the year were £94,000 (2008:£87,000). As at 24 January 2009 no unpaid contributions were outstanding (2008:£nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Other retirement benefits

The Society has in place an UURBS (pension promise) in respect of the former Chief Executive and current Chief Executive, into which the Society has paid £nil in the year (2008: £133,000). These amounts are fully provided for and the liability calculated each year by external actuaries. At the year end the liabilities amounted to £988,000 (2008: £937,000). The actuarial assumptions are as stated in note 14.

	2009 £000	2008 £000
16 Revaluation reserve		
At 26 January 2008	36,470	37,866
Net revaluation deficit in the year	(5,610)	(1,396)
At 24 January 2009	30,860	36,470

	2009 £000	2008 £000
17 Revenue reserve		
At 26 January 2008	188,715	183,102
Retained profit for the year	2,106	5,356
Net actuarial (loss)/gain on pension schemes	(5,180)	520
Elimination of minority interest on transfer of East Anglia Federal Co-operative Society Limited	-	343
Share interest	(536)	(606)
At 24 January 2009	185,105	188,715

	2009 £000	2008 £000
18 Reconciliation of trading profit to net cash inflow from trading activities		
Trading profit before surplus on sale of assets and employee bonus	9,034	9,722
Employee bonus	(751)	-
Restructuring costs	(1,626)	-
Grants and donations	(644)	(478)
Depreciation	6,938	7,398
Amortisation	526	530
Profit on sale of tangible fixed assets	(28)	(66)
Impairment of tangible fixed assets	6,073	633
Decrease/(increase) in stocks	684	(1,451)
Increase in debtors	(2,774)	(655)
Increase/(decrease) in creditors	11,147	(3,100)
Pension contributions	(13,235)	(2,566)
FRS 17 current service cost and curtailments	(178)	4,422
Net cash inflow from trading activities	15,166	14,389

	2008 As restated £000	Cash flow £000	2009 £000
19 Analysis of movement in net cash			
Cash at bank and in hand	3,396	6,431	9,827
Debts due within one year	(81)	2	(79)
Current asset investments	40,000	(25,000)	15,000
	43,315	(18,567)	24,748

	2009 £000	2008 As restated £000
20 Reconciliation of net cash flow to movement in net funds		
Increase/(decrease) in cash in the year	6,431	(13,252)
Movement in other loans	2	3
Repayment of bank loans	-	4,423
Loans acquired with subsidiary	-	(4,423)
Reduction in liquid resources	(25,000)	(2)
	(18,567)	(13,251)
Net funds at 26 January 2008	43,315	56,566
Net funds at 24 January 2009	24,748	43,315

21 Major non-cash transactions

During the year the Society had no major non-cash transactions (2008:£nil).

22 Disposals**Dairy Distribution Business**

On the 16 February 2008 the Society sold its Dairy Distribution business to Dairy Crest Limited for £4m in cash.

	£000
Consideration received	4,000
Loss on disposal of tangible fixed assets	(276)
Net impairment of land and buildings transferred to investment properties	(1,195)
Pension scheme curtailments	2,684
Redundancy costs and professional fees	(979)
	4,234

Further consideration of £1,254,000 was received in respect of the working capital transferred on disposal. This consideration represented the carrying value of the working capital and as such no profit or loss arose on disposal. Corporation tax amounting to £846,000 will be payable on the consideration received less redundancy costs relating to closure of dairy production business and professional fees. The Dairy division had a net cash outflow from trading activities of £249,000 in the current period.

23 Subsidiary Societies and Companies

The subsidiaries of the Society are listed below.

Ardencrest Limited:

An industrial and provident society holding investment properties.

INCS Limited:

An industrial and provident society, currently dormant, established to hold properties for the Society.

A Smith and Sons (Funerals) Limited:

A company operating the Smith and Sons funerals business.

W H Shepherd Funeral Furnishing Services Limited:

A company operating the W H Shepherd funerals business.

Colchester and East Essex Co-operative Society (Trustees) Limited:

A company holding the trusteeship of the Colchester and East Essex Co-operative Society Employees' Superannuation Fund.

Colchester Funeral Services Limited:

A dormant company formerly a possible holding company for the funeral business of the Colchester and East Essex Co-operative Society.

Anglian Convenience Stores Limited:

A company operating the Anglian Convenience Stores business.

Local Convenience Stores Limited:

A property holding company acquired with Anglian Convenience Stores Limited

24 Post balance sheet events

On 31 March 2009 the Society entered into a period of consultation that may lead to the closure of four of its Department Stores.

25 Contingent liabilities

During the year ended 24 January 2009, the Society granted a floating charge, secured over the assets of the Society, to both the Ipswich and Norwich Co-operative Society Limited Employees' Pension Fund and the Colchester and East Essex Co-operative Society Limited Employees' Superannuation Fund.

Three Year Record

	2009 £000	2008 As restated £000	2007 As restated £000
Group Revenue Account			
Turnover			
Continuing operations	380,613	368,959	349,651
Discontinued operations	1,324	22,864	23,754
Total turnover	381,937	391,823	373,405
Trading profit before surplus on sale of assets and employee bonus			
Continuing operations	9,281	8,854	8,480
Discontinued operations	(247)	868	247
	9,034	9,722	8,727
Employee bonus	(751)	-	-
Surplus on sale of assets	12	24	1,556
Trading profit after surplus on sale of assets and employee bonus	8,295	9,746	10,283
Exceptional items	2,608	-	-
Profit before interest, distributions and taxation	10,903	9,746	10,283
Net interest	1,489	3,058	2,057
Dividend	(4,029)	(3,653)	(2,265)
Grants/donations	(644)	(478)	(587)
Profit before taxation	7,719	8,673	9,488
Alternative performance measure - Underlying trading profit			
Profit before interest, distributions and taxation	10,903	9,746	10,283
Impairment of investment properties	6,073	633	400
Pension scheme curtailment gains	(2,937)	-	-
Restructuring costs	1,626	-	-
Net surplus on the sale of the dairy distribution business and closure of the dairy production business	(4,234)	-	-
Underlying trading profit	11,431	10,379	10,683
Balance sheet			
Fixed assets	235,717	227,199	216,271
Net current assets	34,300	56,260	63,504
Long-term liabilities	(14,017)	(12,275)	(14,331)
Pension liabilities	(21,446)	(27,359)	(24,947)
	234,554	243,825	240,497
Share capital	18,589	18,640	19,186
Reserves	215,965	225,185	220,968
Minority interest	-	-	343
	234,554	243,825	240,497
Cash flow			
Net cash inflow from trading activities	15,166	14,389	20,409
Capital expenditure	(27,648)	(10,253)	(15,361)

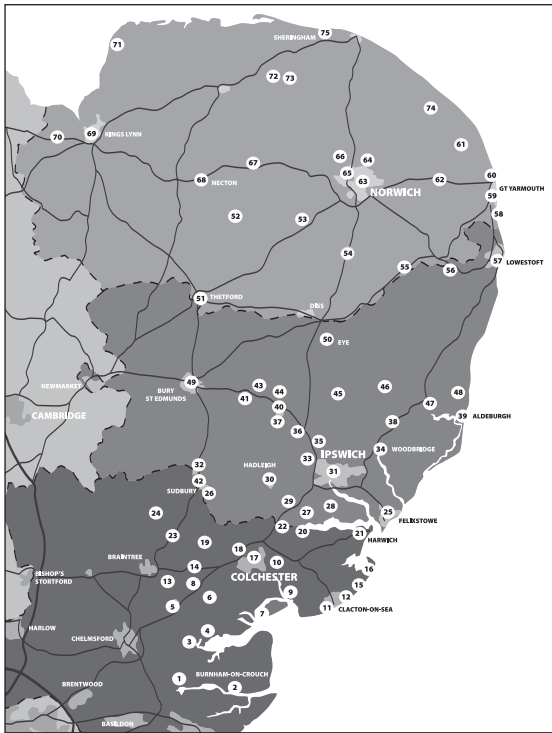
This statement does not form part of the financial statements.

Member and Communities Expenditure Statement

	£	2009 Net Expenditure	£
Education			
Subscriptions	3,504		
Delegates Fees	3,463		
			6,967
Youth Activities			
ACE	750		
Youth Sponsored Groups	1,466		
Schools	20,173		
			22,389
Co-operative Sponsored Groups	11,953		11,953
Community			
Greenstead Co-operative Resource Centre	1,535		
			1,535
Membership			
Members Magazine	78,456		
Members Development	17,754		
Members Community Groups	2,388		
			98,598
Member/Community Activity Costs			
Posters/Pamphlets	22,546		
Printing/Stationery	11,584		
Postage	28,345		
Sundries	481		
Travel	15,432		
			78,388
Sub Total			219,830
Office Costs			
Personnel Costs	210,747		
Other Operating Costs	38,306		
			249,053
Total			468,883

This statement does not form part of the financial statements.

Trading Area Directory



Trading outlets throughout Norfolk Suffolk and Essex

- 1 **SOUTH WOODHAM FERRERS**
Co-op Funeral Service
- 2 **BURNHAM-ON-CROUCH**
Co-operative Funeral Service
Co-op Supermarket/Travelcare
- 3 **MALDON**
Co-op Foodstore
Co-operative Funeral Service
Travelcare
- 4 **HEYBRIDGE**
Co-op Foodstore LAWLING AVENUE
Co-op Foodstore WOOD ROAD
- 5 **WITHAM**
Co-operative Funeral Service
Co-op Foodstore/Post Office Counter
Co-op Home Store
JB Slythe Monumental Masonry
Travelcare
- 6 **TIPTREE**
Co-op Supermarket/Travelcare
- 7 **WEST MERSEA**
Co-operative Funeral Service
Co-op Supermarket
- 8 **KELVEDON**
Co-op Foodstore
- 9 **BRIGHTLINGSEA**
Co-op Foodstore
Co-op Supermarket Filling Station
Co-op Supermarket/Travelcare
Kemble Funeral Service
- 10 **WIVENHOE**
Co-op Foodstore
Kemble Funeral Service
- 11 **CLACTON-ON-SEA**
Co-op Department Store/Travelcare/
Jewellery Store
Co-op Supermarket/Travelcare
Co-op Supermarket Filling Station
Co-operative Funeral Service
Co-operative Home Store
Co-op Foodstore COOPERS LANE
Co-op Foodstore OLD ROAD
Co-op Opticians
- 12 **HOLLAND-ON-SEA**
Co-op Foodstore
- 13 **SILVER END**
Co-op Foodstore/PO Counter
- 14 **COGGESHALL**
Co-op Foodstore

- 15 **FRINTON-ON-SEA**
Co-op Supermarket
Co-operative Funeral Service
Co-op Foodstore/PO Counter
Travelcare
- 16 **WALTON-ON-THE-NAZE**
Co-operative Funeral Service
Co-op Foodstore
- 17 **COLCHESTER**
Co-op Department Store/PO
Counter/Travelcare
Co-operative Funeral Service
LONG WYRE STREET
Co-operative Funeral Service
WIMPOLE ROAD
Co-op Foodstore
GREENSTEAD ESTATE
Co-op Foodstore/Post Office Counter
HARWICH ROAD
Co-op Foodstore MERSEA ROAD
Co-op Foodstore MILE END
Co-op Foodstore OLD HEATH
Co-op Foodstore PRETTYGATE
Co-op Foodstore ROWHEDGE
Co-op Foodstore SHRUB END
Co-op Supermarket ABBOTS ROAD
Co-op Supermarket Filling Station
STANWAY
Co-op Supermarket/Travelcare
STANWAY
Co-op Home Store STANWAY
Jewellery Store
WH Shephards Funeral Service
- 18 **WEST BERGHOLT**
Co-op Foodstore/PO Counter
- 19 **EARLS COLNE**
Co-op Foodstore
- 20 **MANNINGTREE**
Co-op Supermarket/PO Counter
Travelcare
- 21 **DOVERCOURT**
Co-op Supermarket/Travelcare
A Smith & Son Funerals Ltd
Co-op Foodstore FRONKS ROAD
Co-operative Funeral Service
Co-op Home Store
Co-op Foodstore HIGH STREET
- 22 **DEDHAM**
Co-op Foodstore

- 23 **HALSTEAD**
Co-op Supermarket
Co-op Foodstore/PO Counter
ABELS ROAD
Co-op Home Store
- 24 **SIBLE HEDINGHAM**
Co-op Foodstore
SWAN STREET
- 25 **FELIXSTOWE**
Co-op Supermarket
Co-op Foodstore
HIGH STREET WALTON
Co-op Foodstore
KING STREET WALTON
Co-op Foodstore
WADGATE ROAD
Co-operative Funeral Service
Co-op Opticians
Co-op Pharmacy
Co-op Home Store
Co-op Filling Station
- 26 **GREAT CORNARD**
Co-op Foodstore
- 27 **BRANTHAM**
Co-op Foodstore/PO Counter
- 28 **HOLBROOK**
Co-op Foodstore
- 29 **CAPEL ST MARY**
Co-op Foodstore
- 30 **HADLEIGH**
Co-op Supermarket
Kingsbury & Saunders
Funeral Services
- 31 **IPSWICH**
Co-op Department Store
CARR STREET
Co-op Supermarket ROSEHILL
Co-op Foodstore
34 FOXHALL ROAD
Co-op Foodstore
362 FOXHALL ROAD
Co-op Foodstore
AUSTIN STREET
Co-op Foodstore
BARRACK CORNER
Co-op Foodstore
BRAMFORD LANE
Co-op Foodstore CARR STREET
Co-op Foodstore/PO Counter
CAULDWELL HALL ROAD
Co-op Foodstore
CLAPGATE LANE
Co-op Foodstore
COLCHESTER ROAD
Co-op Foodstore FIRCREFT ROAD
Co-op Foodstore GARRICK WAY
Co-op Foodstore
HAWTHORN DRIVE
Co-op Foodstore
LABURNHAM CLOSE
Co-op Foodstore MACAULEY ROAD
Co-op Foodstore MEREDITH ROAD
Co-op Foodstore NORWICH ROAD
Co-op Foodstore PENSHURST ROAD
Co-op Foodstore/PO Counter
51 WOODBRIDGE ROAD
Co-op Foodstore
PRINCE OF WALES DRIVE
Co-op Foodstore QUEENS WAY
Co-op Foodstore RAVENSWOOD
Co-op Foodstore SELKIRK ROAD
Co-op Foodstore
SHELDRAKE DRIVE
Co-op Foodstore ULSTER AVENUE
Co-op Foodstore
337 WOODBRIDGE ROAD
Co-operative Floristry Service
Co-operative Funeral Service
Co-operative Chapel of Rest
Co-operative Masonry Service
Co-op Opticians COX LANE
Co-op Pharmacy COX LANE
Co-op Pharmacy FIRCREFT ROAD
Co-op Pharmacy MEREDITH ROAD
Co-op Pharmacy NACTON ROAD
Co-op Pharmacy SHELDRAKE DRIVE
Co-op Filling Station NACTON ROAD
- 32 **LONG MELFORD**
Co-op Foodstore
- 33 **BRAMFORD**
Co-op Foodstore/PO Counter

- 34 **WOODBIDGE**
Co-op Foodstore/PO Counter
HASKETON ROAD
Co-op Foodstore
OLD BARRACK ROAD
Co-op Foodstore THOROUGHFARE
Co-operative Funeral Service
- 35 **BARHAM**
Co-op Foodstore
- 36 **NEEDHAM MARKET**
Co-op Foodstore BARKING ROAD
Co-op Foodstore
KING WILLIAM STREET
- 37 **COMBS FORD**
Co-op Pharmacy
Co-op Supermarket
- 38 **WICKHAM MARKET**
Co-op Foodstore
- 39 **ALDEBURGH**
Co-op Foodstore HIGH STREET
Co-op Foodstore
SAXMUNDHAM ROAD
- 40 **STOWMARKET**
Co-op Home Store
Meredith Greengrass Funeral Service
- 41 **WOOLPIT**
Co-op Foodstore
- 42 **SUDBURY**
Co-operative Funeral Service
- 43 **ELMSWELL**
Co-op Foodstore
- 44 **HAUGHLEY**
Co-op Foodstore
- 45 **DEBENHAM**
Co-op Foodstore
- 46 **FRAMLINGHAM**
Co-op Supermarket
- 47 **SAXMUNDHAM**
Co-op Pharmacy/PO Counter
- 48 **LEISTON**
Co-op Home Store
Co-op Supermarket
- 49 **BURY ST EDMUNDS**
Co-operative Funeral Service
- 50 **EYE**
Co-op Foodstore
- 51 **THETFORD**
Co-operative Funeral Service
- 52 **WATTON**
Co-operative Funeral Service
- 53 **WYMONDHAM**
Co-op Foodstore PO Counter
- 54 **LONG STRATTON**
Co-op Supermarket
Co-op Foodstore
- 55 **HARLESTON**
Co-op Foodstore
- 56 **BECCLES**
Co-op Foodstore/PO Counter
- 57 **LOWESTOFT**
Co-op Foodstore/PO Counter
GRESHAM AVENUE
Co-op Foodstore
OULTON ROAD
- 58 **GORLESTON-ON-SEA**
Co-op Foodstore
Co-operative Funeral Service
- 59 **GREAT YARMOUTH**
Co-op Department Store
Co-op Foodstore
BERESFORD ROAD
Co-op Foodstore COBHOLM
Co-operative Funeral Service
- 60 **CAISTER-ON-SEA**
Co-op Foodstore
- 61 **MARTHAM**
Co-op Foodstore THE GREEN
Co-op Foodstore REPPS ROAD
- 62 **ACLE**
Co-op Foodstore

- 63 **NORWICH**
Co-op Department Store
Co-op Foodstore CATTON GROVE
Co-op Foodstore COSTESSEY
Co-op Foodstore/PO Counter
58/62 DEREHAM ROAD
Co-op Foodstore/PO Counter
HEYFORD ROAD
Co-op Foodstore/PO Counter
EARLHAM GREEN LANE
Co-op Foodstore HALL ROAD
Co-op Foodstore HEARTSEASE
Co-op Foodstore LOVELACE ROAD
Co-op Foodstore MILE CROSS
Co-op Foodstore TUCKSWOOD
Co-op Foodstore
560A DEREHAM ROAD
Co-op Foodstore/PO Counter
THE LANE STORES
Co-op Foodstore
95 UNTHANK ROAD
Co-op Foodstore
154 UNTHANK ROAD
Co-operative Funeral Service
AYLSHAM ROAD
Co-operative Funeral Service
ST STEPHEN'S SQUARE
George Bush Funeral Home
Co-operative Motor Group (Peugeot)
- 64 **SPIXWORTH**
Co-op Foodstore
- 65 **HELLESDON**
Co-op Foodstore/PO Counter
- 66 **HORSFORD**
Co-op Foodstore/PO Counter
- 67 **EAST DEREHAM**
Co-op Foodstore/PO Counter
SHIPDHAM ROAD
Co-op Foodstore
OLD SWAFFHAM ROAD
HH Aldiss Funeral Service
- 68 **NECTON**
Co-op Foodstore/PO Counter
- 69 **KINGS LYNN**
Co-operative Motor Group (Citroen)
Co-operative Motor Group (Peugeot)
- 70 **CLENCHWARTON**
Co-op Foodstore
- 71 **HEACHAM**
Co-op Foodstore
48-52 STATION ROAD
- 72 **MELTON CONSTABLE**
Co-op Foodstore/PO Counter
- 73 **BRISTON**
Co-op Foodstore/PO Counter
- 74 **STALHAM**
Co-operative Funeral Service
- 75 **SHERINGHAM**
Co-op Foodstore



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