



Minutes of the **annual meeting of members** of east of
england co-operative society limited
Held at 18:00 on wednesday, 4th november 2020 – online
meeting - streamed from wherstead park, ipswich, ip9
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Present (* in person):

Directors: *Sally Chicken President
 *Belinda Bulsing Vice-President
 John Cook
 Nicola Fox
 Chris Matthews
 *John Hawkins
 Emma Howard
 *Frank Moxon
 Judi Newman
 *Beverley Perkins
 Fiona Powell
 Steve Shaw
 Maria Veronese

Executives: *Nick Denny, Joint CEO, Property
 *Doug Field, Joint CEO, Finance and Technology
 *Roger Grosvenor, Joint CEO, Retail
 *Niall O’Keeffe, Joint CEO, Membership and Marketing
 *Mr J Carey, Secretary

143 other Members of the Society (130 eligible for voting)

In Attendance Anup Sodhi, EY (External Auditors)

*Due to the Covid-19 pandemic and Government restrictions relating to social distancing, the Members’ Meeting was held virtually – with only those Directors and Officers highlighted by an * above being present in person at Wherstead Park. Members were able to ask questions and vote on motions on-line during the meeting.*

Welcome

The President opened the meeting.

Apologies for Absence

There were apologies from two directors.

Overview of the Society’s response to Covid-19

Roger Grosvenor and Nick Denny provided an overview of the Society’s response to the Covid-19 pandemic. Including:

- Steps taken to protect both colleagues and members/customers
- Impact on business operations

- Remote working arrangements for Wherstead Park colleagues
- Support for tenants (commercial and residential)
- Update on residential developments

Election Results – Board of Directors

The Secretary reported that there had been 9 candidates standing for 4 vacancies on the Board of Directors. The results of the election were as follows:

<u>Elected</u>		<u>Votes Cast:</u>
Nicola Fox		3,379
	(3-year term due to reaching 12 consecutive years-service in 2023)	
John Hawkins (4 years)		2,588
Jane Nice (4 years)		2,572*
Caroline Ley (4 years)		1,700

Unsuccessful Candidates

Chris Matthews	2,232*
Tony Evans	1,260
Colin Fortis	1,154
Amir Islam	1,093
Steve Shaw	967

*Due to the Board being unable to accept more than one candidate who is a current employee or who has left the Society's employment within three years of the date of nomination.

Total number of ballot papers received:	4,955
By Post:	2,105
Online:	2,850
Spoilt papers:	20
Total number of valid ballot papers counted:	4,935

On behalf of the Board the Secretary welcomed Caroline Ley and Jane Nice – and expressed thanks to Steve Shaw and Chris Matthews for their service on the Board over the last 5 and 4 years respectively.

Minutes:

2019 AMM

RESOLVED: That the minutes of the Annual Members Meeting held on the 18th May 2019 be approved as a correct record and signed by the President.

2019 SGM

RESOLVED: That the minutes of the Special General Meeting held on the 18th May 2019 be approved as a correct record and signed by the President.

Report and Financial Statements – Year Ended 25th January 2020

Finance Update

The Joint Chief Executive, Finance and Technology, presented the Report and Financial Statements for the year ended 25th January 2020.

Key matters raised included:

- Turnover had decreased by £5.0m to £348.5m – due to the Society exiting from the optical and pharmacy business operations and moving distribution operation into the wider co-op network. Despite the reduction turnover from continuing operations grew by £6m to over £335m.
 - Food store sales had risen by £5m on a like-for-like basis.
 - Rental income from investment property portfolio now over £8m per annum – with a total investment portfolio value of £118m.
 - Co-op Secure Response – sales now in excess of £1.5m.
 - Funerals conducted fell but market share remained broadly constant.
- Trading profits had fallen by 19.0% to £4.5m due to:
 - Increase in sales contributed an additional £2m
 - Rise in costs of National Living Wage cost £2m
 - Controlled overheads but increased costs of £800k
 - Loss from discontinued operations of £300k
- Profit before tax and distributions had fallen from £5.2m to £2.5m
- Members' funds remained strong at £214.5m

Due to the timing of the meeting Doug Field also provided an update on the Society's performance for the period post the January 2020 year-end.

- Sales – overall uplift in sale of £2.6m despite diverse challenges facing family of businesses.
- Underlying Trading Profits - £5.9m
- Cost of COVID Response
- Cash position at £13.5m at end of August 2020 (Half Year-end)

Audit & Risk Committee Report

Frank Moxon, Chair of the Audit & Risk Committee, presented an overview of the Committee's review of both the Internal and External Auditors during 2019/20. Members noted that as part of this review PwC had been appointed as the Society's Internal Auditor, with EY being appointed as External Auditor – such appointment to be put to members at this AMM. The Committee Chair thanked the teams at KPMG (internal audit) and PwC (external audit) for their service over their respective tenures.

Audit Opinion

Anup Sodhi, Partner of EY presented the unqualified audit opinion for the Statement of Accounts for the year ended 25th January 2020.

Remuneration Report

John Hawkins, Chair of the Remuneration and Search Committee, presented the Remuneration Report and the Board's proposal regarding Directors' fees for 2019-20. Beverley Perkins, Vice Chair of the Remuneration and Search Committee, presented the Board's proposal regarding the establishment of a scheme to remunerate Directors for undertaking activities on behalf of the Society which are outside of their core role as a Director

Questions and Comments from Members

Members had had the opportunity to raise questions prior to the meeting along with submitting questions online during the meeting. Questions raised covered the following matters:

- External Auditor Experience within the Co-operative Sector
- Member Engagement
- Media Challenges – Co-op Group/Funeralcare
- Policies – Recyclable Packaging
- Triangle Shopping Centre, Frinton-on-Sea
- Executive Remuneration – Use of Benchmarking
- Current Position of DB Pension Fund
- Colleague Rewards During Pandemic
- Funeral Market Share

In each case the appropriate Joint Chief Executive or Committee Chair responded accordingly. Members were advised that questions that were unable to be answered during the meeting would be collated and responses posted on the Society's website shortly after the meeting.

The President then put the Board's recommendations to the meeting, it was:

- RESOLVED: That the Report and Accounts for the year ended 25th January 2020 be received.
- RESOLVED: That the Remuneration Report for the year ended 25th January 2020 be received.
- RESOLVED: That the Directors' fees for 2020-21 be increased by 2.4% (£211) to £9,005 in line with the increase in the Average Weekly Earnings Index.
- RESOLVED: That the Board establish a scheme to remunerate Directors for undertaking activities on behalf of the Society which are outside of their core role as a Director – such scheme to not exceed £12,000 in total for 2020/21.
- RESOLVED: That the appointment of EY as the Society's External Auditor for the year ended 25th January 2020 be ratified – and that EY be appointed as the Society's External Auditor for the year ended 23rd January 2021.

RESOLVED: That the distribution of a Dividend of £2,131,000 in June 2020, equivalent to 1.5% of qualifying spend, be paid on the value of Members' qualifying purchases made from the Society during the year ended 25th January 2020, be ratified.

RESOLVED: That the Society maintains its affiliation to the Co-operative Party for the 12 months ended June 2021 at a subscription of £34,000.

Update on Society's Community Cares Fund

Members received a video update presented by Niall O'Keeffe setting out details of the causes supported by the Community Cares Fund during 2020.

Vote of Thanks

On behalf of the Board the President thanked colleagues involved in arranging the AMM (including the production team) along with members of the Executive Team.

Close

The President closed the meeting.