



**MINUTES OF THE
ANNUAL MEETING OF MEMBERS
OF EAST OF ENGLAND CO-OPERATIVE SOCIETY
LIMITED HELD AT 10.30 A.M ON SATURDAY, 7TH
MAY 2016 AT WHERSTEAD PARK,
IPSWICH, IP9 2BJ**

Present:

Directors: Mrs S Chicken President
 Mr C Barrett Vice-President
 Mrs B Bulsing
 Mr J Cook
 Mrs N Fox
 Mr P Hartwell
 Mr J Hawkins
 Ms E Howard
 Mrs C Johnsen
 Mr C E Mann
 Mr C J Newbury
 Ms B Perkins
 Ms T Scrogie
 Mr S Shaw

Executives: Mr N Denny, Joint CEO, Property
 Mr D Field, Joint CEO, Finance and Technology
 Mr R T Grosvenor, Joint CEO, Retail
 Mr M O'Hagan, Joint CEO, People and Performance
 Mr M E Faulkner, Secretary

151 Other Members of the Society
3 Associate Members (non-participating)

In Attendance Mr S Ormiston, PWC, auditors

Workshop Feedback

Before the formal Annual Meeting was opened, members received reports from each of the specialist workshops that had taken place earlier in the morning. These workshops offered members the opportunity to seek additional information, clarification of points made in the Annual Report and to ask questions on the strategy and operation of the Society. The workshops covered the following subjects:

- How your Business is doing
- Supporting your Community
- Becoming a Dementia Friend
- Meet our Producers

Apologies for Absence

Apologies for absence were received from 2 Directors and 8 other Members of the Society.

Minutes – 2015 AGM

RESOLVED: That the minutes of the Annual General Meeting held on 9th May 2015 be approved as a correct record and signed by the President.

Report and Accounts – Year Ended 23rd January 2016

The Joint Chief Executive Officer, Finance and Technology, presented the Report and Accounts for the year ended 23rd January 2016.

The annual result for 2015/16 showed a 0.9% decrease in turnover on the previous year. Profit before tax and distributions were up £3.3m to £7.8m, whilst the underlying trading profit dropped to £3.8m from £4.3m the year before. Members' funds saw an increase of £16.2m to £233.1m.

The year had seen a focus on ensuring the long-term prosperity of the business, with capital investment of over £15m. This provided for the refurbishment of 46 stores and the opening of four new food stores and 10 new post offices. The Society had also entered into new retail partnerships with Subway, Brantano and others, and expanded the trading area with new optical branches in Chelmsford and Braintree.

The permanent closure of unprofitable stores and the temporary closure of stores for refurbishment had contributed towards a 1% decrease in food sales. The majority of revitalised stores were seeing enhanced sales.

Our other businesses had seen increased sales, with the exception of forecourts due to the falling price of fuel, and the Distribution Centre which saw a 2.2% decrease in sales reflecting the challenging food retail market.

The travel business had performed particularly well, delivering a 19.5% sales increase to near £5m for the year. The extensive property portfolio and achieved a higher level of lettings and achieved a 3.4% increase in income for the year.

Funeral Services had also seen year-on-year growth with sales up 4.8%. This had been helped by the opening of 14 new funeral branches across the region to further maintain and grow market share.

Sourced Locally, the multi-award winning initiative, had seen continued success with a further 15% increase in yearly sales. Since its launch in 2007, over £45m had been returned to the local economy, thereby helping to protect many jobs in the region.

Overall, performance had been underpinned by the continued hard work of the Society's dedicated and professional colleagues. However, 2016 was going to be a tough year, with the introduction of the National Living Wage and the removal of tax breaks for purchasing green energy. The new business tax for apprenticeships was also an additional cost in the future that was beyond the Society's control.

Despite this, The Board remained committed to continuing the store refurbishment programme and the expansion of the funeral business as key priorities for the year ahead.

Audit Report

Mr Clive Mann, Chair of the Audit Committee, presented the report of the Audit Committee.

Audit Opinion

Mr Simon Ormiston, Partner of PwC Chartered Accountants presented the unqualified audit opinion for the Statement of Accounts for the year ended 23rd January 2016.

Remuneration Report

Mrs Nicola Fox, Chair of the Remuneration and Search Committee, presented the Remuneration Report and the Board's proposal regarding Directors' fees for 2016-17.

Questions and Comments from Members

Members had had the opportunity to raise questions and make comments at the workshops that had taken place before the meeting. Matters raised formally at the meeting included:

- Excess packaging and waste management
- Retaining postal communications for members who were not online
- Possible future banking services for members
- Use of foodbanks

The President or appropriate Joint Chief Executive Officer responded in each case.

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

RESOLVED: That the Report and Accounts for the year ended 23rd January 2016 be received.

RESOLVED: That the Remuneration Report for the year ended 23rd January 2016 be received.

RESOLVED: That the formula for calculating Directors' fees agreed at the 2014 AGM be suspended and the Directors fee for 2016-17 be retained at £8,110.

RESOLVED: That PwC be re-appointed Auditors for 2016-17. [10 votes against].

RESOLVED: That a Dividend of £2,970,000, equivalent to a rate of 2%, be paid to Members upon the value of qualifying purchases made from the Society during the year ended 23rd January 2016.

RESOLVED: That the Society maintain its affiliation to the Co-operative Party for the 12 months ended June 2017 at a subscription of £32,000.

Election Procedures

The meeting was informed that the rules provided that voting in elections of Directors should be carried out as agreed by Members in General Meeting on a recommendation from the Board and that to date, the Society had allowed for voting in person at the Annual Members' Meeting.

The Board was now proposing that voting in person be discontinued as it was increasingly difficult in the light of the numbers voting by post or online to carry out proper checks at this meeting to ensure that those who asked to vote in person had not already voted.

RESOLVED: That the Election Procedures be amended as set out on the agenda for the meeting to discontinue the provision in the election of Directors for voting in person at the Annual Members' Meeting.

Election Results – Board of Directors

The President reported that there had been 31 candidates standing for 5 vacancies on the Board of Directors. The results of the election were as follows:

		<u>Votes Cast:</u>
<u>Elected for 4 years:</u>	John Hawkins	1,339
	Nicola Fox	1,312
	Christopher Matthews	1,053
	Steven Shaw	969

<u>Elected for 3 years:</u>	Maria Veronese	821
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Unsuccessful Candidates

John Clarke	738
John Cook	690
Faith Archer	649
Anne Gillion	593
Suzanne Hawkes	519
Ruth Wailes	497
Tessa Holmes	482
Geraldine Schofield	437
Belinda Bell	407
Graham Bricknell	381
Jonathan Roberts	339
Rupert Durrant	304
Michael Caddock	296
Bob Rumney	276
Keith Mahony	274
John Clitherow	251
Joan Henriques	236
Denise Buckright	233
Paul Joynson	230
Caroline Ley	230
Chris Hodson	220
Jonathan Adams	212
Sharon Pendorf	186
Jim Furze	164
Stephen Wood	148
Arthur Hendry	108

Total Votes Cast:	
By Post:	2,535
Online	625
In Person	30
Spoilt papers:	16
Total Valid votes	3,174

Vote of Thanks

The President proposed and Members approved a unanimous vote of thanks to the following Directors leaving the Board of the Society:

Tereza Scrogie
John Cook

Close

There being no other business, the President closed the meeting, thanking Members for their attendance and participation.

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President

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Date