Annual Report and Financial Statements 2025

Annual Report and Financial Statements of the East of England Co-operative Society for the 52 weeks ended 25 January 2025

East of England CO-OP

2025
Annual Report and Financial Statements of the East of England Co-operative Society for the 52 weeks ended 25 January 2025

East of England COOP

Co-operatives were first formed as a different way of doing business that was better for everyone, driven by values and principles which still guide co-ops to this day.

We're proud to be the largest independent retailer operating in the East of England. We provide Food stores and specialist services, such as Funerals, Travel Agents and Petrol Filling Stations to communities across Norfolk, Suffolk, Essex, Cambridgeshire and Hertfordshire.

With a significant Property Portfolio and other businesses, such as Security Services, we're a diverse and modern society.

As a co-operative we're run differently from other big organisations. Our focus has always been, and always will be, the local communities in our region.

£385.7m Turnover
£10.0m down from last year

£3.8m Profit before taxation
£13.3m up from last year

£1.0m Underlying Trading Profit from Continuing Operations
Trading profit up £4.6m from last year

£229.6m Members' Funds
Up £1.5m from last year

Contents

We're proud to display the Fair Tax Mark. This is awarded to organisations that display a high degree of transparency in their corporate tax affairs. We are fully committed to paying the right amount of tax, in the right place, at the right time.

A word from our President

2024 has been a year to remember for many reasons. I am proud to have been elected as President of our Society, heading up the Board with the support of Mandy Errington, our new Vice President. Together we showcase our co-op as an inclusive and forward-thinking society.

I would like to place on record a sincere thank you to our brilliant colleagues. Their hard work and dedication is vital to ensuring the future success of our Society and the continued focus on local communities.

Supporting our communities

This year we solidified our support for our communities by streamlining our funding and introducing Local Giving. Through Local Giving, our Community Cares Fund, small donations and in-branch hosting of charities, we have supported more than 700 unique causes.

The need to support our communities is still as important as ever. Our Community Cares Fund applications continue to rise. Local Giving, which sees our stores and branches fundraising for a good cause (chosen by them) in their own community, helped to raise more than £90,000. A big thank you to all of our members, customers, clients and colleagues for getting behind this great new initiative!

How we performed

Despite another year of economic uncertainty and rising costs, we are delighted to have delivered an underlying trading profit from continuing operations of £1.0m, a £4.6m increase from last year's £3.6m trading loss.

We must absolutely celebrate this success but also be mindful of ensuring we return to sustainable profit in the years to come. This year we have strengthened our focus on operational excellence and dedication to co-operative values through the appointment of Andy Rigby as CEO for a minimum of two years, supported by five Chief Officers in our Senior Leadership team.

Our governance

As a Board we went through a process of co-opting an additional Director with recent and relevant financial experience, to complement our current skillset. We are pleased to have appointed James Bardrick, who joins us for an initial period of 12 months.

I would like to thank my predecessor Frank Moxon who, in December, completed his fourth term as President. Frank remains a valued member of our Board of Directors.

This year we bid farewell to Beverley Perkins, who has completed a remarkable 12 years' service on our Board. I would like to express my sincere gratitude to Bev for her unwavering dedication and invaluable contributions to our co-op over the years.

I would also like to take this opportunity to remember Emma Howard, one of our directors, who sadly passed away in November 2024. Emma began her journey with the East of England Co-op as a Customer Service Assistant before moving into the Finance team at Wherstead Park and eventually, in 2015, joined our Board of Directors. Emma was a wonderful colleague and a dear friend. Her absence will be deeply felt by the Board, and we will honour her memory by keeping a chair at the table for her, ensuring that her spirit and co-operative values continue to thrive.

What does the future hold?

The year ahead of us is an exciting one. Whilst there will be challenges on the horizon, much like every year, I am convinced that we have a leadership team in place to navigate our co-op on its journey to sustainable profit. I believe that our continued pride in serving our members, customers, clients and communities is fundamental to the success of our co-op. This is a principle I will uphold throughout my term as President.

I welcome the continued research into our member proposition and what it means for each of us to own a part of our co-op. In this volatile and uncertain world, co-ops can foster a spirit of community where individuals support one another. It is essential we offer a membership that is both exciting and valuable to our customers, and that builds on these co-operative roots.

Thank you for your support – we are stronger together.

Joy Burnford

Joy Burnford
President
For and on behalf of the
East of England Co-operative Society

Chief Executive overview

2024 is the year we celebrate a return to trading profit and the start of an exciting period of growth at our co-op.

To help us on our journey back to sustainable profit, we've been reshaping our store portfolio, making sure we've got the right stores in the right places to respond to changing customer demands. We've also been reshaping our Funeral business as well as our Property portfolio, to ensure all areas of our business are contributing towards a sustainable and profitable future for generations to come.

Growing our business

This year has been an exciting one. For a second year running, we have grown our business in new territories, with our family of businesses now operating in five different counties. In June we opened our first ever Hertfordshire Food store in Bishop's Stortford, welcoming 22 new colleagues from the local area.

In December, we opened one of the UK's most advanced funeral branches in Norwich, on Drayton Road, following a £4.5m investment. This multi-faith funeral venue offers an improved range of services for people living in Norwich and the surrounding area. This followed the opening of our first Funeral branch in Thetford in May, further extending our support to the communities of Norfolk.

In a year we saw record Travel sales, we also opened our first Travel branch in Woodbridge, inside our Food store on Hamblin Walk.

In e-commerce, we began a new partnership with Quadient, installing smart lockers in both our Hadleigh and Framlingham stores. This new partnership means our members and customers can use our in-store parcel services to send or receive parcels through Royal Mail, DPD, Evri, In-Post, Amazon and UPS, making shopping with us even more convenient.

In December, we announced Barclays as our new banking partner, part of our ambitious growth plans. With a £30.0m Revolving Credit Facility and overdraft, this new partnership will support our co-op as we continue to expand our trading area, open new stores and branches, refurbish our existing estate and invest in new technologies.

Reshaping our Portfolio

To support our return to profitability, we needed to reshape our portfolio across our family of businesses, ensuring every one of our assets is making a positive contribution and is aligned with the future vision of our co-op.

Part of our reshape included the permanent closure of our stonemasonry business H.L. Perfitt.

We also transferred and leased our Felixstowe and Brightlingsea Supermarkets to new operators providing us with guaranteed income, while also protecting jobs for our colleagues that have transferred to the new operators.

In 2024 we also confirmed plans to place on the market or close and consolidate, up to 13 branches across our Food and Funeral businesses in Suffolk, Norfolk and Essex as we continue to focus on returning to sustainable profit.

Finally, in July we placed our central support office, Wherstead Park on the market for sale.

The sale and lease of these properties will enable us to invest in refurbishing and growing our business, providing new, modern facilities for our members, customers and clients in new locations throughout the East of England.

In the past year, we invested more than £5.0m in refurbishing 12 of our existing Food stores. Alongside a range of new 'food to go' services, including freshly squeezed orange juice, hot and frozen drinks and ice cream, we also took the opportunity to install new energy-efficient refrigeration and lighting. We also installed a further five solar panel arrays which could save 49 tonnes of CO_2 emissions.

Supporting our communities

At the East of England Co-op, we've always believed that our success is intrinsically linked to the wellbeing of the communities we serve. We're proud of the ways in which we have continued to make a positive impact in the areas where we operate.

In 2024, we established our four key community programmes, Community Cares Fund, Local Giving, Small Donations and In-branch Hosting. Establishing these programmes has made it easier than ever for our members and communities to gain support from our co-op, and resulted in us supporting more than 700 unique charities and good causes.

Since its creation in 2020, our Community Cares Fund has helped to directly support more than 140,000 members of our community across our region. In the last year alone, we provided grants to 87 different organisations.

Launching this year, our Local Giving community initiative gives our stores and branches the opportunity to choose which charitable organisation they'd like to support, strengthening the relationships of our stores and branches with their local communities.

Our In-branch Hosting scheme has also had a successful year, supporting 59 unique charities on 179 occasions. We also made more than 500 Small Donations.

Developing our colleagues

I'm incredibly proud of our colleagues. Not only has every one of them contributed to returning us to profit but they've all embraced change head on.

Colleague safety is always a priority at our co-op. Our security team works 24/7 to protect our colleagues and branches. With state-of-the-art technology, our uniquely qualified team works closely with local authorities and agencies including the police service. We find this co-operative way of working is instrumental in achieving arrests and prosecutions, helping to keep our colleagues safe. We have also made further investments in technology, introducing Smart Safes across our Food business to minimise our colleagues' access to cash, further reducing the threat of robberies.

Developing our colleagues is hugely important to me. Our 3,000 colleagues are our biggest strength. This year we launched GROWTH, a colleague-focused programme designed to develop personal and professional skills, encourage regular two-way conversations within teams, and inspire everyone at our co-op to do amazing things.

As well as helping to develop our colleagues, it is equally important to recognise and reward them for living our Values and going above and beyond in their roles. In April, we launched our VIP (Values in Practice) Awards scheme, a peer-to-peer nomination scheme that seeks to recognise high performing colleagues.

Looking ahead

We remain a business in transition. We have an exciting pipeline of new stores and branches and will be continuing our refurbishment programme. However, we'll also need to absorb the increases in the National Living Wage and National Insurance contributions.

I'm pleased to have recently completed a review of our Senior Leadership team and I'd like to welcome Colin Dixon-Blair (Chief People Officer), Sam Winter (Chief Retail Officer) and Simon Dryell (Chief Commercial Officer) to our Senior Leadership team.

I'd like to take this opportunity to thank everyone involved with our co-op. By working together, we continue to use our resources to make a positive local impact. A return to trading profit is a monumental achievement in the current financial landscape and should be celebrated. Being profitable allows us to continue building our co-op for the next generation.

Finally, and on behalf of the Senior Leadership team, the biggest thank you must go to our colleagues. Without their hard work and dedication none of this year's success would have been possible. They continue to be our biggest strength and I'm proud of the work each and every one of them have delivered for our co-op this year.

Andy Rigby
Chief Executive Officer
For and on behalf of the
East of England Co-operative Society

Governing the East of England Co-op

The Board of Directors is responsible for determining the objectives, strategy and policy of our co-op in conjunction with the Senior Leadership team, who are collectively responsible for the day-to-day management of our co-op.

Advice on governance matters is provided in the first instance by the Society Secretary, with further professional support available from Co-operatives UK and external lawyers as appropriate.

During the year covered by this report, your Directors met formally seven times to consider items of policy and strategy and all matters reserved for the Board.

Board of Directors

In May 2024, John Cook and John Hawkins left the Board having both completed 12 years' service; with Judi Newman and Caroline Ley leaving after seven and three years' service respectively. As referred to in the President's statement, the Board also sadly lost Emma Howard, who passed away in November 2024.

As a result of the May 2024 election of Directors, the Board welcomed Martin Catchpole, Suzanne Hawkes and Ann Osborn BEM, along with welcoming back Nicola Fox, who had stepped down for one year following 12 consecutive years' service on the Board. James Bardrick was co-opted to the Board in January 2025.

Directors as at 25 January 2025:

Joy Burnford President

Mandy Errington Vice-President

James Bardrick (Co-opted)

Belinda Bulsing

Martin Catchpole

Sally Chicken

Esme Cole

Lesley Dolphin

Nicola Fox

Suzanne Hawkes

Julie Mansfield

Frank Moxon

Ashley Munson

Ann Osborn BEM

Beverley Perkins

Maria Veronese

Remembering Emma Howard

Sunrise 19/6/89 - Sunset 30/11/24

"The East of England Co-op Board has lost a remarkable colleague and dear friend. I fondly remember Emma's enthusiasm for cars; during one journey together to the Co-op Retail Conference, we experienced a breakdown, and she was out there under the car, determinedly fixing it! Her passion for travel and exploration was also truly contagious.

On the eve of her final operation, she spoke about all the places she still dreamed of visiting and how she intended to make the most of her time. She was my go-to expert for everything related to AI, introducing me to ChatGPT along the way. Her absence will be deeply felt by the Board, and we will honour her memory by keeping a chair at the table for her, ensuring that her spirit and co-operative values continue to thrive".

Joy Burnford, President,
East of England Co-op.

The Leadership team

Day-to-day management of our co-op is delegated by the Directors to the Chief Executive Officer, Andy Rigby, who is responsible for implementing our strategy within the framework laid down by the Board.

The Chief Executive Officer is supported in the day-to-day running of the East of England Co-op by five Chief Officers.

Senior Leadership team:

Andy Rigby
Chief Executive Officer

James Norman
Chief Financial Officer

Stuart McDonald
Chief Property Officer

Colin Dixon-Blair
Chief People Officer

Samantha Winter
Chief Retail Officer

Simon Dryell
Chief Commercial Officer

Jonathan Carey
Society Secretary

Operating review

Underlying trading profit from continuing operations £1.0m

Overview

Despite continuing challenges impacting our trade and operations, we were able to generate a trading profit from continuing operations of £1.0m. This is a significant £4.6m improvement on last year's results. This is a reflection of the continued hard work and commitment of all colleagues.

Our balance sheet has grown to £229.6m, still underpinned by our Property Portfolio.

Costs continue to rise across the board with increases hitting the cost of goods and a further 9.8% rise in the National Living Wage. Our co-op continues to adopt an approach of achieving sustainable profit and is taking a responsible approach to managing such changes.

Turnover

Sales down 2.5%

Sales decreased by £10.0m compared with the prior year. This was an anticipated part of our strategy where we have closed loss-making parts of the business which has had the combined effect of reducing turnover but increasing profitability.

Food sales down 1.6%

Food sales reduced by £5.2m, a result of closing stores and a challenging market.

£8.0m Property income

Property income decreased in line with expectations as we continue to deliver on our portfolio plan of optimising our assets.

£2.5m decrease in Funeral sales

Our Funeral business continues to operate in a challenging market, with a greater focus from customers on lower cost funerals, specifically direct-to-crematorium offerings. We continually review our own sales offerings and we have broadly retained our market share.

Profitability

Underlying trading profit from continuing operations up to £1.0m

Our underlying trading profit from continuing operations improved by £4.6m year-on-year. This gives us two years of back-to-back increases in underlying trading profit and demonstrates that we are well on the way to returning to sustainable profitability.

Despite Food sales being down by £5.2m, contribution has grown by £3.0m. A similar story is visible in our Funeral business, where turnover is down by £2.4m, however contribution has increased by £0.7m compared to last year. Property has also seen an increased contribution percentage despite falling turnover.

Post Offices and Forecourts also saw an increase in contribution compared to last year. However Travel has seen a reduction in contribution.

We have separately disclosed discontinued operations in our Revenue Account (pg 37) this year, which relates to the closure of our H.L. Perfitt business.

Members' funds

Members' funds £229.6m up £1.6m

This increase is a combination of our improved trading profits, significant growth in our Property Portfolio and gains in respect of our pension scheme assets. This is tempered by the losses of our Stonemasonry business that closed this year.

Cash flow

Our net cash increased by £13.0m

At year-end we had net debt of £13.1m, compared with £10.4m last year.

In our journey to sustainable profit, we need to continue our investment in our estate and in the technology that helps us to drive efficiencies and increased contribution. To this end we have continued to invest during the year both in-store and in our central systems. This has led to further spending but is delivering benefits in our increased cash generation from trading activities.

We continue to use our overdraft to manage our working capital requirements and a revolving credit facility to support capital investment. We were able to re-finance our facilities in November 2024 which has extended the facilities available to us and provides us with longer term visibility as the new facility expires in November 2028. This positive step allows us greater certainty over our co-op's future and removes the material uncertainty in relation to going concern. Please refer to our Accounting Policies (pg 41-43) for additional information.

Supporting our communities

Investing in our communities is really important to us and over the last year we have taken the time to create a Community Framework, establishing our four core community programmes.

We have been able to make a difference to thousands of beneficiaries of the services that we've funded, strengthened our connections within our communities and continued to cement our reputation as a leader in the support that we provide.

Community Cares Fund

Our Community Cares Fund continues to grow with more and more applications every round from a diverse set of charitable organisations. We value our relationships with the community foundations of Suffolk, Norfolk, Essex and Cambridgeshire, who share their knowledge and experience to guide us through the fantastic amount of applications we receive. This year we awarded 87 Community Cares Fund grants across the region which, since its inception in 2020, has now supported more than 146,000 people.

Local Giving

This year, we successfully launched our brand new Local Giving community programme. Local Giving allows our colleagues in our stores and branches to pick a local charitable organisation that is important to them to fundraise for, for a three-month period, twice a year. Thanks to this new initiative, we were able to donate £120,000 to local charitable organisations, with over £60,000 of this being raised by our members, customers and colleagues.

Small Donations and In-branch Hosting

We continued to support our communities through our Small Donations and In-Branch Hosting programmes. Small Donations supported 432 unique charities, while our In-Branch Hosting supported 60 charities, with the opportunity to collect donations in participating stores on more than 180 occasions.

Foodbanks and Defibrillators

Our Food stores continue to collect items that are donated by our generous members and customers for our 28 supported foodbanks.

We're proud to continue to provide access to defibrillators in our communities. In 2024, they were deployed more than 380 times, helping to save lives.

Bringing everyone on the journey

Our Co-op, Your Voice

This year saw 72% of our colleagues complete the Our Co-op, Your Voice colleague survey – that's 4% more than last year. Repeating the survey means we can look at the impact of changes and actions taken over the last year, and identify the things that are going well and, importantly, the things we could be doing better.

Our overall engagement score was 73%, slightly down on last year's 75%. This score is an indication of the emotional connection our colleagues have to our co-op. It is encouraging to see large improvements since 2023 in colleagues knowing and understanding our co-op's Vision, Mission and plans for the future.

We're pleased to see that the highest scoring engagement questions are caring about the future of our co-op and motivation to do great work, both exceeding the retail norm. Of our colleagues, 80% also believe they demonstrate the behaviours of our Values on a daily basis.

Of our colleagues, 80% feel supported in terms of their development and receiving acknowledgement for a job well done and it's great to see that compared to 2023, more colleagues feel that, they can suggest ideas and try new things.

VIP Awards

In 2024, we were delighted to launch our new colleague reward and recognition scheme – the VIP (Values in Practice) Awards.

The VIP Awards were created as a direct result of feedback from our 2023 Our Co-op, Your Voice colleague engagement survey. Nominated by their fellow colleagues, we were really pleased to receive more than 340 nominations, recognising them for living our values.

20 New Colleague Benefits

This winter, we were pleased to provide every colleague with a £50 voucher to be used in our Food stores, alongside our continued 20% colleague discount.

We were also able to provide access to free flu jabs, helping to keep our teams protected against seasonal illness.

Alongside these, we were pleased to continue to offer our £15 Christmas Party contribution, Your Benefits Gateway, to which we've added 20 new benefits, Wagestream where colleagues can access up to 30% of their basic pay without needing to wait for payday, and 24/7 access to free emotional, practical and financial support through specialist charity GroceryAid.

Keeping our colleagues safe

More so than ever, colleague safety is of paramount importance to us.

In August, we reached out to other businesses alongside Essex Police on Safer Business Action Day. We shared methods that have been proven to lead to greater success in bringing offenders to justice. We also had the pleasure of welcoming Suffolk Police and Crime Commissioner, Tim Passmore, to two of our Ipswich stores, putting a focus on the serious impact of retail crime.

Our Security team has continued to support our front-line colleagues, making more than 5,200 visits to our stores. Our proactive approach of cataloguing incidents and profiling repeat offenders has helped us secure more than 46 years in custodial and suspended prison sentences, as well as 30 years' worth of Criminal Behaviour Orders.

Diversity, Equity and Inclusion

This year we continued our good work on our Diversity, Equity and Inclusion journey. We're proud to have supported some great events this year including sponsoring both Colchester and Norwich Pride as well as continuing our front of shirt sponsorship of Colchester Kings RFC, a LGBTQ+ inclusive Rugby club.

Male colleagues within our business sat down to have a recorded conversation around men's mental health for Men's Health Awareness week. We also hosted learning sessions for Deaf Awareness Week and Black History Month.

Excitingly this year, our co-op has formalised a Diversity, Equity and Inclusion strategy, marking a significant step towards cultivating a more inclusive and equitable workplace.

Membership

This year we welcomed members from Hertfordshire for the first time ever, as we opened our Bishop's Stortford Food store.

We attracted over 12,000 new members in 2025, with the average age of new members younger than previous years.

As a result of feedback we received, we reduced waiting times for queries made to our Membership Support team and we've also provided our members with a dedicated telephone resource to raise queries.

Our membership proposition remains under review following constructive feedback from this year's membership survey, as we look to provide enticing benefits to becoming an East of England Co-op member, as well as rewarding our existing members.

Energy and carbon reporting

We have achieved an 11.0% decrease in our overall tCO2e (metric tonnes of carbon dioxide equivalent) this year. With significant savings in grid electricity consumption (6%) and CO2e from fugitive refrigerants. This has been achieved by store refurbishment, replacement of refrigeration and lighting, and the installation of solar panels capable of generating a total 230,000 kWh / year.

We continue to replace older refrigerants with lower global warming potential (GWP) alternatives and operate a robust preventative maintenance programme to reduce the potential for equipment failure. We will continue to invest in renewable energy generation and projects to reduce energy use throughout our operations.

Our emissions data is reported in line with the UK government's Streamlined Energy and Carbon Reporting (SECR) policy and is calculated using the Greenhouse Gas (GHG) Protocol – Corporate Standard with reference to UK Government GHG Conversion Factors for Company Reporting 2024 and in-house tools. Using this method, our CO2e emissions in metric tonnes for the past two financial years are as follows:

	Electricity	Natural Gas	Gas Oil	Kerosene	Transport	Fugitive Refrigerant Gas	Total
2024/25	6,633.42	216.07	8.03	17.65	376.10	2,354.49	9,606
2023/24	7,040.23	185.48	8.27	22.09	335.65	3,204.49	10,796

9,606 tonnes of CO2e is equivalent to 23.5 tCO2e per £1m turnover.

Energy use from electricity, gas and transport fuel 2024/25

Source	Energy use kWh
Electricity	32,037,781
Natural Gas	1,181,346
Gas Oil	32,237
Kerosene	71,543
Transport (Scope 1)	1,292,053
Transport (Scope 2)	10,573
Transport (Scope 3)	240,308

Electricity
This is the total amount of electricity used at our commercial and operational premises, excluding on-site generated renewable energy.

Natural Gas
The total amount of Natural Gas used at our commercial premises.

Gas Oil and Kerosene
A very small number of our premises have oil-fired heating. We're looking to replace this.

Transport
This is the amount of energy in the form of fuel used for transport on Society business, excluding deliveries by others.

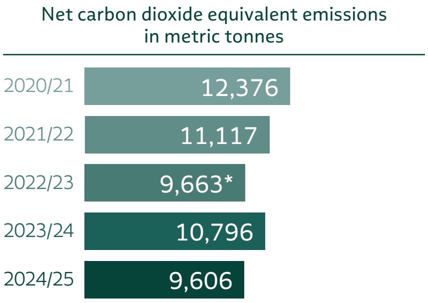
Measuring our Co-operative Performance

What we measure and why	Performance	Commentary

Are we improving our impact on the environment?

In line with the requirements of Streamlined Energy and Carbon Reporting (SECR) we have chosen to align emissions calculation methodology with the 'Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard' reporting Scopes 1 and 2, with reference to 'UK Government GHG Conversion Factors for Company Reporting, 2023' and internally developed tools.

*2022/23 total emissions figure adjusted due to correction in transport data

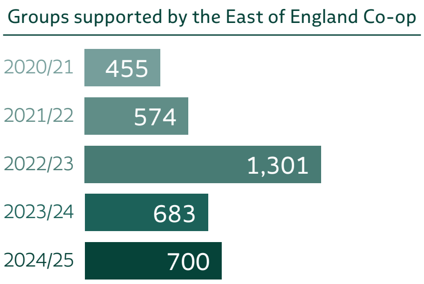


We have achieved an 11.0% decrease in our overall tCO2e (metric tonnes of carbon dioxide equivalent) this year. With significant savings in grid electricity consumption (6%) and CO2e from fugitive refrigerants. This has been achieved by store refurbishment, replacement of refrigeration and lighting and the installation of solar panels capable of generating a total of 230,000 kWh / year. We will continue to invest in projects that will reduce energy use throughout our operations.

Are we supporting communities?

Following a restructure of our community support in 2023 a new community framework was created in 2024. Four core community programmes were established alongside our support for foodbanks and portfolio of defibrillators.

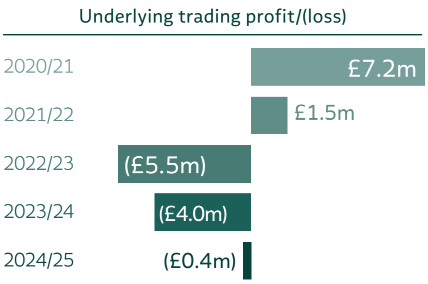
Our core community programmes for 2024 and beyond are In-Branch hosting, Small Donations, Local Giving and our Community Cares Fund.



Investing in our communities is really important to us. Over the last year we have taken the time to create a Community Framework and establish our 4 core community programmes. This helps us be clear about how we can help, have clear audit trails and measures for reporting. We have supported over 700 community groups/charities on 960 occasions through the variety of programmes.

Is the Society profitable?

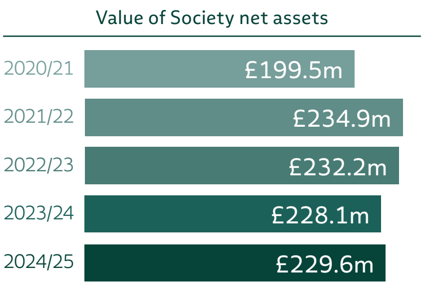
We measure our underlying trading profit, which is the money we make before we take off any exceptional items. We do this to see if the core business is profitable and to provide a more comparable figure on a year-on-year basis.



In the face of continued headwinds, our co-op has achieved its goal of returning to profit this year from its continuing operations. However losses from discontinued operations reduce the overall position. Against a climate of increasing costs in our supply chain and across personnel, careful management of expenses and making some tough decisions has allowed our co-op to create a strong platform from which to continue its journey of generating sustainable profit for the future.

Is the business sustainable for the future?

We measure the value of our net assets by taking our total liabilities from our total assets. We do this as a strong balance sheet provides confidence to our members that we can finance our business goals and invest in our future.



A combination of generating an underlying trading profit from continuing operations, strong growth in the assets of the pension fund and a substantial increase in value of our have all contributed to an increase in the value of our co-op's net assets. This growth reflects our continued investment in the future of our co-op.

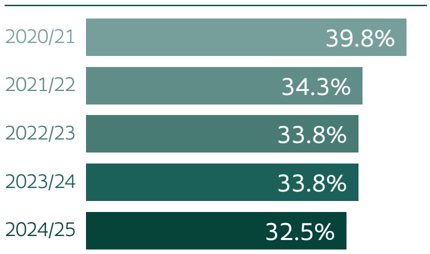
Measuring our Co-operative Performance

What we measure and why	Performance	Commentary

What trade do we do with members?

We measure the qualifying spend by our members as a percentage of total turnover. As a co-op owned by our members, we want to deliver the goods and services that meet their needs.

Trade conducted with members as a proportion of total turnover

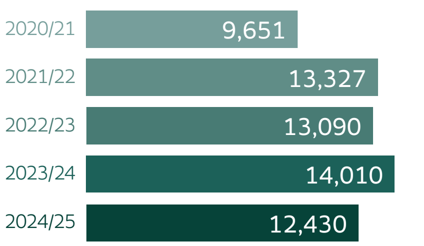


Trade conducted with members as a proportion of total turnover has reduced slightly year-on-year. We are developing and updating our membership proposition which will include encouraging existing members to use their card to ensure that their purchase is recorded, as well as attracting new members.

Are we attracting new members?

We measure the number of new members who have joined us at events, in store and online. As a co-operative with a voluntary and open membership, it's important we continue to recruit new members, giving each one an equal say in how we're run.

Number of new members recruited

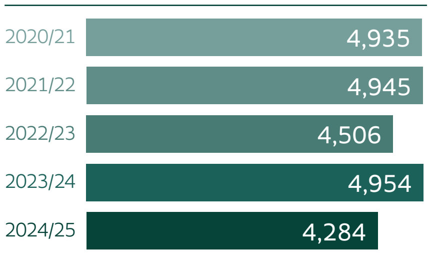


Recruitment levels decreased slightly in 2024/25. Many of our new members joined us as a result of opening our first ever food store in Hertfordshire in Bishop's Stortford.

How many members are involved in democracy?

As a core co-operative value, members should have an equal say in the running of our co-op. We measure democratic member control through measuring the number of members who vote in our election to the Board of Directors.

Number of members who voted in the Election of Directors

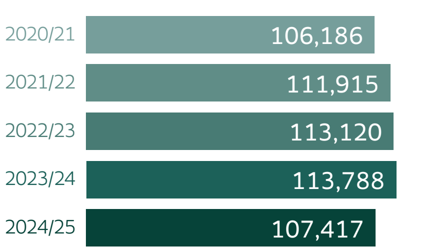


Whilst member participation in the 2024 Election of Directors fell by 14.5%, we are pleased to report that over 4,200 members actively participated in our democratic process. Where possible, we will look for ways to increase participation in future elections. The trend identified over the past couple of years continues with members choosing to vote online rather than via post.

How many of our members are active?

We measure this by the average number of members who have made a purchase within each four-week period throughout the financial year. We want to encourage our members to engage with our co-op, as we know that more active and engaged members lead to a more successful and vibrant local co-op.

Average number of members who have made a purchase within a four-week period throughout the financial year

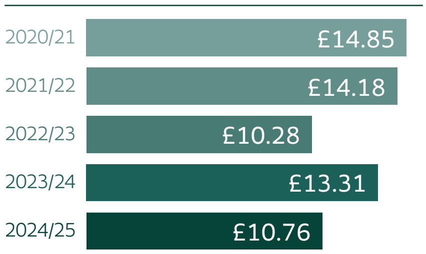


We've seen a decrease in our number of active members this year. This year we're seeing the result of some disposals in the previous years, where we transferred our Frinton Food store and closed our Rosehill Food store. This along with recruiting 2,000 fewer members than in recent years explains the decrease in active members. We're continuing to review our membership proposition as it remains vital to our co-op.

How do our members benefit?

With each member receiving a dividend based on the amount spent with us, average dividend is a good measurement of how our members benefit. We measure the average dividend received by members for all transactions across our family of businesses.

Average dividend per member

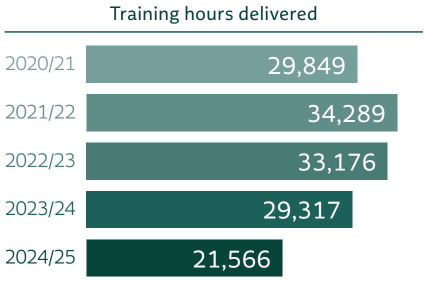


In the last two years, the same level of dividend has been issued even though our co-op has made trading losses. The drop in average dividend per member is a result of the dividend being utilised by a larger number of members which shows an improved reach. As we return to profit and propose to increase our dividend for this year, we expect to reach even more members.

What we measure and why	Performance	Commentary

Do we develop and train our colleagues?

We measure all training delivered to our colleagues which encompasses face-to-face training programmes, e-learning courses, induction and apprenticeship hours. Measuring the training we provide is important to ensure our colleagues receive the right support to develop their careers and live our co-op values.



This year learning hours show as a decrease compared to previous years. This can be attributed to several factors including a reduction in the number of apprentices and no programmes running in our operations teams. Despite a reduction, we have seen some positives, with more than 100,000 course completions this year, compared with 74,000 last year, and 50,000 in 2023. Since launching our appraisal process, GROWTH, over 2,000 Annual Check-ins have been completed and we have over 700 colleagues on Personal Growth Plans.

Corporate Governance Report

The Board is pleased to report on the governance policies and practices within the Society for the year ended 25th January 2025.

This report is published in accordance with the Co-operative Corporate Governance Code (2019). The Code sets out the recommended best practice on issues of governance for consumer co-operative societies.

The Board is responsible for making sure the Society complies with recommendations in the Code that are appropriate to its circumstances and for reporting to members on this matter. Where the Society does not comply, the Board has an obligation to tell members why it does not. This report is intended 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 several areas of the Code, detailed on page 30 with which the Society does not comply.

The Board is conscious that governance and related compliance matters can be difficult to convey within the confines of a formal report. The Board therefore welcomes questions and comments from members on this report at the Society's Annual Members' Meeting, or at any other time. In either case, please contact the Secretary.

The following sections in this report cover the key areas of governance as set down in the Code (copies of which are available from the Secretary).

Principal activities

The Society's principal business activities are Food Retailing, Funeral Services and management of its Investment Property Portfolio. In addition, the Society has interests in Petrol Forecourts, Post Offices, Travel and Security.

Membership matters

Membership is at the heart of any true co-operative enterprise and it is vital to building the Society's future. The Board aims to recruit, engage and involve members in the Society, and to reach out to those who have not previously engaged with the Society. Throughout the year, the Society facilitated many events with members across the region, both online and in the community. This work is combined with traditional methods of member engagement such as the Annual Members' Meeting. All membership meetings are publicised on the Society's website, through email and on posters in all Food stores.

Application of profits

The distributions made by the Society recognise and reward members and the community for their contribution to the Society.

The Society proposes to pay a dividend totalling £1,000,000 to members, which represents 0.80% (2024: 0.56%) of each member's qualifying purchases. This will be issued in the form of Society vouchers in June 2025.

Financial Reporting Standards determine how we treat this dividend and other profit distributions in our financial statements. The Society rules govern the distributions made. The table below details the amounts the Board plans to distribute in the year under review, in accordance with these rules. The aggregate dividends recognised as an expense in the year amount to £600,000 (2024: £656,000).

Distribution of profits

	£000
Interest on share accounts	37
Dividend	1,000
Community engagement	165
Co-operative Party	34
Donations	10
Total distributions	**1,246**

The Board

This section gives you details about the Society's Board, its duties and responsibilities, and how it is structured and functions.

Society rules

The Society is bound by a set of rules that are approved by its members. Broadly speaking, these prescribe how the Society operates and the way it is structured.

Copies of the Society's rules are available on our website or from the Secretary.

The Board – duties and responsibilities

The Directors, as elected by members, are ultimately responsible for:

- Setting the Society's policy objectives
- Monitoring the achievement by management of those objectives
- Identifying and managing risk.

Given the distinctive nature of co-operative societies, the Board also has a duty to ensure that the Society operates as a bona fide co-operative and adheres to the values and principles unique to these organisations.

All Directors on the Board, who are collectively responsible for the success of the Society, are answerable 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. The Board also 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 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 Senior Leadership team, which is responsible for the execution of the Society's strategy within the framework laid down by the Board.

Board procedures

The Board meets regularly throughout the year either in person or online. At meetings it receives reports from management on trading and other matters, and it reviews the financial performance of the Society (both by trading period and cumulatively for the year) and considers papers presented for decision or information. In addition, the Board holds ad hoc meetings to consider particular issues and informal meetings to consider strategic and other concerns. Whenever possible, papers are circulated in advance to give Directors the opportunity to prepare, and the minutes of all Board meetings are submitted to Directors for their review and approval. Decisions made are actioned as appropriate by management. 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 is responsible 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 the Senior Leadership team sought professional external advice. Individual providers receiving fees over £50,000 are set out in the table below.

Consultant	Purpose	Fees paid £000
PricewaterhouseCoopers LLP	Internal audit and data analytics consultancy	392
Ellisons	Legal advice including contract reviews and property transactions	220
Ernst and Young LLP	External audit	201
Fenn Wright	Property advice and agency fees	114
Kerseys Solicitors	Legal advice including property transactions	71
RSM UK Audit LLP	Corporation tax compliance and capital allowances claims	64

The Society now employs a 'Platform' approach using a sole trustee model to manage its defined benefit pension scheme. Under this platform approach, the total fees to advisors during the year are £367,000.

Board development and evaluation

The Board regularly reviews its own performance and practices.

Notwithstanding the use of external consultants, the Directors are keen to keep their own knowledge and experience up to date and they all participate in an programme of learning opportunities arranged by the Secretary.

Other learning opportunities are presented at a number of conferences to which the Board regularly sends delegates (be it in person or remotely). These include the Co-operative Retail Conference and the Co-operative Congress, both of which have programmes of speakers of international repute.

The Board has established a structured programme of induction training.

Board size

The Rules provide for a Board of 16 Directors*. The Directors are elected by all eligible members across the region irrespective of where the candidates or the members live.

*Members approved at a Special General Meeting on 23 January 2025, that the size of the Board be reduced to 12 Directors by 2027

Terms of office

The standard term of office on the Board is four years and one quarter of the Board retires each year.

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

The Rules provide that, after 12 years' continuous service on the Board, a Director must stand down for at least one year. This is to ensure a degree of Director turnover and to meet the best practice guideline of ensuring Board renewal.

The President and Vice-President

The President chairs the Board and is supported by a Vice-President. Each year, the Board of Directors elects candidates for these roles. 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 that competes with the Society. Nor may they have an interest of more than 1% of the issued share capital of a business trading with the Society.

Additionally, no more than two Directors on the Board can be current employees or have worked for the Society within the last three years (please note that Members at a Special General Meeting on 23 January 2025, approved the reduction of this time-period to two years).

The Secretary maintains a register to record any conflicts of interest that may arise for Directors and the Senior Leadership team of the Society. Formal updates to the register are requested biannually and individuals must inform the Secretary at the first opportunity of any conflicts that should 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 table on page 21 lists Directors' and Senior Leadership team external directorships or equivalent.

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

Board attendance record

The table on page 17 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 parentheses).

Elections

During the year, elections to the Board were conducted by postal and online voting. For 2024 this was held during April/May at which time there were six vacancies on the Board and 12 candidates contested those places.

Board committees

In order to discharge its responsibilities effectively, 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 on page 17.

Remuneration and Search Committee

The Society's Remuneration and Search Committee oversees remuneration policy for both members of the Senior Leadership team and the Board – whilst maintaining a watching brief on general employment and colleague engagement throughout the year. In addition, the Committee supports the Board with Director recruitment and Executive succession planning.

Gender Pay Gap Reporting

As the largest independent retailer operating in the East of England, with more than 3,300 colleagues, the Society is committed to reducing the average (mean) pay difference between men and women. The Committee recognises that a series of long-term actions are required to realise real change to improve the Society's gender pay gap; and also attracting and progressing people from diverse backgrounds.

In order to support the Society with this aim, the Committee both reviews the gender pay gap data along with the Society's forward plan – setting actions and specific commitments that are being taken to address the Society's gender pay balance. Members can find full details of the latest Gender Pay Gap Report (and forward programme) on the Society's website.

Board and Committee Attendance

Attendances 2024-25

Directors	Last Elected	Term Ends	Board	Audit and Risk	Performance Review	Membership and Community Engagement	Remuneration and Search
	Term of Office		Committees				
Belinda Bulsing	May 22	May 26	10(13)	4(4)			
Joy Burnford	May 21	May 25	13(13)				11(11)
Sally Chicken	May 22	May 26	12(13)				11(11)
Esme Cole	May 21	May 25	11(13)				10(11)
John Cook	May 21	May 24	5(5)		1(1)		
Lesley Dolphin	May 23	May 27	12(13)			2(2)	7(7)
Mandy Errington	May 23	May 27	13(13)		1(1)	3(3)	
John Hawkins	Nov 20	May 24	5(5)	1(1)			
Emma Howard	May 23	May 27*	7(10)		1(1)	1(1)	
Caroline Ley	Nov 20	May 24	5(5)	1(1)			
Julie Mansfield	May 24	May 28	13(13)		1(1)		7(7)
Ashley Munson	May 24	May 28	11(13)			4(5)	
Frank Moxon	May 22	May 26	13(13)			4(5)	
Judi Newman	May 21	May 25**	5(5)	1(1)			
Beverley Perkins	May 22	May 25	12(13)	3(3)			4(4)
Maria Veronese	May 23	May 27	12(13)			5(5)	
Ann Osborn	May 24	May 28	8(8)			3(3)	
Suzanne Hawkes	May 24	May 25	7(8)	1(3)			
Nicola Fox	May 24	May 28	8(8)	3(3)			
Martin Catchpole	May 24	May 25	8(8)	3(3)			

*Emma Howard passed away on 30 November 2024.
** Judi Newman stepped down from the Board in May 2024, one year prior to the end of term (May 2025).
This table does not record attendance at the AMM, strategy workshops or where a Director has participated as an observer.
On 30 November 2024, Joy Burnford was elected President and Mandy Errington elected Vice-President, each to serve until November 2025.

Colleague Pensions

Ensuring that colleagues have access to a suitable pension arrangement is a fundamental part of the Society's pay and conditions. The Committee works with management to ensure that Royal London, the provider of the current stakeholder scheme (open to all colleagues and used for auto-enrolment purposes), remains a good fit for colleagues. The Committee also received an update on the work of the Pension Steering Group, established to oversee the new 'Platform' governance model, being utilised in relation to the Society's legacy defined benefit pension schemes.

Director Elections

To ensure that the annual Director Election process is accessible and engaging for eligible Members to participate – either through standing for election or voting, the Committee oversees and reviews the process in conjunction with the Secretary (and where required the external electoral partner).

Directors' expenses and fees

Directors' Fees are determined by members at the Annual Members' Meeting (AMM), on recommendation from the Board. In 2024/25, the increase approved by members at the AMM, was linked to that awarded to colleagues based at the Society's Wherstead Park office. This link will continue for any proposed percentage increase recommended to members at the May 2025 AMM.

Payments intended to support Directors in contributing their skills and experience over and above those hours and duties usually expected were calculated and actioned in line with member support provided at the 2024 AMM (total payments for the period May 2023 to May 2024 falling below the agreed budget of £12k). In addition, percentage uplifts were for the first time applied to fixed additional roles, including President, Vice President and Committee Chairs/Vice Chairs.

Directors receive colleague discount during their term of office. Members can find the complete listing of expenses paid to Directors on page 20.

Co-opted Director

During the year the Committee supported the Board in the Co-opted Director appointment process.

Performance Review Committee

The purpose of the Performance Review Committee is to complement the Board's responsibilities for strategic review.

During the year, the Committee met once to monitor the commercial performance of the Society as reported via quarterly performance statements prepared by the Leadership team. The content of these reports is refined to address the core requirements of Directors for performance monitoring. These core elements form the basis for the Board's constructive challenge of the Society's Leadership Team, including:

- Was the strategy on track?
- Was the budget on track?
- Was planned development and growth on track?
- Were major projects on track?

If not – why not? Would the position recover or is remedial action required?

Discussions focused on the key areas of sales, availability, margin, personnel costs and contribution levels. The Committee assisted the Board in setting appropriate targets by which to measure success and, where appropriate has carried out deep-dive reviews of specific business areas.

The Committee also monitored the return on recent investment in the business through a series of post-investment appraisals; and reviews the Society's Sustainability Approach (including Environmental Sustainability Policy for onward recommendation to the Board).

This Committee was disbanded in May 2024 and its Terms and Reference and Scope has been distributed across the Board and the other Committees.

Membership and Community Engagement Committee

The purpose/role of the Membership and Community Engagement Committee is to help the Board to determine (in consultation with the Leadership team) the Membership and Community Strategy and to oversee the implementation of the strategy, checking that community investment plans are on track.

The Committee receives, at the frequency it decides is appropriate, membership and other data and analysis in respect of all matters within the Committee's scope.

Scope

All matters relating to:

- Member recruitment and retention
- Member development (i.e. member understanding of the co-operative movement and co-operative principle 5)
- The Society's Community Strategy, including the Community Investment Fund
- The raising of member and community engagement beyond merely using Society shops and services
- Oversight of strategy, activity and finance relating to the Society's connection with members in terms of trading and democratic engagement as well as community engagement
- The format of the Society's Annual Members' Meeting (AMM)

The Committee makes recommendations when necessary to the Board on these and related matters.

Membership

Membership of the Committee during the year under review is shown in the table on page 17.

Meetings

The Committee met formally five times during the year.

Activities during the year

For details of the activities of the Membership and Community Engagement Committee, please visit www.eastofengland.coop/community

Audit and Risk Committee Report

Terms

The Audit and Risk Committee's terms of reference are based on the Corporate Governance Code for Consumer Co-operative Societies (November 2019) which aids the Society's focus on the routine use of appropriate and effective financial controls.

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

Membership

Committee membership during the year is shown in the table on page 17.

The Committee members bring a diverse range of experience to their work.

For the financial year-end under review the Audit and Risk Committee did not contain at least one member with recent and relevant financial experience as recommended under the Corporate Governance Code for Consumer Co-operative Societies (November 2019). However, during 2024 via a recruitment process, the Board co-opted a Director with recent and relevant financial experience. This appointment was effective from 27 January 2025 and therefore the statement of non-compliance on page 30 will not appear in the 2025/26 Annual Report.

Meetings

The Committee met formally four times during the year. At all meetings at least one member of the Leadership team was present; although when external or internal auditors were also present, a period was set aside in the meeting for the Committee to meet with them in private, without any Senior Leadership team members (or the Secretary/Deputy Secretary) being present.

Activities during the year

Below are the Audit and Risk Committee's principal activities over the last year:

- Review and approval of full year results (Society and its Subsidiaries).
- Review of the internal audit plan and the results of the internal auditors' work, including monitoring management's responsiveness to findings and recommendations.
- Review the Society's internal financial controls and the internal control and risk management system.
- Approval of the terms of engagement with the external auditor.
- Review of the audit plan with the external auditor at the planning and reporting stages.
- Relevant disclosures in this Report.
- Monitoring the Society's Cyber Security Arrangements.
- Monitoring and understanding changes within financial accounting standards.
- Review and approval of the Society's:
  - Modern Slavery Statement
  - Anti-Bribery and Fraud Policy
  - Taxation Policy
- Review of Post Investment Appraisals completed between 2022 and 2023.

Financial Reporting

After discussion with both members of Senior Leadership, and the External Auditor, the Audit and Risk Committee determined that the areas of focus and significant risks for the Group's financial statements related to:

- Revenue recognition.
- Investment property valuations.
- Defined benefit pensions liability valuation.
- Assessment and recoverability of non-current assets.

Other areas of focus for the Audit and Risk Committee were:

- Accounting for Funeral Bonds.
- Assessment of retail inventory valuations and completeness.
- Recoverability of deferred tax assets.
- ERP migration to Netsuite.

These issues were discussed with management during the year and with the auditor at the time the Committee reviewed and agreed the audit plan, and also at the conclusion of the audit of the financial statements.

The committee also discussed with management, and the auditor, the adoption of the going concern basis of accounting in preparing the financial statements and any material uncertainties that may cast significant doubt on the Society's ability to continue as a going concern.

Misstatements

The Leadership team confirmed to the Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. The auditors reported to the Committee the misstatements found in the course of their work and no material amounts remain unadjusted. The Committee confirms that it is satisfied that the auditors have fulfilled their responsibilities with diligence and professional scepticism.

After reviewing the presentations and reports from the Leadership team and consulting where necessary with the auditors, the Audit and Risk Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Directors' fees and expenses

Director	2024/25 fees received £	2024/25 expenses £	2023/24 fees received £	2023/24 expenses £
Belinda Bulsing	10,608	–	9,859	–
Joy Burnford	13,147	1,158	10,894	778
Martin Catchpole*	6,372	–	–	–
Sally Chicken	10,673	184	9,972	–
Esme Cole	11,012	184	9,882	452
John Cook*	3,855	191	9,702	274
Lesley Dolphin	10,339	–	6,105	184
Mandy Errington	10,336	28	9,972	–
Nicola Fox*	6,498	249	3,543	–
Suzanne Hawkes*	7,218	249	–	–
John Hawkins*	3,759	–	9,972	50
Emma Howard*	9,589	297	9,882	1,061
Caroline Ley*	4,165	–	9,859	–
Julie Mansfield	10,131	216	6,105	184
Frank Moxon	15,621	851	12,132	600
Ashley Munson	10,131	–	762	184
Judi Newman*	3,759	–	9,702	–
Jane Nice*	310	–	8,557	226
Ann Osborn*	6,372	644	–	–
Beverley Perkins	11,898	–	10,590	326
Maria Veronese	10,617	321	9,702	595
Richard Youngs*	–	–	4,083	–
	176,410	4,572	161,275	4,914

*These Directors only served for part of the current year, see table on page 17. Directors' expenses are materially dependent on their home location and the number of courses, conferences or other activities undertaken on behalf of the Society.

Senior Leadership team emoluments

	Salary £000	Benefits in kind £000	Employer pension contributions £000	2024/25 emoluments £000	2023/24 emoluments £000
Jonathan Carey	162	14	8	184	171
Colin Dixon-Blair**	2	–	–	2	–
Doug Field*	288	5	15	308	356
Karen Hill*	26	1	1	28	138
Stuart McDonald	137	6	7	150	9
James Norman	186	5	10	201	37
Andy Rigby	259	23	–	282	273
Sarah Steels*	146	5	8	159	132
Oli Watts*	98	11	4	113	144
	1,304	**70**	**53**	**1,427**	**1,260**

Emoluments disclosed above include people in office during the year.
*Karen Hill left the Society on 28 March 2024. Oli Watts left the Society on 2 November 2024. Doug Field left the Society on 7 December 2024. Sarah Steels left the Society on 28 December 2024.
**Colin Dixon-Blair was appointed on 21 January 2025.

Directors' and Senior Leadership team external directorships

Director/Management Executive	External Directorship (or equivalent)
Belinda Bulsing	Pettaugh Parish Council (Parish Councillor) Trustee G.U.S Trust Trustee, a Will Trust
Joy Burnford	Simply Practical Ltd Encompass Equality Ltd
Sally Chicken	Unpaid Director, Shotley Heritage Charitable Community Benefit Society Ltd
Esme Cole	Non Exec Director/Chair of Board Colchester Borough Homes Non Exec Director Co-operatives UK
Frank Moxon	Jersey Oil and Gas Plc Hoyt Moxon Ltd CISI Educational Trust Co-op Loan Fund (appointed February 2021) PHSC PLC
Beverley Perkins	Co-op Group – National Members' Council Co-op Group – Senate
Maria Veronese	Mediapro Media Training Taniwha Ltd
Ashley Munson	RPS Media Ltd
Julie Mansfield	Volunteer Director of Eastern Savings and Loans Credit Union
Martin Catchpole	Human Connections LLP (dissolved)
James Bardrick	Chair British Bankers Association Chair Coggeshall Prentice Youthwork Trust and CIO Chair Canary Wharf multi-faith chaplaincy CIO Chair Career Academies UK T/A Career Ready – Trustee
Andy Rigby	Federal Retail and Trading Services Limited
James Norman	James Properties (Norfolk) Limited

N.B. All Directors of the Society are directors of subsidiary co-operatives.
Joy Burnford and Frank Moxon are directors of subsidiary companies.

Directors and Members of the Senior Leadership team who do not hold any external directorships (save for subsidiary entities of the Society) are not included within the above table.

Internal Control

This section of the Report sets out the Society's approach to internal control and the measures taken to review its effectiveness, to provide members with assurance that this critical area receives enough attention.

The Board has ultimate responsibility for the Society's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failing to achieve the Society's objectives and can only provide reasonable, rather than absolute, assurance against material misstatement or loss.

The aims of the system of internal control are:

- To safeguard the Society's assets.
- To ensure that proper accounting records are maintained.
- To ensure that the financial information used within the business and for publication is accurate, reliable and fairly represents the financial position of the Society and the results of its operations.

The Board is also responsible for reviewing the effectiveness of the system of internal control and for this purpose it has its Audit and Risk Committee.

With the assistance of the 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 Board believes that the controls and processes in place are appropriate for an organisation of the size and complexity of the Society.

Control environment

The quality and competence of our people, their integrity, ethics and behaviour are all vital to the maintenance of the Society's system of internal control.

The Society's control environment framework is designed to create an attitude of taking acceptable business risk within clearly defined limits. This framework contains the following key elements:

- An organisational structure with clear lines of responsibility, delegation of authority and reporting requirements.
- Co-ordinated activity across the whole Society by the Senior Leadership team.
- A risk management process designed to monitor the major risks facing the Society.
- Board review and approval of annual budget and longer-term plans for each business group and support function.
- Comprehensive systems of financial reporting – actual results together with comparisons to budget and prior year are reported regularly to the Board throughout the year.
- Clearly defined policies for capital and revenue expenditure – larger capital and revenue expenditure proposals require Board authorisation.
- An independent internal audit function which reports directly to the Audit Committee.

The Society has formal policies on procedures 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. This includes the Society's Whistleblowing Policy and Procedures, which is reviewed annually both by management and the Audit Committee.

Control procedures

The Society's control procedures are designed to ensure appropriate levels of control are maintained with complete and accurate accounting for financial transactions, thereby limiting 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.

At the start of each financial year the Senior Leadership team produces a budget for the Society based on each of the trading businesses. The Board reviews the underlying assumptions and resulting figures. Throughout the year, following each trading period, comprehensive performance reviews are presented by the Senior Leadership team that compare the results with both the budget and previous year. Significant variations are examined by the Board.

Review process

The process used by the Audit and Risk Committee to review the effectiveness of the Society's system of internal control includes the following:

- Review of external and internal audit work plans.
- Consideration of reports from the independent internal and external auditors on the system of internal control.
- Discussion with management of the actions taken to resolve issues identified in such reports.

Opinion on internal control system

The Audit and Risk 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 that require disclosure.

Financial and Business Risk Assessment

Effective risk management is at the heart of the business, supporting delivery of the Society's strategy by ensuring the business continues to be safe, sustainable and protects members' interests.

The Board and Senior Leadership team 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. The Society 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 and Risk Committee which has responsibility for establishing a coherent framework for the Society to manage risk, which also includes a Business Continuity Plan. The objective of the Committee is to assist the Board in carrying out its responsibility to ensure effective risk management and systems of control.

Top and emerging risks

The Society accepts that all its activities involve risk, and it seeks to protect its members by managing risks that arise from its activity appropriately. Risk management activity has focused on strengthening business resilience. The Society's top and emerging risks fall within the themes of colleague safety, mental health and wellbeing, economic uncertainty, supply chain disruption, cyber-attacks and loss of central IT.

The changing demographics of the UK, especially the ageing population, along with any long-term changes in mental health and wellbeing, consumer behaviour and workforce trends, are likely to influence the business in the future. We are also mindful of the importance of sustainability especially in relation to climate change, plastic use and food waste.

A description of significant risks faced by the Society and relevant mitigating factors

Principal risk	Potential impact	How it is managed
Colleague safety and wellbeing	Financial wellbeing remains a significant pressure across the UK, and can lead to increased anxiety for our colleagues. This can also have a significant impact in our local communities and leads to increased risk to our colleagues facing Anti-Social Behaviour and Theft. There are also more general concerns around the mental and physical health of our colleagues that could impact our operations.	Colleague and customer safety is always front of mind. All colleagues have access to support from GroceryAid, a charity which provides emotional, practical and financial support. All our Food store colleagues have access to body worn cameras, acting as a deterrent to anti-social behaviour. We've also recently introduced headsets for all Food store colleagues, helping our colleagues keep in touch no matter where they are in the store. We have continued our wellbeing support through our partnership with Suffolk Mind, training managers in their emotional needs model and currently rolling out wellbeing action plans and crisis support packs to help us assist our colleagues at time of need. We have improved our colleague benefit package to include a wide range of discounts and salary advances.
Economic environment	Inflation rates have fallen since last year, however costs are still rising across our supply chain. There is an increasing challenge of how much cost increase can be passed on to our customers. Energy costs although stabilising are still high, which impacts all areas of our operations.	We seek to understand and respond to the needs of our customers. This includes offering a broad appeal to all customers in our different markets, which is appropriate to economic and market conditions. Financial forecasts are frequently updated to reflect economic indicators and monitor trading conditions. Action is taken, as required, through cost reductions and innovation to stay ahead of the curve.

Principal risk	Potential impact	How it is managed
Competition	The Society trades in highly competitive markets and faces a continuing threat from national and international businesses seeking growth opportunities through expansion into new geographical areas and new formats. There continues to be a significant number of projects being undertaken by the Society at this time to improve its competitiveness, including technology investments and a Food store and Funeral branch refresh programme. If these projects aren't implemented effectively and on time, then there could be an impact on profitability.	We measure trends in our performance and competitiveness, e.g. price checks and promotional offers, as appropriate to the competitive landscape. Improvements are being made to our quick commerce solution. The Society monitors competitor actions as far as is possible from information in the public domain and takes appropriate mitigating actions where possible. Projects are managed using recognised project methodologies and are supported by learning and development programmes.
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 colleagues, and the Society is naturally fully committed to complying with all such requirements. 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.	The Society ensures that it obtains timely information about forthcoming changes in legislation and that it has robust procedures in place to minimise any risk of non-compliance. The Society employs suitably qualified and experienced compliance and risk individuals. Significant resources are directed to training colleagues and monitoring the effectiveness of training in compliance obligations. We continue to drive efficiencies, through smarter working and technology investment to mitigate impacts on profitability where we can.
Major failure of IT systems or infrastructure	The Society has invested and continues to invest significant sums of money in technology and is heavily reliant on these operational systems. A prolonged failure of a key system or the IT infrastructure would have a detrimental impact on our business, potentially resulting in an inability to make sales, supply stores or pay employees. IT risks are increased with higher levels of cyber-attacks and potential data fraud arising from home working. The pace of technological development also creates risks, including potential data loss. This could have a reputational impact with customers losing trust.	Controls are in place to mitigate the risks of losing IT, including disaster recovery and business continuity plans, data back-up procedures, back-up power supply, hardware maintenance agreements and server replication. We continue to develop our cyber security capabilities and report in this area with a cyber security dashboard presented to the Audit and Risk Committee at every meeting. Regular tests of controls are undertaken, and the Board use internal audit to obtain further assurance in this area.
Supply chain disruption	Significant disruption of supply to our trading outlets will impact availability of products, which in turn can impact the level of sales achieved by our retail operations, especially our Food stores. Our supply chain is linked to the wider co-operative movement through the food retail buying group, Federal Retail and Trading Services (FRTS). A major participant in FRTS is The Co-operative Group. The Co-operative Group also manages distribution of goods to our Food stores. There are also external risks to the supply chain in the form of labour availability and fuel costs.	Supply chain continuity is an integral part of our business continuity plan. We are active participants within the FRTS organisation, attending all strategy and monitoring group discussions. Availability challenges are a constant area of focus and, where possible, alternative sources of supply, including local suppliers, are sought.

Principal risk	Potential impact	How it is managed
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. If we fail to deliver excellent standards of hygiene and safety in our products and stores, there is potential harm to our customers. 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.	Considerable management attention and training are devoted to protection of our reputation and brand. Health and safety is a mandatory Board and Management Executive Team agenda item. The Society is an active participant within the co-operative movement and one of its directors is also a Director of Co-operatives UK, the national trade body that campaigns for co-operation and works to promote, develop and unite co-operative enterprises. The Board of Directors is also represented on the Co-op Group's National Members' Council. 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.
Finance and liquidity	An inability to generate sufficient funds to meet business needs, including payments to members, would lead to cash-flow difficulties. The Society also has exposure to commodity prices and fluctuations in interest rates, which can impact on financial performance.	The Finance function has processes and procedures in place to manage its responsibility for the Society's liquid resources, cash-flow requirements and financial risk. External financing has been obtained to fund investment property developments and the acquisition of new Food stores. The Society has renewed and enhanced its financing facilities during the year and they are due for further renewal in 2028.
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.	The composition and performance of the Investment Property Portfolio is under continual review to mitigate any risks to the Society.
Pension schemes	Inherent within the Society's final salary scheme is the 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.	The Society employs a 'Platform' approach using a sole trustee model to manage its defined benefit pension scheme. A pension steering group is in place to carefully monitor the pension risks, taking action when necessary to adjust contributions to the schemes and revising the scheme investment strategy to mitigate risks. The final salary scheme has been closed to future accrual to reduce risk in this area. The asset-backed funding arrangement, introduced by the Society in 2013, has improved security for members of the defined benefit pension scheme as well as increasing certainty for the Society in terms of funding.

Modern Slavery Statement

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that the East of England Co-operative Society has taken and is continuing to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The East of England Co-operative Society has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Our business

The Society's principal business activities are Food retailing, Funeral Services and management of its Investment Property Portfolio. In addition, the Society has interests in Petrol Forecourts, Travel and Security.

The Society is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and its registered address is Wherstead Park, The Street, Wherstead, Ipswich, IP9 2BJ.

None of our turnover is generated by overseas operations. We do acquire some of our products direct from overseas suppliers, but this was largely isolated to the purchase of stone for our masonry business, H.L. Perfitt Ltd.

Within the last 12 months the Society has used around 1,500 individual suppliers. A significant majority of our turnover is generated from goods purchased through a buying group which comprises The Co-operative Group and a number of other independent co-operative societies. The Co-operative Group has published its own Modern Slavery Statement outlining the steps it takes to ensure fundamental labour standards are applied throughout its supply chains and we are confident that we can place reliance on their procedures and policies.

Our high-risk areas

The signs of modern slavery can often be very subtle and difficult to identify; we are improving our understanding of where the risks are greatest and prioritising our activity accordingly.

During our due diligence we identified that our highest areas of risk were our local suppliers and the masonry stone suppliers to H.L. Perfitt Ltd.

Local suppliers

Local suppliers tend to have a less formal structure and more fluid worker arrangements, often relying on migrant, seasonal and agency workers, which may carry a higher risk of human rights abuses.

Local suppliers are often less aware of the circumstances surrounding modern slavery. We will, where necessary, educate our suppliers and make full enquiries regarding their processes and procedures as part of our ongoing audit of our local suppliers.

H.L. Perfitt Ltd

H.L. Perfitt Ltd previously sourced stone from China and India which is deemed higher risk due to the varying human rights from country to country. We have made all reasonable efforts, including enquiries through supplier agents, to ensure that modern slavery does not exist within this supply chain. The stonemasonry business has ceased trading during the year and therefore this risk is now significantly reduced.

Our suppliers

The East of England Co-operative Society operates a supplier policy. We conduct due diligence on all suppliers before allowing them to become a preferred supplier. Since 29 January 2017, this due diligence has included an online search to ensure that the organisation has never been convicted of offences relating to modern slavery, on-site audits which include a review of working conditions for relevant suppliers, and inclusion of a section within our supplier manual which asks suppliers to report any issues or concerns that they may have. Our anti-slavery policy forms part of our bond with relevant suppliers and they are required to confirm that no part of their business operations contradicts this policy.

In addition to the above, as part of our bond with our suppliers, we require that they confirm to us that:

- They ensure that their employees have the right to work in the UK.
- They meet the requirements of UK employment legislation, which is assumed to include the requirement to pay the National Minimum Wage.
- They have systems in place to ensure that their employees are not enslaved or forced to work contrary to the Modern Slavery Act 2015.

We may terminate the contract at any time should any instances of modern slavery come to light.

Our policies

We operate a number of other internal policies to ensure that we are conducting business in an ethical and transparent manner.

These include:

- Recruitment policy
- Whistleblowing policy
- Dignity at work policy
- Equal opportunities policy

Training

We conduct training for our procurement/buying teams so that they understand the signs of modern slavery and what to do if they suspect that it is taking place within our supply chain.

Our performance indicators

We will know the effectiveness of the steps that we are taking to ensure that slavery and/or human trafficking are not taking place within our business or supply chain if:

- No reports are received from colleagues, the public or law enforcement agencies to indicate that modern slavery practices have been identified.
- All suppliers deemed by the Society to be at a higher risk of human rights abuses have been subject to the Society's audit procedures and no concerns have been highlighted.

On behalf of the Board:

Joy Burnford

Joy Burnford
President

26 April 2025

Corporate Matters

This section of the report covers corporate policies and practices that the Board considers should be communicated to members.

Things remain tough for shoppers this year. With interest rates and bills staying high, it's impacting people's disposable income. We think this will keep changing what people buy and where they shop.

Colleague wellbeing

In our last report we shared with you some of the steps and measures we had taken to support our colleagues' physical, mental and financial wellbeing. The wellbeing of our colleagues remains a key priority and in the past year we have continued to introduce measures of support, including:

- Access to Smart Health – an app-based health and wellbeing service which gives access to a virtual GP, nutrition and fitness advice, mental health support, as well as other features.
- A mortgage advice service – providing colleagues at our co-op, as well as their friends and family, with free advice and no broker fees on mortgage applications.
- A flexible Compassionate Leave policy, supporting line managers to use their own discretion when agreeing paid leave arrangements.
- Parental Bereavement policy, increasing our paid leave support.
- Support packs for colleagues who are bereaved or who have been diagnosed with terminal illness, and for the loved ones or next of kin of a colleague who has died.
- Short animations, produced in partnership with Suffolk Mind, explaining bereavement and grief, and exploring how best to support someone else who is bereaved.

We've also continued to provide:

- Training for line managers to support them in supporting their teams with good mental health practices in the workplace.
- A year-round, increased colleague discount of 20%.
- £50 of East of England Co-op vouchers in December for colleagues to spend in our Food stores.

Colleague engagement

This year, 72% of our colleagues completed the Colleague Engagement Survey. Repeating the survey gives us a great opportunity to look at the impact of the actions we've taken over the last year and find opportunities to further improve the daily lives of our colleagues.

Our overall engagement score was 73%. This is an indication of the emotional connection our colleagues have to our co-op and whether we're creating and supporting a workplace where they're able to thrive.

Inclusion and diversity

At the East of England Co-op, we recognise that fostering a diverse, equitable and inclusive workplace is essential to our mission of being the best at what we do in the East of England. We believe that embracing diverse perspectives and backgrounds enhances innovation, drives better decision-making, and reflects the communities we serve.

Over the past 12 months, we have focused on:

- Building Awareness Through Lunch and Learns – to raise awareness and knowledge, we have hosted several lunch and learns, including Black History Month and Women and Allies. Events like these are integral to our approach of being an inclusive employer and educating ourselves on the communities we serve.
- Recruitment – we have broadened our approach to recruitment and launched a new programme, 'Pathways to Employment'. Pathways to Employment encompasses support outside of traditional recruitment practices and has seen us partner with Essex Cares Limited where we won the 'Innovation in Building Diversity and Inclusion' award through our successful employment outcomes for ECL customers with mild autism and difficulties.
- Calendar dates – to build a more inclusive culture, it's essential that we recognise and celebrate the richness of experiences, backgrounds and identities in and out of our co-op. That's why we introduced a Diversity Calendar – a key tool to help us acknowledge important cultural, religious and awareness events throughout the year.
- DEI Strategy – integrating a comprehensive Diversity, Equity and Inclusion (DEI) strategy into our co-op is not only a moral imperative but also a strategic necessity. A well-defined DEI strategy enables us to tap into a broader range of perspectives, fostering innovation and enhancing decision-making processes. In 2025, the DEI Steering Group will continue to help shape our co-op's policies, as well as our wellbeing, education and awareness programmes, as we strive to be the best place to work in the East of England.
- Our strategy focuses on three pillars:
    1. Data, Accountability and Governance
    2. People and Culture
    3. Customers and Members
- Talent and Culture – to demonstrate our commitment to Diversity, Equity and Inclusion, we will ensure our newly formed 'Talent and Culture' team will have dedicated resources to support our ambitious DEI strategy in 2025 and the years ahead.

Supplier payment policy

It is our policy to agree the terms of payment with suppliers at the start of the commercial arrangement, ensure that suppliers are aware of the terms of payment and then pay according to those terms once we receive an accurate invoice.

Trade creditor days as at 25 January 2025 were 18 days (2024: 16 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 donations

The Society's rules provide that affiliation and subscription to the Co-operative Party shall be determined by members in a general meeting. During the year, subscriptions of £34,000 (2024: £34,000) were paid to the Co-operative Party.

Auditor independence

To ensure auditor independence and objectivity are 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 Audit and Risk 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.

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.

Statement of compliance with Co-operative UK's Code on Withdrawable Share Capital

The Society complies with the Code of Best Practice developed by Co-operatives UK with the agreement of HM Treasury. The Code sets out the minimum standards of good practice that a consumer retail co-operative society should observe in its use of Withdrawable Share Capital.

Statement of compliance with Co-operative Corporate Governance Code (2019)

Co-operatives UK published a revised code of corporate governance during 2019. To help members assess the Society's governance arrangements, the Society has specified key elements of the Code with which it does not comply. The matters listed will be kept under review by the Board.

Statement of disclosure of information to auditors

So far as each of the Directors is 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:

Jonathan Carey

Jonathan Carey
Secretary

Joy Burnford

Joy Burnford
President

26 April 2025

Co-operative Corporate Governance Code (2019) – exception report

	Explanation of non-compliance
Three-year term for Directors and cumulative term limit for the role of President (Chair)	The Code advises Societies to have three-year terms for Directors and to limit consecutive service to three terms. With a Board of 16 Directors, it is felt that four-year terms are more appropriate, and the consecutive service limit is expressed as 12 years rather than three terms. The Rules state a four-year term, and the Board agreed it was not necessary to amend this rule as part of the 2024 rules review. The code also advises Societies to have a cumulative maximum term limit of nine years for any one Director to hold the position of Society President (Chair). The Society does not have such a cumulative term limit, but does maintain a maximum consecutive term limit of four years for any one Director to hold the position of President (Chair). Following which, a break of at least one year is required to be taken before being eligible for re-election to the position.
Audit and Risk Committee	For the financial year-end under review the Audit and Risk Committee does not contain at least one member with recent and relevant financial experience as recommended under the Corporate Governance Code for Consumer Co-operative Societies (November 2019). However, during 2024 via a recruitment process, the Board co-opted a Director with recent and relevant financial experience. This appointment was effective from 27 January 2025 and therefore this statement of non-compliance will not appear in the 2025/26 Annual Report.
Ratification of the Director Co-option appointment	The Director Co-option has highlighted that the Rules do not require the Board to seek the members' ratification of a co-opted Non-Executive Director appointment.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Society's financial statements in accordance with United Kingdom law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accountancy Practice), including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Under the Co-operative and Community Benefit Societies Act 2014 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Society's financial position and financial performance.
- State whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

Under applicable law and regulations, the Directors are also responsible for preparing a governance report that complies with that law and those regulations. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Society's website. Legislation in the United Kingdom 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 Co-operative Corporate Governance Code (2019) 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 period to 16 May 2026. Please refer to our Accounting Policies (page 41) for additional information.

Board certification

The Financial Statements on pages 37 to 63 are hereby signed on behalf of the Board of Directors pursuant to the Co-operative and Community Benefit Societies Act 2014.

On behalf of the Board:

Joy Burnford

Joy Burnford
President

Mandy Errington

Mandy Errington
Vice-President

Jonathan Carey

Jonathan Carey
Secretary

26 April 2025

Independent Auditor's Report

to the members of East of England Co-operative Society Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- East of England Co-operative Society Limited's (the "Society") group financial statements (the "financial statements") give a true and fair view of the state of the Society's affairs as at 25 January 2025 and of the Society's loss for the 52-week period ("the period") then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969.

We have audited the financial statements of the Society for the 52-week period ended 25 January 2025 which comprise:

The Group Balance Sheet as at 25 January 2025
Group Revenue Account and Group Statement of Comprehensive Income for the period then ended
Group Statement of Changes in Equity for the period then ended
Group Statement of Cash Flows for the period then ended
Related notes 1 to 7 to the financial statements, including a summary of significant accounting policies

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. To evaluate the Directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting, we performed the following procedures:

- In conjunction with our walkthrough of the Society's financial statement close process, we confirmed our understanding of management's going concern assessment process and also engaged with management early to ensure all key risk factors we identified were considered in the assessment;
- We obtained management's going concern assessment, including the cash flow forecast for the going concern period which covers the period to 16 May 2026. This included the Society's modelling of their base case cash flow forecasts and severe but plausible downside scenarios that considered any unexpected changes to the performance and forecast liquidity of the Society;
- We challenged the factors and the assumptions included in each modelled scenario for the cash flow forecasts and we have considered the impact of the current macro-economic environment including pressures on household budgets and the increased general cost of living that impact the Society's customer base as well as the cost impact of the Government imposition of higher employers national insurance rates and minimum wage. We considered the appropriateness of the methodology used to generate the cash flow forecasts, including consideration of historic forecasting accuracy and comparison of forecasts to actual post year end trading;
- We understood the existing facility available to the Society and the terms and covenants present within this facility. This included review of compliance with the terms of the facility and covenant requirements through the going concern period in management's forecast and in the severe but plausible downside scenarios modelled;
- We considered the mitigating factors included within the forecasts that are within the control of the Society; and
- We reviewed the going concern disclosures included within these financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period to 16 May 2026.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Society's ability to continue as a going concern.

Overview of our audit approach

Audit scope

- The group is structured as two core operating businesses focused on retail trading and investment property across the East of England.
- All operating businesses operate as part of the East of England Co-operative Society Limited entity, including the centralised functions. These were considered to be financially significant and therefore were subject to audits of their complete financial information by the Group Audit team.

Key audit matters

- Store asset impairment
- Investment property valuations
- Revenue recognition
- Defined benefit pension plan liability

Materiality

- Overall group materiality of £5.8 million which represents 1.5% of group revenue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Store asset impairment The Society operates through a large number of stores across its retail and funeral businesses. The related tangible fixed assets have a carrying value of £99.7 million (2024: £96.2 million). Given that these amounts are significant assets for the Society and the impact of macro-economic conditions on the trading performance of the Society continues to be challenging, there is a risk that the value of these tangible fixed assets may be impaired. For stores where the Society owns the freehold, these are often supported by the market value they would achieve if they were to be sold, however stores which are leased by the Society are at higher risk of impairment as they must be supported by future forecast cash flows. These leasehold stores have a carrying value of £8.8 million as at 25 January 2025.	We understood the Society's tangible fixed assets held within the store estate and the valuation policies applied. We have understood the performance of each part of the business and obtained management's store-by-store assessment of current year and future forecast performance, to test for triggers of impairment. Management's assessment performed a discounted cash flow analysis for each store showing a negative cash contribution, after the allocation of overheads, in either the current or next financial year. We reviewed management's store by store assessment and noted the assessment of both the net present value of future cash flows, and for some stores, the fair value less costs to sell for those properties with negative net present values. We selected a sample of items focused on those stores with a negative net present value and obtained the supporting calculations for the market values of these properties. We challenged the key assumptions used in the impairment model such as growth rates, discount rates, overhead and personnel costs by understanding the basis of these estimates, corroborating these with other external sources where possible and performing sensitivity analysis. We have challenged the allocation of central overhead costs in management's store-by-store analysis to ensure all required overhead costs were included. We performed sensitivity analysis on management's calculations to key assumptions and to assess the level of reliance on the fair value less costs to sell calculated for each freehold property with a negative net present value. We tested the completeness of the store-by-store assessment ensuring that all stores, freehold and leasehold, with negative cash contribution were included in the assessment, by reference to our revenue testing procedures.	Based on the procedures performed, we did not identify any evidence of material misstatement in the assessment of store asset impairment in the period.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Investment property valuations The Society holds a large number of investment properties with a carrying value of £130.5 million. This represents an increase of £7.6 million compared to the prior year. Given that these amounts are significant assets for the Society and there is inherent complexity within the valuation methodologies applied, there is a risk that the valuations performed at the year-end may be inaccurate.	We understood the Society's investment Property Portfolio and how valuation policies are applied. We selected a sample of investment properties, including internally and externally valued properties. This included those properties that are material to the Society individually, those with large valuation movements, new acquisitions and an additional random sample. We engaged our property valuation experts to independently assess the valuation methodology and year-end valuation of each sampled property. We assessed management's review of the work of the external valuers as well as the competence, independence and integrity of the external valuers. We discussed and challenged the valuation process, significant assumptions and critical judgement areas on a sample basis. We challenged these by engaging our property valuation experts, by benchmarking these assumptions to relevant market evidence including specific property transactions and other external data, and by ensuring consistency of assumptions across the portfolio. We performed analytical procedures over the entire investment property valuation for the year, including individual property-by-property analysis for significant movements.	Based on the procedures performed, we did not identify evidence of material misstatement in the valuation of the investment Property Portfolio.
Revenue recognition The group's retail sales arrangements are generally straightforward, being on a point-of-sale basis and requiring little judgement to be exercised. However, there are a number of central adjustments to the revenue recorded and in a number of the smaller revenue streams, there is increased manual processing of revenue transactions. Our procedures were designed to address the risk of manipulation of accounting records and the risk that management may override controls through manipulation of central adjustments to revenue.	We understood the Society's revenue recognition policies and how they are applied, including the relevant controls. We ensured these policies were in line with the relevant accounting framework. As part of our overall revenue recognition testing, we used data analysis tools on 100% of revenue transactions for Food, Funeral and Travel revenue in the year to test the correlation of revenue to cash receipts to verify the occurrence of revenue. This provided us with a high level of assurance over the revenue. For those revenue streams where we did not use data analysis tools, we performed appropriate alternative procedures over revenue recognition as follows: We obtained a detailed understanding of the material adjustments to revenue and performed substantive analytical audit procedures or other substantive procedures over each material adjustment corroborating where required to supporting evidence such as cash receipt. We performed other audit procedures specifically designed to address the risk of management override of controls including journal entry testing, analytical procedures and cut-off testing at period end, applying particular focus to the timing of revenue transactions.	Based on the procedures performed, we did not identify any evidence of material misstatement in the revenue recognised in the period.
Defined benefit pension plan liability The Society has a defined benefit pension surplus of £13.3 million (2024: £1.4 million), which is made up of a liability of £154.3m (2024: £167.9m) offset by assets of £167.6m (2024: £169.3m). This is significant in the context of the group balance sheet. The valuation of the pension liability requires significant levels of judgement and technical expertise in choosing appropriate assumptions. These assumptions include salary increases, inflation, discount rates, expected rate of return on plan assets and mortality rates.	We involved our actuarial experts to assess the assumptions used in calculating the pension plan liabilities, including salary increases and mortality rate assumptions. This allowed us to ensure the assumptions used were consistent with the specifics of the plan and, where applicable, with relevant national and industry benchmarks. We also assessed the discount and inflation rates used in the valuation of the pension liabilities to our internally developed benchmarks and assessed the extent to which these were in line with other companies' recent external reporting.	Based on the procedures performed, we did not identify any evidence of material misstatement in the valuation of the defined benefit plan liabilities in the period.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality, and our allocation of performance materiality determine our audit scope for each entity within the Society. Taken together, this enables us to form an opinion on the consolidated financial statements.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which it operates.

The group is structured as two core operating businesses focused on retail trading and investment property across the East of England. All operating businesses operate as part of the East of England Co-operative Society Limited entity, including the centralised functions. These were considered to be financially significant and therefore were subject to audits of their complete financial information by the Group Audit team.

This scope of work, together with audit work on the consolidation, gave us the evidence we needed for our opinion on the group financial statements as a whole. All audit work performed for the purposes of the audit was undertaken by the Group Audit team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Society to be £5.8 million (2024: £5.9 million), which is 1.5% (2024: 1.5%) of total revenues. We believe that using revenue as a benchmark is a generally accepted audit practice, in the absence of another alternative benchmark which would be appropriate.

During the course of our audit, we reassessed initial materiality which was in line with our original assessment at the planning stage.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Society's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £4.3 million (2024: £4.5 million). We have set performance materiality at this percentage due to the strength of the control environment.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on performance materiality.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £289k (2024: £297k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Society and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Society, or returns adequate for our audit have not been received from branches not visited by us; or
- The Society financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities statement set out on page 31, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Society and determined that the most significant are those that relate to the reporting framework, FRS 102, the Co-operative and Community Benefit Societies Act 2014 and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements relating to health and safety, employee matters and data protection. These include General Data Protection Regulations, Health and Safety regulations, HMRC regulations, UK Bribery Act, Equality Act 2010 and Anti-Money Laundering Regulations.
- We understood how the Society is complying with those frameworks by making enquiries of management, the Audit Committee and the Board of Directors. We corroborated our enquiries through our review of Board minutes and consideration of the results of our audit procedures across the group.
- We assessed the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where they considered there was susceptibility to fraud and reviewed the entity level controls in place across the Society. We considered the controls that the Society has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions; enquiries of management; and challenging the assumptions and judgements made by management by reviewing third party evidence wherever possible. We also leveraged our data analytics platform in performing our work to assist in identifying higher risk transactions for testing. The results of our procedures did not identify any instances or irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report, including the opinions, has been prepared for and only for the Society's members as a body in accordance with Section 87 (2) and Section 98 (7) of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst + Young LLP.

Mark Eilbeck (Senior statutory auditor)
for and on behalf of Ernst and Young LLP, Statutory Auditor
Cambridge
02 May 2025

Group Revenue Account

For the 52 weeks ended 25 January 2025

		2025			2024		
	Note	Continuing Operations £000	Discontinued Operations £000	Total £000	Continuing Operations £000	Discontinued Operations £000	Total £000
Turnover	*1.1*	**384,174**	**1,479**	**385,653**	**393,263**	**2,369**	**395,632**
Cost of sales	*2.1*	(273,569)	(1,083)	(274,652)	(283,318)	(982)	(284,300)
Gross profit		**110,605**	**396**	**111,001**	**109,945**	**1,387**	**111,332**
Operating expenses	*2.1*	(109,598)	(1,835)	(111,433)	(113,539)	(1,756)	(115,295)
Trading profit/(loss)		**1,007**	**(1,439)**	**(432)**	**(3,594)**	**(369)**	**(3,963)**
Changes in fair value of investment properties	*4.2*	6,880	107	6,987	(1,738)	–	(1,738)
Loss on sale of investment property		(189)	–	(189)	–	–	–
Impairment of intangible and tangible fixed assets	*4.1*	(470)	–	(470)	(1,005)	–	(1,005)
Impairment of investments	*4.3*	–	–	–	(100)	–	(100)
Exceptional bad debt		–	–	–	(705)	–	(705)
Restructuring costs	*2.1*	(1,745)	–	(1,745)	(466)	–	(466)
Profit/(loss) before interest, distributions and taxation		**5,483**	**(1,332)**	**4,151**	**(7,608)**	**(369)**	**(7,977)**
Interest receivable and similar income	2.2	36	–	36	41	–	41
Interest payable and similar expense	2.2	(1,056)	–	(1,056)	(736)	–	(736)
Other finance income	2.2	1,357	–	1,357	–	–	–
Other finance expense	2.2	60	–	60	(51)	–	(51)
Profit/(loss) before distributions and taxation		**5,880**	**(1,332)**	**4,548**	**(8,354)**	**(369)**	**(8,723)**
Dividend		(600)	–	(600)	(656)	–	(656)
Grants/donations	2.3	(165)	–	(165)	(165)	–	(165)
Profit/(loss) before taxation		**5,115**	**(1,332)**	**3,783**	**(9,175)**	**(369)**	**(9,544)**
Taxation	*3.1*	(11,594)	(303)	(11,897)	1,694	75	1,769
Loss for the financial year		**(6,479)**	**(1,635)**	**(8,114)**	**(7,481)**	**(294)**	**(7,775)**

	Note	2025 52 weeks £000	2024 52 weeks £000
Alternative performance measure – underlying trading profit/(loss)			
Profit/(loss) before interest, distributions and taxation		4,151	(7,977)
Changes in fair value of investment properties	*4.2*	(6,987)	1,738
Loss on sale of investment property		189	–
Impairment of intangible and tangible fixed assets	*4.1*	470	1,005
Impairment of investments	*4.3*	–	100
Exceptional bad debt		–	705
Restructuring costs	*2.1*	1,745	466
Underlying trading loss for the year		**(432)**	**(3,963)**

Group Statement of Comprehensive Income

For the 52 weeks ended 25 January 2025

	Note	2025 52 weeks £000	2024 52 weeks £000
Loss for the financial year		(8,114)	(7,775)
Remeasurements of net defined benefit obligations	*5.4*	12,251	1,222
Remeasurements of UURBS obligations	*5.4*	(42)	53
Movement in deferred tax relating to pension liability	*3.1*	(2,182)	2,702
Total other comprehensive income		10,027	3,977
Total comprehensive income/(expense) for the year		**1,913**	**(3,798)**

Group Balance Sheet

As at 25 January 2025

	Note	£000	2025 £000	£000	2024 £000
Fixed assets					
Intangible assets	*4.1*		6,582		8,258
Tangible assets	*4.2*		230,180		219,104
Investments	*4.3*		758		758
			237,520		**228,120**
Current assets					
Stocks	*4.4*	13,578		16,098	
Debtors – falling due within one year	*4.5*	11,776		11,415	
Debtors – falling due after one year	*4.5*	50,287		56,123	
Cash at bank and in hand		7,763		4,247	
		83,404		87,883	
Current liabilities					
Creditors – amounts falling due within one year	*5.1*	(55,381)		(48,625)	
Net current assets			28,023		39,258
Total assets less current liabilities			265,543		267,378
Long-term liabilities					
Creditors – amounts falling due after more than one year	*5.1*		(34,625)		(36,834)
Provision for other liabilities	*5.3*		(13,311)		(2,575)
Net assets excluding pension liabilities			217,607		227,969
Pension obligations					
Surplus/(Deficit) on defined benefit scheme	*5.4*		13,277		1,397
Other retirement benefits	*5.4*		(1,254)		(1,292)
Net assets			**229,630**		**228,074**
Capital and reserves					
Share capital	*6.1*		6,942		7,198
Fair value reserve			57,528		51,458
Revenue reserve			165,160		169,418
Members' funds			**229,630**		**228,074**

Group Statement of Changes in Equity

For the 52 weeks ended 25 January 2025

	Share capital £000	Fair value reserve £000	Revenue reserve £000	Total £000
As at 28 January 2023	**7,481**	**51,812**	**172,899**	**232,192**
Loss for the year	–	–	(7,775)	(7,775)
Other comprehensive income	–	–	3,977	3,977
Transfer	–	(354)	354	–
Total comprehensive expense for the year	–	(354)	(3,444)	(3,798)
Contributions to share capital	379	–	–	379
Withdrawals	(699)	–	–	(699)
Share interest	37	–	(37)	–
Total transactions with members recognised directly in equity	(283)	–	(37)	(320)
As at 27 January 2024	**7,198**	**51,458**	**169,418**	**228,074**
Loss for the year	–	–	(8,114)	(8,114)
Other comprehensive income	–	–	10,027	10,027
Property Revaluation Adjustment	–	(120)	–	(120)
Transfer	–	6,190	(6,190)	–
Total comprehensive income for the year	–	6,070	(4,277)	1,793
Contributions to share capital	107	–	–	107
Withdrawals	(344)	–	–	(344)
Share interest	35	–	(35)	–
Dormant share accounts release to reserves	(54)	–	54	–
Total transactions with members recognised directly in equity	(256)	–	19	(237)
As at 25 January 2025	**6,942**	**57,528**	**165,160**	**229,630**

Group Cash Flow Statement

For the 52 weeks ended 25 January 2025

	Note	2025 52 weeks £000	2024 52 weeks £000
Net cash from operating activities	7.3	9,356	4,049
Taxation received		(9)	256
Net cash generated from operating activities		9,347	4,305
Cash flow from investing activities			
Purchase of intangible assets		(1,219)	(757)
Purchase of tangible assets		(16,297)	(8,035)
Proceeds from disposals of tangible assets		5,386	1,230
Interest received and similar income		1,453	41
Interest payable and similar expense		(1,056)	(736)
Net cash used in investing activities		(11,733)	(8,257)
Cash flow from financing activities			
Contributions to share capital		107	379
Share capital withdrawn		(344)	(699)
New bank loan entered into/(bank loan repaid)		15,689	1,000
Capital element of finance lease repaid		(134)	(141)
Net cash received from financing activities		15,318	539
Net increase/(decrease) in cash and cash equivalents		12,932	(3,413)
Cash and cash equivalents at the beginning of the year	7.3	(5,169)	(1,756)
Cash and cash equivalents at the end of the year		**7,763**	**(5,169)**
Cash and cash equivalents consists of:			
Cash at bank and in hand		7,763	4,247
Bank overdraft		–	(9,416)
Cash and cash equivalents		**7,763**	**(5,169)**

Accounting Policies

General information

The East of England Co-operative Society (registered number 1099R) and its subsidiaries operate Food stores, Travel Branches, Petrol Forecourts and Funeral Services branches across Norfolk, Suffolk, Essex, Cambridgeshire and Hertfordshire. In addition, the Group holds a large portfolio of investment properties and offers security services.

The Society is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and its registered address is Wherstead Park, The Street, Wherstead, Ipswich, IP9 2BJ.

Basis of accounting

The following accounting policies have been applied consistently. The Group financial statements are prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). The financial statements are also prepared in accordance with the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 and the Co-operative and Community Benefit Societies Act 2014.

Accounting date

The Group financial statements are made up to the fourth Saturday in January of each year. The financial year represents the 52 weeks ended 25 January 2025 (2023: 52 weeks ended 27 January 2024).

Basis of consolidation

The consolidated financial statements include the audited results of East of England Co-operative Society Limited and all its subsidiaries. However, not all subsidiaries' financial statements are subject to audit.

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. Accounting policies are consistent across all of the Society's subsidiaries.

Going concern

The financial statements for the 52 weeks ended 25 January 2025 (2024/25 financial year) have been prepared on the going concern basis.

In the 2024/25 financial year, the Society has undergone significant changes in its operations as part of its journey to sustainable profit. Closing loss-making stores and closing the loss-making stonemasonry business has led to reduced turnover but has contributed to an underlying trading profit from continuing operations of £1.0m an increase of £4.6m from last year. This, alongside significant gains in property valuations and pension assets, means that at the year end the Society had net assets of £229.6m (2023/24: £228.1m).

The Society still faces challenges in the retail and funeral markets, but continued monitoring and management of its cost base has been demonstrated through this improvement in results. The Directors have considered the impact of these economic headwinds on all of the Society's operations and future prospects as part of their strategic plan and budgeting, and specifically for the forecasting that underpins their going concern assessment period to 16 May 2026 (the going concern assessment period).

During the year, the Society has successfully obtained a new finance arrangement to replace its previous expiring facilities. The Society has secured a combined revolving credit facility (RCF) and overdraft of £30.0m which is in place until November 2028, with an option to extend for for a further year. At the year end £20.7m of the facility was drawn as an RCF, and none of the remaining overdraft was utilised, with a cash balance of £7.7m held. As at 22 March 2025 the Society has drawn an RCF facility of £19.7m, an overdrawn bank balance of £1.0m and cash held was £4.3m.

Although the Society has seen an overall reduction in cash during the 2024/25 financial year, this has been due to continued investment activities to generate future profitable growth, with positive cash generation on its trading activities. This has enabled the Board and Senior Leadership team to continue to deliver its strategic and operational plans for returning to sustainable profit. The Board and Senior Leadership team continue to deliver on the approved Property Portfolio plan that involves disposals of assets to fund further investment, of which £1.9m of proceeds have been realised since year end. Any further investment will be managed in line with proceeds from disposals and within the operating parameters of the financing facility to ensure both continued profitability and maintenance of the covenants of the facility.

As a result of this, the Society has prepared forecasts for the going concern assessment period which take into consideration scenarios of different trading outcomes, disposals and investment spend. The forecasts assume modest expectations of sales growth from continuing operations commensurate with the economic climate, consistent gross margin percentages and further operating cost increases in line with current inflation forecasts for the specific related costs. Management have also considered the realisation of potential benefits from a review of the operating model. Within this base case forecast the Society will continue to operate well within the RCF and overdraft facility limit throughout the going concern assessment period and in full compliance with the covenant requirements. Given the challenging trading environment the Society currently faces across its various business streams, the Society has also modelled severe but plausible downside scenarios whereby certain assumptions around volume growth and margins on the trading business are decreased and costs are increased. Although reducing potential profitability, and cash generation, such downside forecasts all indicate headroom on the debt facility and the related covenants.

In the 2022/23 and 2023/24 financial years, the Society reported a material uncertainty in respect of its ability to continue as a going concern, primarily as a result of the uncommitted overdraft and shortly expiring RCF. This 2024/25 financial year, given the securing of new financing facility, the current expected trading performance of the Society, the Strategic decisions made in rationalising the store portfolio and offerings and the realisation of certain fixed assets the Society has concluded that no such material uncertainty now exists and the Directors, based on their base case and downside forecast assessments, have concluded that the Society will have adequate resources and financing facilities to continue to operate and meet liabilities as they fall due, until the end of the going concern assessment period to 16 May 2026. As such, the Directors continue to adopt the going concern basis in preparing the financial statements.

Significant accounting policies

Accounting policies relating to specific areas of the financial statements can be found in their relevant sections.

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.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's contractual provisions of the instrument.

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 and trading properties, and exceptional items.

Exceptional items

The Society classifies certain one-off charges or credits that have a material impact on the financial results as exceptional items. These significant items 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, significant changes to pension arrangements 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Borrowing costs

All borrowing costs are recognised in the Revenue Account in the period in which they are incurred.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Information about areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

	Note
Deferred taxation – estimation of deferred tax liability in relation to revalued investment property	*3.1*
Measurement of the recoverable amounts from cash-generating units – estimation of future cash flows and selection of pre-tax discount rate	*4.1 and 4.2*
Valuation of investment properties – inherently subjective nature of valuations which includes estimation of future rental income, cash flows and determination of rental yield, specific to each property	*4.2*
Stock valuation – estimation of stock provision which requires judgement	*4.4*
Measurement of pension obligations – inherent uncertainty in use of assumptions	*5.4*

Notes to the Financial Statements

KEEPING IT SIMPLE

The 'keeping it simple' boxes are included as additional disclosure to help readers' understanding and interpretation.

Section 1 – Turnover

IN THIS SECTION

This section provides information used to establish the turnover of the Society.

KEEPING IT SIMPLE – TURNOVER

Turnover represents the amount of money customers pay or are liable to pay at the point of sale and delivery, less VAT, colleague discount and agency fees.

Accounting policy:

Turnover includes cash sales, goods and services sold on credit, commissions and property rental income and arises wholly in the United Kingdom.

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, VAT and other sales tax or duty. Turnover is recognised when:

- The significant risks and rewards of ownership have been transferred to the buyer
- The Group retains no continuing involvement or control of the goods
- The amount can be measured reliably
- It is probable the future economic benefits will flow to the entity, and
- When the specific criteria relating to each of the Group's sales channels have been met, as described below:

a) Retail sales
Sales of goods are recognised on sale to the customer, which is considered point of delivery. Retail sales are usually by cash, credit or debit card.

b) Funeral plan income
Income from funerals conducted under a third-party, pre-paid funeral plan is recognised when the funeral takes place.

c) Investment property 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.

d) 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.

e) Rendering of services
Turnover from a contract to provide security services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

1.1 SEGMENTAL REPORTING

KEEPING IT SIMPLE – SEGMENTAL REPORTING

The segmental report details the breakdown of turnover between the Society's different business activities, in this case retail and property.

	2025			2024		
	Continuing Operations £000	Discontinued Operations £000	Total £000	Continuing Operations £000	Discontinued Operations £000	Total £000
Turnover						
Retail	376,142	1,479	377,621	384,224	2,369	386,593
Property	8,032	–	8,032	9,039	–	9,039
	384,174	**1,479**	**385,653**	**393,263**	**2,369**	**395,632**

Section 2 – Expenses

IN THIS SECTION

This section contains details of costs incurred by the Society during the year, transactions with Directors, finance costs/income and payments to and on behalf of members.

2.1 EXPENSES

KEEPING IT SIMPLE – COST OF SALES

Cost of sales are the costs we incur in buying the goods and the services we provide to our customers.

KEEPING IT SIMPLE – OPERATING EXPENSES

Operating expenses are the costs we incur in providing the goods and services we deliver to our customers. This includes the amount we pay our colleagues and the costs of running our retail outlets.

	2025			2024		
	Continuing Operations £000	Discontinued Operations £000	Total £000	Continuing Operations £000	Discontinued Operations £000	Total £000
Cost of sales	**273,569**	**1,083**	**274,652**	**283,318**	**982**	**284,300**
Personnel (note 2.1.1)	63,204	1,300	64,504	61,769	1,157	62,926
Occupancy costs	19,196	111	19,307	19,740	152	19,892
Profit on sale of fixed assets	–	155	155	38	–	38
Hire of plant and machinery	405	24	429	110	–	110
Vehicle contract hire/lease	427	6	433	472	–	472
Depreciation and other amounts written off tangible fixed assets (note 4.2)	6,658	76	6,734	6,785	119	6,904
Amortisation of intangible fixed assets (note 4.1)	2,176	46	2,222	2,265	–	2,265
Auditors' remuneration						
– Fees payable for the audit of consolidated financial statements	172	–	172	147	–	147
– Fees payable for the audit of the Society and its subsidiaries	29	–	29	28	–	28
Directors' fees (note 2.1.3)	176	–	176	161	–	161
Other expenses	17,155	118	17,272	22,024	328	22,352
Operating expenses	**109,597**	**1,835**	**111,433**	**113,539**	**1,756**	**115,295**

The Society incurred restructuring costs of £1,745,000 (2024: £466,000) as a result of changes made to the organisational structure.

2.1.1 COLLEAGUES

	2025 Number	2024 Number
The average number of persons employed by the Society during the year was:		
Full time	799	787
Part time	2,575	2,769
	3,374	**3,556**

	2025 £000	2024 £000
The cost incurred in respect of these employees was:		
Wages and salaries	56,818	55,736
Social security costs	3,843	3,440
Other pension costs	3,843	3,750
	64,504	**62,926**

2.1.2 KEY MANAGEMENT COMPENSATION

KEEPING IT SIMPLE – KEY MANAGEMENT COMPENSATION

This is the amount we pay to the Society's Senior Leadership team.

	2025 £000	2024 £000
Key management includes members of the Senior Leadership team.		
The compensation paid or payable to key management for employee services is shown below:		
Salary	1,304	1,226
Taxable benefits	70	75
Pension contributions	53	64
	1,427	**1,365**

Total payments of £470,000 were made in respect of termination of office. This brings total key management compensation for the year to £1,950,000.

Five members of the Senior Leadership team in service at the year end participated in the Society stakeholder pension scheme.

The remuneration of the Chief Executive Officer (who is also the highest paid employee in service at the year end) included above is set out below. Last year represents the remuneration of the previous Chief Executive Officer, who left the Society on 7 December 2024.

	2025 £000	2024 £000
Salary	259	330
Taxable benefits	23	6
Pension contributions	–	20
	282	**356**

The emoluments of the members of the Senior Leadership team in service during the year fell in the following £10,000 brackets:

	2025 Number	2024 Number
Less than £10,000	1	1
£20,000 – £30,000	1	–
£30,000 – £40,000	–	1
£100,000 – £110,000	–	1
£110,000 – £120,000	1	–
£130,000 – £140,000	–	2
£140,000 – £150,000	–	1
£150,000 – £160,000	2	–
£170,000 – £180,000	–	1
£180,000 – £190,000	1	–
£200,000 – £210,000	1	–
£270,000 – £280,000	–	1
£280,000 – £290,000	1	–
£300,000 – £310,000	1	–
£350,000 – £360,000	–	1

2.1.3 TRANSACTIONS WITH DIRECTORS

KEEPING IT SIMPLE – TRANSACTIONS WITH DIRECTORS

This section shows any payments made to Directors for their role in the Society.

	2025 £000	2024 £000
Directors' emoluments		
The total remuneration of the Directors for their Board duties was as follows:		
Fees	176	161
The number of Directors whose emoluments fell in each £5,000 bracket was as follows:	**2025 Number**	**2024 Number**
£0 – £5,000	5	3
£5,001 – £10,000	5	13
£10,001 – £15,000	10	3
£15,001 – £20,000	1	–

2.2 FINANCE COSTS/INCOME

KEEPING IT SIMPLE – FINANCE COSTS/INCOME

This is the amount of money we have paid out or received from our investments. We include interest received on bank accounts and pension obligations and interest paid on overdraft and loan facilities used. Investment income relates to pre-paid funeral plans.

	2025 £000	2024 £000
INTEREST RECEIVABLE AND SIMILAR INCOME		
Interest receivable	36	41

	2025 £000	2024 £000
INTEREST PAYABLE		
Interest payable	874	533
Investment interest paid	182	203
	1,056	**736**

	2025 £000	2024 £000
OTHER FINANCE INCOME		
Interest receivable on pension funding arrangements	1,357	–

	2025 £000	2024 £000
OTHER FINANCE EXPENSE		
Interest expense on pension obligations (note 5.4)	(60)	51

2.3 PAYMENTS TO AND ON BEHALF OF MEMBERS

KEEPING IT SIMPLE – PAYMENTS TO AND ON BEHALF OF MEMBERS

We return some of the profits earned each year to our members. We also support a range of co-operatives and other organisations through grants and donations.

	2025 £000	2024 £000
GRANTS/DONATIONS		
Member and Community Services' expenditure	165	165
	165	**165**

Section 3 – Taxation

IN THIS SECTION

This section shows the current tax and deferred tax charged during the year.

3.1 CURRENT TAX AND DEFERRED TAX

KEEPING IT SIMPLE – CURRENT TAX

This section shows the adjustments we make to our profits or losses to calculate how much tax we have to pay.

KEEPING IT SIMPLE – DEFERRED TAX

Deferred tax arises because financial accounting rules and tax accounting rules are different.

A deferred tax asset is generally a tax saving which will be made in the future as a result of transactions which have already occurred.
A deferred tax liability recognises tax which may be payable in the future as a result of events which have already occurred.

Accounting policy:

Taxation expense for the period comprises current and deferred tax recognised in the year. Tax is recognised in the Revenue Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

TAXATION

	£000	2025 £000	£000	2024 £000
Current tax:				
UK Corporation tax on profits for the year	3,343		–	
UK current tax charge		3,343		–
Deferred tax:				
Timing differences arising in the year	8,829		(1,669)	
Adjustment in respect of prior years	(275)		(100)	
UK deferred tax charge/(credit)		8,554		(1,769)
Total UK tax charge/(credit)		11,897		(1,769)

	2025 £000	2024 £000
Charged through the Group Revenue Account	11,897	(1,769)
Charged directly through the Revenue Reserve	–	–
Total UK tax charge	**11,897**	**(1,769)**

3.1 CURRENT TAX AND DEFERRED TAX (CONTINUED)

TAX RECONCILIATION

The current tax charge assessed for the year is higher (2024: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	£000	2025 £000	£000	2024 £000
Profit/(loss) before tax	3,784		(9,544)	
Tax due if paid at the applicable UK corporation tax rate 25% (2024: 23.93%)	946		(2,284)	
Adjustments relating to current tax:				
Expenses not deductible for tax purposes	230		242	
Expenses not deductible relating to property revaluations	(1,747)		657	
Expenses not deductible relating to pension scheme	32		–	
Impact of depreciation in excess of capital allowances	(1,666)		(856)	
Impact of super deduction for capital allowances	–		(8)	
Accelerated capital allowances	–		361	
Short-term timing differences in relation to accounting provisions	(175)		(27)	
Short-term timing differences in relation to pension scheme contributions	–		(92)	
Short-term timing differences in relation to funeral plans	142		136	
Effect of tax relief on pension contributions	9,904		(489)	
Enhanced tax relief on land remediation	(1)		–	
Utilisation of tax losses	(4,322)		–	
Tax losses carried forward	–		2,360	
UK current tax charge		**3,343**		**–**
Adjustments relating to deferred taxation:				
Adjustment in respect of prior period	(275)		(100)	
Movement in deferred tax liability in relation to revalued property	2,220		(183)	
Impact of ineligible depreciation	2,051		894	
Short-term timing differences in respect of pension scheme contributions	(32)		96	
Short-term timing differences in relation to funeral plans	(142)		(142)	
Capital gains	235		103	
Other short-term timing differences	175		28	
Tax losses utilised	4,322		–	
Unrelieved tax losses arising in the period	–		(2,465)	
UK deferred tax charge/(credit)		**8,554**		**(1,769)**
Total UK tax charge/(credit)		**11,897**		**(1,769)**

Tax policy
The Society adopted a tax policy on 18 April 2015. A copy is available on our website at www.eastofengland.coop/tax. The disclosure made in these financial statements complies with the commitments made in that tax policy.

Tax rates
The Society is subject to the standard rate of corporation tax, which was 25% throughout the financial year. All deferred tax assets and liabilities are measured at the same rate of 25%.

Expenses not deductible for tax purposes
Some expenses incurred by the Society may be entirely appropriate charges for inclusion in its financial statements but are not allowed as a deduction against taxable income when calculating the Society's tax liability. The most significant example of this is accounting depreciation or losses incurred on assets that do not qualify for capital allowances (generally land and buildings). Other examples include some legal expenses and some repair costs.

Expenses not deductible/income not taxable relating to property revaluations
The Society's Property Portfolio has been revalued during the year and the overall value has fallen slightly. As this is not a realised loss it does not give rise to a current tax credit. Instead, a deferred tax provision is maintained to recognise the future liability to tax on capital gains.

3.1 CURRENT TAX AND DEFERRED TAX (CONTINUED)

Expenses not deductible relating to pension scheme
During the year, the Society has recognised other finance expenses of £32,000 (2024 : £96,000) relating to movements in the defined benefit pension scheme. Although these expenses have reduced accounting profits, they are not recognised for tax purposes.

Accelerated capital allowances
The accounting treatment of expenditure on fixed assets differs from the taxation treatment. For accounting purposes, an annual rate of depreciation is applied by the Society. For taxation purposes, the Society is able to claim capital allowances, a tax relief provided in law.

Short-term timing differences in relation to accounting provisions
Accounting provisions which are general in nature are not allowed for tax purposes until utilised. This gives rise to a short-term timing difference which is recognised in deferred tax.

Short-term timing differences in relation to funeral plans
The Society's transition to new accounting standards on 25 January 2015 led to an accelerated recognition of profit on funeral plan sales. To assist companies in this position, HM Revenue and Customs (HMRC) allowed for some tax liabilities, which arise specifically as a result of transition, to be spread over a 10-year period. This relief resulted in a deferred tax liability being recognised at our transition date, which is being released to the Revenue Account over 10 years.

Adjustments to tax charge/credit in prior years
Adjustments to tax charge/credit in earlier years arise because the tax charge/credit in the financial statements is estimated before the detailed corporation tax calculations are prepared. Additionally, HMRC may not agree with the tax return that was submitted for a year and the tax liability/asset for a previous year may be adjusted as a result.

Capital gains and losses
During the year the Society disposed of a small number of investment properties which will result in an overall capital gain for tax purposes. The gain has been fully offset by brought forward capital losses. The deferred tax asset in relation to capital losses has therefore decreased.

Tax relief on pension contributions
During the financial year ended 25 January 2014, the Society took steps to improve the security of the members of our two former defined benefit pension schemes. To do this, we placed a variety of trading and investment properties into the East of England Scottish Limited Partnership (SLP), directing rental income into the pension scheme as a form of cash contribution. During the financial year, the pension schemes became fully funded which meant that further cash contributions to the schemes were not required. As this happened earlier than was originally anticipated, it has meant that some of the tax relief previously received has had to be clawed back to ensure that the Society has only received tax relief on the amounts actually paid to the pension schemes. An amount of £40,794,614 has therefore been taxed in the current financial year.

Tax losses
The Society has made both an accounting and tax profit this year. Brought forward tax losses have therefore been utilised to reduce the amount of corporation tax paid this financial year. The deferred tax asset that was previously recognised on the carried forward tax losses has therefore reduced during the period.

DEFERRED TAX

	Balance as at 27 January 2024 £000	Revenue Account £000	Current year deferred tax charge OCI / Reserves £000	Adjustment in respect of prior years £000	Balance as at 25 January 2025 £000
Capital allowances	(5,497)	(2,051)	–	(214)	(7,762)
Short-term difference in relation to funeral plans	(139)	142	–	(3)	–
Other short-term timing differences	422	(175)	–	–	247
Capital losses	78	(235)	–	604	447
Tax losses	9,079	(4,322)	–	(113)	4,644
Deferred tax liability in relation to revalued property	(5,157)	(2,220)	–	–	(7,377)
Deferred tax liability relating to pension scheme	(1,361)	32	(2,181)	–	(3,510)
Total deferred tax liability (note 5.3)	**(2,575)**	**(8,829)**	**(2,181)**	**274**	**(13,311)**

Fair Tax accredited

Section 4 – Assets

IN THIS SECTION

This section shows the assets used to generate the Society's trading performance.

KEEPING IT SIMPLE – ASSETS

An asset is something which is used by the Society to generate a financial benefit. For example, stock is an asset because we will sell it to generate income. Similarly, we use our properties to enable our retail outlets to trade and generate income.

4.1 FIXED ASSETS – INTANGIBLE

KEEPING IT SIMPLE – FIXED ASSETS – INTANGIBLE

An intangible asset is an asset which cannot be physically touched, for example software or licences.

Accounting policy:

Goodwill

Business combinations are accounted for by applying the purchase method.

The cost of the business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated into goodwill.

Goodwill represents the excess of the fair value and the directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units (CGUs) that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the Revenue Account.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Other intangible assets

Intangible assets, other than goodwill, are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method, to allocate the depreciable amount of the assets over their useful economic lives at the following principal rates:

- Software 20 to 33.3%

The assets are reviewed for impairment if the factors detailed below indicate that the carrying value may be impaired:

- Technological advancement
- Changes in market price

Costs associated with maintaining computer software are recognised as an expense as incurred.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date.

	Goodwill £000	Software £000	Total £000
FIXED ASSETS – INTANGIBLE			
Cost			
At 28 January 2024	**17,282**	**13,071**	**30,353**
Additions	–	1,262	1,262
Disposals	–	(286)	(286)
At 25 January 2025	**17,282**	**14,047**	**31,329**
Amortisation			
At 28 January 2024	**12,578**	**9,517**	**22,095**
Charge for the year	947	1,275	2,222
Impairment	470	–	470
Disposals	–	(40)	(40)
At 25 January 2025	**13,955**	**10,752**	**24,747**
Net book value at 25 January 2025	**3,287**	**3,295**	**6,582**
Net book value at 28 January 2024	**4,704**	**3,554**	**8,258**

Included within software is £1,129,000 (2024: £301,000) related to assets in the course of construction.

4.2 FIXED ASSETS – TANGIBLE

KEEPING IT SIMPLE – FIXED ASSETS – TANGIBLE

These are the sites that the Society trades from and the fixtures and fittings within these sites. Also included are vehicles used within the Society's business.

Tangible fixed assets also includes investment property, which is property held by the Society which is not used by one of our trading businesses.

Accounting policy:

Fixed assets, excluding investment properties, are stated at cost (being the original purchase price together with costs directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amount of the assets over the expected useful economic lives at the following principal rates:

- Freehold buildings 2%
- Fixtures, fittings and plant 5 to 33.3%
- Transport 15 to 40%

Depreciation is not provided on freehold land.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed annually and adjusted if appropriate.

Repairs, maintenance and minor inspection costs are expensed as they occur.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

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

A number of the Group's properties are held for long-term investment and are recognised as investment properties. In accordance with UK GAAP:

A) on acquisition, investment properties are initially measured at cost

B) investment properties are measured at fair value annually with any change recognised in the Revenue Account, and

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

Tangible fixed assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Revenue Account for the year.

Impairment of fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Revenue Account for the year.

The recoverable amount of the asset (or asset's CGU) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's CGU) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's CGU) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Revenue Account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation gain. Thereafter any excess is recognised in the Revenue Account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Revenue Account. Goodwill is allocated on acquisition to the CGU expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of CGUs for impairment testing.

4.2 FIXED ASSETS – TANGIBLE (CONTINUED)

	Land and buildings £000	Investment properties £000	Fixtures, fittings and plant £000	Transport £000	Total £000
FIXED ASSETS – TANGIBLE					
Cost or valuation					
At 28 January 2024	**125,213**	**122,867**	**56,103**	**4,179**	**308,362**
Additions	5,063	1,513	9,522	1,146	17,244
Disposals	(4,145)	(4,330)	(1,756)	(156)	(10,387)
Transfers	(7,224)	3,434	(2,333)	–	(6,123)
Revaluations	–	6,987	–	–	6,987
At 25 January 2025	**118,907**	**130,471**	**61,536**	**5,169**	**316,083**
Depreciation					
At 28 January 2024	**49,419**	**–**	**35,872**	**3,967**	**89,258**
Charge for the year	1,667	–	4,794	273	6,734
Disposals	(2,565)	–	(1,245)	(156)	(3,966)
Transfers	(4,180)	–	(1,943)	–	(6,123)
At 25 January 2025	**44,341**	**–**	**37,478**	**4,084**	**85,903**
Net book value at 25 January 2025	**74,566**	**130,471**	**24,058**	**1,085**	**230,180**
Net book value at 28 January 2024	**75,794**	**122,867**	**20,231**	**212**	**219,104**

Included within tangible fixed assets is £3,855,000 (2024: £2,983,000) relating to assets in the course of construction, of which £359,000 (2024: £2,528,000) is in investment properties and £3,496,000 (2024: £455,000) is in land and buildings, fixtures, fittings and plant.

The net carrying value of assets held under finance leases included in transport is £102,000 (2024: £202,000) Transfers relate to properties that have been transferred from own use to investment properties..

Particulars relating to revalued assets are given below:

	2025 £000	2024 £000
Investment properties		
At valuation	130,471	122,687
At historical cost	123,550	122,981

Revaluation of investment properties

Each year, 20% of the Society's investment properties are valued externally by Roche Chartered Surveyors. The valuation is undertaken in accordance with the Royal Institution of Chartered Surveyors (RICS) – Global Standards – 2020 (which incorporate the International Valuation Standards 2017) and the UK national supplement. Investment properties and properties held for development (non-trading) are valued on a market value basis. The remainder have been valued by the Society's Chief Property Officer, Stuart McDonald MRICS on a consistent basis.

4.3 INVESTMENTS

KEEPING IT SIMPLE – INVESTMENTS

Investments relate to shares held in other businesses. Until 29 July 2022, the Society also held funeral plan investments which were paid into a contract for whole life insurance on the life of the customer for the purpose of providing the funeral and disclosed within investments. On 29 July 2022, the Society transferred its funeral plan business to Ecclesiastical Planning Services Limited.

Accounting policy:

Investments in shares are stated at cost less provision for any impairment in value. Interest and investment income is accounted for on an accruals basis.

4.3 INVESTMENTS (CONTINUED)

	Fixed assets		Interest / investment income	
	2025 £000	2024 £000	2025 £000	2024 £000
INVESTMENTS				
Co-operative Group Limited				
– Shares	757	757	–	–
Other I and P societies				
– Shares	1	1	–	–
Other	–	–	13	5
Short-term deposits	–	–	2	6
Overnight deposit	–	–	30	30
Funeral plans*	–	–	(182)	(203)
	758	**758**	**(137)**	**(162)**

*Includes interest paid in respect of funeral plans cancelled or transferred.

Last year investments of £101,000 were impaired.

On 29 July 2022, the Society transferred its funeral plan business to Ecclesiastical Planning Services Limited ('EPSL'). Until this date, for the purpose of providing the funeral and to comply with the provisions of the Financial Services and Markets Act 2000, all monies received for funeral plans were paid into a contract for whole life insurance on the life of the customer. On 29 July 2022, all such investments held by the Society were transferred to EPSL. As the Society retains the future right to conduct all funeral services associated with these transferred funeral plans, an accrued income asset has been recognised instead of an investment.

4.4 STOCK

KEEPING IT SIMPLE – STOCK

Stock is an asset which is purchased by the business for resale to our customers.

Accounting policy:

Stock consists of goods held for resale and is stated at the lower of cost and estimated selling price less costs to sell.

Cost is calculated using the weighted average cost method.

At the end of each reporting period stock is assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to sell and any charge is recognised in the Revenue Account. If a reversal is required then the impairment charge is reversed and the credit is recognised in the Revenue Account.

	2025 £000	2024 £000
STOCK		
Goods for resale	13,578	16,098

Goods for resale is stated after provision for impairment of £352,000 (2024: £323,000). The movement in the provision is charged/credited to cost of sales each year. During the year £537,000 of stock in relation to discontinued operations was written off.

4.5 TRADE AND OTHER DEBTORS

KEEPING IT SIMPLE – TRADE AND OTHER DEBTORS

A debtor is an amount owed by a person or business that has purchased goods or services from the Society but has not yet paid for them.
A pre-payment is an amount paid by the Society in advance of the goods or services being received. Accrued income relates to funeral plan income that the Society is entitled to recognise for accounting purposes, but where no invoices have been raised or cash received.

Accounting policy:

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 debtors 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 debt.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debtor is impaired. The amount of any loss is recognised in the Revenue Account within operating expenses.

Subsequent recoveries of amounts previously written off are credited against operating expenses in the Revenue Account.

Funeral plan accrued income

On 29 July 2022, the Society transferred its funeral plan business to Ecclesiastical Planning Services Limited ('EPSL'). Until this date, for the purpose of providing the funeral and to comply with the provisions of the Financial Services and Markets Act 2000, all monies received for funeral plans were paid into a contract for whole life insurance on the life of the customer. On 29 July 2022, all such investments held by the Society were transferred to EPSL. As the Society retains the future right to conduct all funeral services associated with these transferred funeral plans, an accrued income asset has been recognised. The asset has been apportioned between current and long-term assets based upon the Society's experience of funerals carried out under its pre-payment plans over the last five years.

4.5 TRADE AND OTHER DEBTORS (CONTINUED)

	Due within 1 year		Due after 1 year	
	2025 £000	2024 £000	2025 £000	2024 £000
DEBTORS				
Trade debtors	2,073	2,762	–	–
Other debtors	161	444	–	–
Pre-payments and accrued income	9,542	8,209	50,287	56,123
	11,776	**11,415**	**50,287**	**56,123**

Trade debtors are stated after provision for impairment of £1,615,000 (2024: £1,732,000). The movement in the provision is charged/credited to operating expenses each year.

Section 5 – Liabilities

IN THIS SECTION

This section shows the liabilities incurred in order for the Society to carry out its trading activities.

KEEPING IT SIMPLE – LIABILITIES

A liability is generated when the Society has carried out an activity which results in an expense that will be paid in the future. This includes amounts owed to suppliers for goods or services the Society has received.

5.1 TRADE AND OTHER CREDITORS

KEEPING IT SIMPLE – TRADE AND OTHER CREDITORS

When the Society receives goods or services which are to be paid for at a later date, a creditor is created. This reflects money which the Society must pay out in the future.

Accounting policy:

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are not interest bearing and are stated at their nominal value.

Funeral plans

Until 29 July 2022, amounts received in advance for funeral plans were recorded as liabilities on the balance sheet. The liability was (and continues to be) 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.

	Due within 1 year		Due after 1 year	
	2025 £000	2024 £000	2025 £000	2024 £000
CREDITORS				
Bank loans	20,689	5,000	–	–
Bank overdraft	–	9,416	–	–
Trade creditors	13,668	12,143	–	–
Finance leases (note 5.2)	124	134	–	124
Corporation Tax	3,334	–	–	–
Other taxation and social security	1,639	1,383	–	–
Other creditors	711	1,662	–	–
Accruals and deferred income	12,564	15,292	–	–
Funeral plans	2,652	3,595	34,625	36,710
	55,381	**48,625**	**34,625**	**36,834**

Bank loan

During the year ended 25 January 2025, the Society obtained a £30m revolving credit facility and overdraft, with a term to November 2028. The facility is secured via a floating charge over the assets of the Society and is interest bearing.

5.2 FINANCE LEASE LIABILITIES

Leases where the Group takes on substantially all the risks and rewards of ownership are classified as finance leases. Vehicles acquired under finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at the start of the lease, less accumulated depreciation and any impairment losses.

Depreciation is provided on the same basis as for owned assets. Minimum finance lease payments are apportioned between the finance charge and the repayment of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

	2025 £000	2024 £000
Less than one year	124	134
Later than one year and not later than five years	–	124
	124	**258**

5.3 PROVISION FOR OTHER LIABILITIES

	2025 £000	2024 £000
Deferred tax (note 3.1)	13,311	2,575

5.4 PENSION OBLIGATIONS

KEEPING IT SIMPLE – PENSION OBLIGATIONS

The Society runs two types of pension scheme: defined benefit and defined contribution:
- *A defined benefit scheme provides a pension based on a colleague's salary and length of service.*
- *A defined contribution scheme sets the value which will be paid into a pension scheme; the amount of pension this generates is variable and depends on the performance of the investments into which contributions are paid and the annuity rates at the time of retirement.*

Accounting policy:

Defined benefit pension plans

The Group operates a defined benefit pension scheme covering certain full-time and part-time employees, funded by employees' and employer's contributions. The scheme is closed to new members and to future accrual.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The liability recognised on the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Society engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Society's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurements of net defined benefit obligations'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Revenue Account as 'other finance expense'.

Defined contribution pension plan

The Society also operates a defined contribution plan. A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity. Once the contributions have been paid the Society has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals on the balance sheet. The assets of the plan are held separately from the Society in independently administered funds.

5.4 PENSION OBLIGATIONS (CONTINUED)

PENSIONS

Until 20 November 2017, the Group operated two defined benefit pension schemes. These were the Ipswich and Norwich Co-operative Society Limited Employees' Pension Fund and the Colchester and East Essex Co-operative Society Limited Employees' Superannuation Fund. The assets of both schemes were held in separate funds administered by Trustees. Both of these funds were closed to new members and closed to future accrual.

On 20 November 2017, with the consent of a majority of members of the two former schemes, a new defined benefit scheme was established and the rights and benefits of eligible members of the two former schemes were transferred into the East of England Co-op Retirement Benefit Scheme. This scheme is also closed to new members and to future accrual.

The two former schemes were wound up during the year ended 26 January 2019.

During the year ended 27 January 2024, the governance and operation of the East of England Co-op Retirement Benefit Scheme was moved to a platform approach. This simplified way of working delivers continuous, professional governance, along with faster and more cost-effective investment decision-making.

Asset-backed funding arrangement

In August 2013, the Society established the East of England Scottish Limited Partnership (the Partnership) together with the former schemes and transferred to it properties with a value of £65.9m.

On 20 November 2017, the two former schemes transferred their interest in the Partnership to East of England Co-op Retirement Benefit Scheme which is now entitled to an annual distribution of £3.2m for a remaining 15 years, increasing on a compound basis by 2.5% per annum. The properties transferred to the Partnership will revert to the Society's ownership after settlement of any remaining funding deficit on the Scheme at that time.

The Partnership is controlled by the Society and its results are consolidated by the Society. The investment held by the Scheme in the Partnership does not qualify as a plan asset for the purposes of the Society's consolidated financial statements and is therefore not included within the fair value of plan assets.

The value of the properties transferred to the Partnership remains included within the Society's tangible fixed assets on the balance sheet. In addition, the Society retains full operational flexibility to extend, develop and substitute the properties within the Partnership.

East of England Co-op Retirement Benefit Scheme

Since 20 November 2017, the Society has operated a single defined benefit pension fund for its employees (the East of England Co-op Retirement Benefit Scheme). The service cost has been calculated by a qualified actuary using the projected unit credit method. The major assumptions used by the actuary are:

	2025	2024
Rate of increase of pensions in payment		
– prior to 31 August 2008	3.05%	2.90%
– post 31 August 2008	2.00%	1.90%
Rate of increase of pensions in deferment	3.30%	3.15%
Discount rate	5.45%	5.00%
Rate of inflation	3.30%	3.15%

	2025 years	2024 years
Life expectancy		
Male (current age 45)	87.6	87.5
Male (current age 65)	86.3	86.2
Female (current age 45)	90.2	90.1
Female (current age 65)	88.8	88.7

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

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 are thus inherently uncertain, were:

	Value at 25/01/2025 £000	Value at 27/01/2024 £000
Equities and hedge funds	45,049	38,539
Diversified growth funds	35,087	–
Multi-asset credit	39,869	–
Plans	–	91,615
Liability-driven investment	46,233	37,496
Cash	905	925
Insured annuities	519	689
Total market value of assets	167,662	169,264
Actuarial value of liability	(154,385)	(167,867)
Total surplus/(deficit) in the scheme	**13,277**	**1,397**

5.4 PENSION OBLIGATIONS (CONTINUED)

The liability-driven investment holds a mixture of cash, government bonds and swaps, with the aim of hedging inflation and interest rate risk within the pension fund. It currently aims to hedge 70% of the movement in the liabilities.

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.

During the year, the Society made pension payments on behalf of the scheme.

Reconciliation of scheme assets and liabilities

	Assets £000	Liabilities £000	Total £000
At 28 January 2024	169,355	(167,957)	1,398
Interest income/(expense)	8,246	(8,186)	60
Remeasurement gains/(losses)			
Actuarial gains	–	13,182	13,182
Return on plan assets excluding interest income	(973)	–	(973)
Benefits payments	(8,576)	8,576	–
Expenses paid	(390)	–	(390)
Contribution by employer	–	–	–
At 25 January 2025	**167,662**	**(154,385)**	**13,277**

Analysis of the amount charged to the Revenue Account

	2025 £000	2024 £000
Interest income	8,246	7,709
Interest on pension liabilities	(8,186)	(7,760)
Total expense recognised in Revenue Account	**60**	**(51)**

Return on plan assets

	2025 £000	2024 £000
Interest income	8,246	7,709
Loss return on plan assets less interest income	(973)	(11,011)
Total loss return on plan assets	**7,273**	**(3,302)**

Stakeholder scheme

The stakeholder pension scheme is a defined contribution plan. The contributions due to the plan during the year were £3,643,000 (2024: £3,691,000). As at 25 January 2025, no unpaid contributions were outstanding (2024: £nil).

OTHER RETIREMENT BENEFITS

The Society has in place an UURBS (pension promise) in respect of the former Chief Executives, into which the Society has paid £nil in the year (2024: £nil). These amounts are fully provided for and the liability calculated each year by external actuaries. The actual assumptions are consistent with those of the defined benefit schemes.

	2025 £000	2024 £000
Benefit obligation at the beginning of the year	1,292	1,381
Interest cost	62	59
Actuarial gains	–	(53)
Benefits paid	(100)	(95)
Benefit obligation at the end of the year	**1,254**	**1,292**

Section 6 – Equity

IN THIS SECTION

This section contains details of reserves and the share capital invested by members through their membership and any share accounts held with the Society.

6.1 CAPITAL AND RESERVES

KEEPING IT SIMPLE – CAPITAL AND RESERVES

The Society's share capital is raised via contributions from members, comprising money paid into member share accounts. A dividend distribution, or share of profits, is made to members once a year based on dividend points earned within the period. The value apportioned per point is agreed by the members of the Society. Reserves represent profits earned in earlier years.

Accounting policy:

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

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

Dividends are paid using dividend vouchers and calculated by reference to dividend points earned rather than as a return on capital invested. They are therefore recorded in the group Revenue Account as an expense of the business rather than directly in reserves as an equity distribution. The dividend vouchers issued during the year are only valid during the financial year 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 Revenue 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 members at the Annual Members' Meeting.

The 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 in the Statement of Changes in Equity.

SHARE CAPITAL

Share capital is comprised entirely of equity shares of £1 each, currently attracting interest at rates between 0.5% and 2.5%.

Shares are withdrawable on varying periods of notice dependent on the amount involved. The right to withdraw may, by resolution of the Board, be suspended either wholly or partially and either indefinitely or for a fixed period.

Each member is entitled to one vote irrespective of the number of shares held.

Member rights on winding up are contained within the Society rules.

This year, the Society released £54,000 (2024: nil) of Members' Funds from Share Capital to the Revenue Reserve. This represents the cumulative balance within the share accounts of members who have not purchased goods or services from the Society for a period of at least four years, and with whom the Society has lost contact.

RESERVES

Fair value reserve

This reserve is used to record increases in the fair value of investment properties and decreases to the extent that such decrease relates to a previous increase in the same asset.

Revenue reserve

This reserve includes all current and prior period retained profits and losses except for those included in the fair value reserve.

Section 7 – Other notes

IN THIS SECTION

This section contains details of operating leases, capital commitments, cash flow, related party disclosures, general contingencies, subsidiaries, discontinuance of business and post balance sheet events.

7.1 OPERATING LEASES

Operating leases – leasing from owners

KEEPING IT SIMPLE – OPERATING LEASES – LEASING FROM OWNERS

An operating lease is where rent is paid to the owner of an asset to allow the Society to use it, for example a property.

Accounting policy:

Rentals payable under operating leases are charged to the Revenue Account on a straight-line basis over the term of the lease.

At 25 January 2025, the Group had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings		Other	
	2025 £000	2024 £000	2025 £000	2024 £000
Operating leases expiring:				
Within one year	1,673	1,631	466	665
Later than one year and not later than five years	5,709	5,574	660	840
After five years	12,127	11,829	–	–
	19,509	**19,034**	**1,126**	**1,505**

Operating leases – leasing to tenants

KEEPING IT SIMPLE – OPERATING LEASES – LEASING TO TENANTS

The Society leases assets to tenants, such as property. The asset is still owned by the Society and the tenant pays rent to use it.

Accounting policy:

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.

At 25 January 2025, the Group had the following minimum lease receivables under non-cancellable operating leases for each of the following periods:

	Land and buildings	
	2025 £000	2024 £000
Within one year	6,030	6,556
Later than one year and not later than five years	14,096	16,337
After five years	9,901	12,639
	30,027	**35,532**

7.2 CAPITAL COMMITMENTS

KEEPING IT SIMPLE – CAPITAL COMMITMENTS

This is the value the Society has committed to spend on assets after the year end.

Capital commitments

At 25 January 2025, there were capital commitments of £2.7m (2024: £1.0m) which have not been provided for in the financial statements.

7.3 NOTES TO CASH FLOW STATEMENT

KEEPING IT SIMPLE – CASH FLOW STATEMENT

This is the breakdown of the total cash flow from operating activities shown on the cash flow statement.

	2025 £000	2024 £000
RECONCILIATION OF LOSS NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		
Loss for the financial year	(8,114)	(7,775)
Adjustments for:		
Tax on (loss)/profit on ordinary activities	11,897	(1,769)
Distributions	765	822
Net interest income	(397)	745
Loss before interest, distributions and taxation	**4,151**	**(7,977)**
Grants and donations	(165)	(165)
Depreciation	6,734	6,904
Amortisation	2,222	2,265
Loss/(profit) on sale of tangible fixed assets	155	38
Changes in fair value of investment properties	(6,987)	1,738
Impairment of tangible and intangible fixed assets	470	1,005
Impairment of investments	–	101
Decrease in stocks	2,520	(911)
Decrease/(increase) in debtors	5,476	5,350
Decrease in creditors	(4,911)	(736)
Dividend paid	(600)	(656)
Pension contributions	(98)	(3,360)
UURBS current service costs	62	59
Legal and professional fees relating to pension scheme met from fund assets	327	394
Net cash from operating activities	**9,356**	**4,049**

	2024 £000	Cash flow £000	2025 £000
ANALYSIS OF MOVEMENT IN NET FUNDS			
Cash and cash equivalents			
Cash at bank and in hand	(5,169)	12,932	7,763
Borrowings			
Debt due within one year	(5,134)	(15,689)	(20,689)
Debt due after one year	(124)	124	–
	(5,258)	(15,565)	(20,689)
Total	**(10,427)**	**(2,633)**	**(13,060)**

MAJOR NON-CASH TRANSACTIONS

During the year, the Society had no major non-cash transactions (2024: £nil).

7.4 GENERAL CONTINGENCIES

In the ordinary course of its business, the Society is subject to commercial disputes and litigation, including customer claims, employee disputes, taxes and other kinds of lawsuits. These matters are inherently difficult to quantify. In appropriate cases, a provision is recognised based on best estimates and Management's judgement but there can be no guarantee that these provisions will result in an accurate prediction of the actual costs and liabilities that may be incurred. These are not expected to have a material impact on the financial position of the Society.

7.5 WHOLLY OWNED SUBSIDIARIES

KEEPING IT SIMPLE – WHOLLY OWNED SUBSIDIARIES

These are separate legal entities that form part of the East of England Co-operative Society which are owned, managed and controlled by the Society.

SUBSIDIARY SOCIETIES AND COMPANIES

The subsidiaries of the Society are listed below:

Ardencrest Limited (27074R)
A Co-operative and Community Benefit Society holding investment properties.

East of England Co-operative Society (Trustees) Limited (11059352)
A company holding the trusteeship of the East of England Co-op Retirement Benefits Scheme.

Anglian Convenience Stores Limited (03244781)◊
A dormant company formerly operating the Anglian Convenience Stores business.

H.L. Perfitt Limited (01012287)*
A company operating the H.L. Perfitt stonemasonry business.

East of England (SLP) General Partner Limited (SC436963)*
A company registered in Scotland, established to administer the East of England Scottish Limited Partnership.

East of England Scottish Limited Partnership (SL011854)
A property holding partnership registered in Scotland, established in connection with the Society's defined benefit pension schemes (see note 5.4).

East of England Co-op Travel Limited (10588432)*
A company operating the Society's travel business.

Cauldwell Hall Rd (Management Company) Limited (16074907)*
A property management company established to facilitate the disposal of residential properties.

New Street Woodbridge (Management Company) Limited (16074989)*
A property management company established to facilitate the disposal of residential properties.

DORMANT COMPANY EXEMPTION

Subsidiaries marked ◊ have taken advantage of the exemption from preparing accounts for a dormant subsidiary available under s394A of the Companies Act 2006 for the period ended 25 January 2025.

SUBSIDIARY EXEMPTION

Subsidiaries marked * have taken advantage of the exemption from an audit for the period ended 25 January 2025 available under s479A of the Companies Act 2006 as the Society has given a statutory guarantee of all of the outstanding liabilities of the subsidiaries as at 25 January 2025.

Member and Community Services' Expenditure Statement (unaudited)

	2025 Net Expenditure £
Community engagement events and projects	
Community funding	165,000
Member and Community Services' expenditure (note 2.3)	**165,000**

Donations totalling £378,000 were made to organisations during the financial year from the Society's Community Cares Fund. The Community Cares Fund is supported by members who kindly donate their dividend towards good causes.

This statement does not form part of the financial statements.

Keep up to date with what we're up to in the community...

eastofengland.coop
/eastofenglandcoop
@eoecoop
0800 389 5354
/eastofenglandcoop

East of England Co-operative Society Ltd
The Street, Wherstead, Ipswich, Suffolk IP9 2BJ
Registered Number 1099R

East of England CO-OP