



Annual Report

Central England Co-operative Limited
52 weeks ended 24 January 2026

Welcome to our Annual Report

“I am delighted to present our Annual Report to Members that highlights our key achievements, financial performance and future opportunities in our new Society.”

Elaine Dean, President



On 26 January 2026, OurCoop was formed, bringing together Central Co-op, The Midcounties Co-operative and Chelmsford Star Co-operative Society. The new Society is now the UK's largest independent co-operative, reflecting more than 150 years of shared co-operative heritage.

Scope of reporting

The Society is now trading as OurCoop which brings together the family of co-operative businesses under a single unifying brand. The legal trading name of the Society remains as Central England Co-operative and a process to identify a new legal name for the Society will be overseen by the Board as part of the Society governance review.

From a governance perspective, Central England Co-operative is the 'receiving Society'. The transfer of engagements from Chelmsford Star took place on 15 September 2025, followed by The Midcounties Co-operative on 26 January 2026, aligning with its financial year end.

The Central England Co-operative Limited ('Central Co-op') report for the financial year ending 24 January 2026 therefore reflects Central Co-op's financial performance for a full year and Chelmsford Star performance from 15 September 2025.

As the transfer of engagement of Midcounties Co-operative occurred post year-end for Central Co-op, no trading or balance sheet figures for Midcounties are recognised at the reporting date.

Throughout the report, we also highlight integration opportunities from across all three Societies giving Members an early view of how our new Society will evolve.

Contents

Strategic

Board of Directors, Executive Team and Professional Advisers	02
About Us, Our Co-operative Values and Family of Businesses	04
Building our new Society	08
Financial and Membership Highlights	10
President's Overview	12
Chief Executive's Overview	16
Business Review	24
Meaningful Membership	34
Our Colleagues	36
Our Co-op Difference	38
Society Partnerships	39
Our Local Membership And Community Activity	41
Measuring our Co-operative Difference	44
Our 2025/26 Environmental Report	46
Our Approach to Taxation	50

Governance

Governance Report	52
Co-operative Corporate Governance Code	53
Membership Engagement	54
Governance Framework	57
Board Composition, Effectiveness and Activity	60
Director Attendance at Meetings	61
Governance Activity to Support the Transfer of Engagements of Chelmsford Star and the Midcounties Co-operative Societies	63
Remuneration Committee Report	65
Remuneration Policy	68
Audit and Risk Committee Report	78
Search Committee	80
Rules and Practices Committee	81
Membership and Community Strategy Committee	82

Conduct Committee	84
Other Committees Attended by Directors	85
Our Approach to Risk Management	86
OurCoop: Managing Integration Risks in the New Society	91
Other Corporate Matters	94
Statement of Directors' Responsibilities	95
Independent Auditor's Report	97

Financial Statements

Accounting Policies	100
Group Income Statement	112
Group Statement of Comprehensive Income	113
Group Statement of Financial Position	114
Group Statement of Cash Flows	115
Group Statement of Changes in Equity	116
Notes to the Annual Report	117

Board Of Directors



Elaine Dean
President



Richard Bickle
(elected to Board 2 May 2025,
elected as Vice President
15 May 2025)



Irene Kirkman
(Vice President from
26 January 2026)



Ornella Akichi
(elected 2 May 2025)



Jane Avery
(elected 2 May 2025)



Rebecca Britland



Bob Burlton



Marc Bicknell*



Maryann Denfhy



Amanda Gallie
(elected 2 May 2025)



Maria Lee



Sue Rushton



Brad Tuckfield



Valerie Watson



Ellie Boyle
(from 26 January 2026)



Bernadette Connor
(from 26 January 2026)



Paul Mather
(from 26 January 2026)



Janson Woodall
(from 26 January 2026)



Vivian Woodell
(from 26 January 2026)



Helen Wiseman
(from 26 January 2026)

Directors who stood down during reporting period

Suzanne Bennett
(resigned 2 May 2025)

John Howells
(resigned 2 May 2025)

Danny Douglas
(resigned 2 May 2025)

*Independent
Non-Executive Director

Executive Team and Professional Advisers



Debbie Robinson
Chief Executive Officer



Phil Ponsonby
Chief Executive, Integration
(from 26 January 2026)



**Selina
Butterfield-Mashooft**
Chief Finance, Technology
and Property Officer



Michelle Cemm
Chief People Officer
(from 26 January 2026)



Sara Dunham
Chief Officer,
Specialist Business
(from 26 January 2026)



Sarah Yates
Chief Operating Officer Food
(Non-Executive)
(from 26 January 2026)



Simon Plunkett
Acting Society Secretary
(from 23 March 2026)

Andy Peake
Chief Operating Officer –
People, Funeral and Property
(up to 25 January 2026)

Andrew Seddon
Society Secretary
(up to 23 March 2026)

Sarah Dickens
Chief Operating Officer –
Food, Membership and Brand
(up to 11 March 2026)

Auditor:

MHA, Ground Floor, 35 Newhall Street, Birmingham, B3 3PU

Registered Office:

Central House, Queen Street, Lichfield, Staffordshire WS13 6QD

Registered Society under the Co-operative and Community Benefit Societies Act 2014

Registered No. 10143R

About Us, Our Co-operative Values and Family of Businesses

OurCoop is the UK's largest independent co-operative Society, owned by more than one million Members and supported by more than 13,000 colleagues working in communities across the country.

The Society was formed on 26 January 2026 through the combination of Central Co-op, Midcounties Co-operative and Chelmsford Star Co-operative Society, creating a stronger, Member-owned organisation rooted in shared co-operative values.

By combining our heritage, expertise and scale, OurCoop is better positioned to serve Members, support colleagues and compete and grow in fast-changing markets.

Whilst operating nationally, OurCoop remains deeply rooted in the communities it serves. Our footprint stretches from Gloucestershire, Oxfordshire, Wiltshire and Bedfordshire in the South and West; across the Midlands including Derbyshire, Staffordshire and Northamptonshire;

through the North including Cheshire, Greater Manchester, Lancashire, Yorkshire, Tyne and Wear; and across the East of England, including Essex, Norfolk and Suffolk.

Our businesses provide essential services and everyday products to millions of people across 1,100 sites. From food stores on local high streets, to travel agencies, funeral homes, nurseries, utilities services and digital platforms, our businesses support our Members and customers in practical ways throughout the different stages of their life.

What unites our family of businesses is a shared purpose: to create long-term value for Members and communities, rather than short-term returns for external shareholders.



Our Co-operative Values

OurCoop is guided by internationally recognised co-operative values that have shaped the movement for more than 180 years.

These values underpin how our Society is governed, how decisions are made and how value is shared with Members. They also shape the culture of our organisation and the way colleagues work together to serve our communities.

These principles guide how OurCoop operates today and how we will continue to grow and evolve in the future.

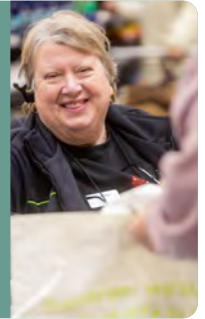
Self-help

Members work together for mutual benefit, supporting one another whilst strengthening the Society as a whole.



Self-responsibility

Members and colleagues play an active role in the success of the Society, recognising that a co-operative thrives through the participation and commitment of its Members.



Democracy

Our Society is democratically owned and controlled. Every Member has an equal say, with one Member, one vote.



Equality

Each Member has equal rights within the Society and equal opportunities to participate in shaping its future.



Equity

Members are treated fairly and justly, sharing in the benefits created through the Society's success.



Solidarity

Members support each other and work alongside other co-operatives, recognising that collaboration strengthens the wider co-operative economy.



Our Family of Co-operative Businesses

OurCoop brings together a family of established co-operative businesses operating across food retail, travel, funeralcare, Early Years, utilities and a property portfolio. Each business serves Members and customers in different ways, whilst remaining connected by shared co-operative values.

Food

495 stores at the heart of high streets and communities serving Members and customers with quality, responsibly sourced products and everyday essentials.

Food **COOP**

495
Stores



Funeral

185 Funeral homes providing dignified and compassionate support when families need it most. Central Co-op Funeral Plans Limited also support Members and customers with planning ahead offering a range of bespoke Funeral options supported by OurCoop florists, crematoria, masonry and coffin manufacturing businesses.

185

Funeral
homes



Funeral **COOP**

Early Years

46 'Little Pioneers' Early Years nurseries operate across England giving children the best possible start in life through high-quality childcare delivered with co-operative principles.

Little
Pioneers
nursery **coop**

46
Early Years
nurseries



Travel

73 branches, home-working Personal Travel Agents and online services, combining trusted travel expertise with leading consortia partnerships and our own Co-op Holidays programme.

Travel **COOP**

73
Travel
branches



Energy, Mobile and Broadband

The UK's only co-operative utilities provider, offering energy, mobile and broadband services that show essential services can be delivered responsibly without prioritising Shareholder returns.

Energy **COOP**
powered by octopus energy

Mobile **COOP**

Broadband **COOP**

Supplying
homes with
100%
renewable
electricity



Together, these businesses allow OurCoop to support Members and communities across many aspects of everyday life. By combining scale, expertise and co-operative purpose, OurCoop is building a resilient and future-focused Society designed to serve Members for generations to come.

Scan the QR code to find out more about our family of businesses



Building our new Society

OurCoop was built on a set of guiding principles that were developed to support the coming together of the three Societies.

These principles will inform the approach to integration over the course of the next two years and act as a collective vision for the new Society:



A commercially strong and future-focused Society

A platform for sustainable growth, investment and innovation delivering long-term value for Members and their communities.



Values at the core

An approach rooted in co-operative values, including democratic Membership, ethical sourcing and fair reward.



Member and colleague powered

Inclusive governance, locally driven ideas and the development of future talent that reflects the diversity of our communities.



A beacon of co-operation

Championing the co-operative model at home and internationally, supporting other societies and influencing policy.





Financial and Membership Highlights

“Our Society delivered solid headline sales, maintained control and protected profit contribution in a volatile environment.”



Debbie Robinson, Chief Executive Officer

£683.2m

**Food Turnover
(excluding VAT)**
(2025: £715.6m)

£1.7m

**Payments to
and on behalf of
stakeholders**
(2025: £2.0m)

£4.3m

**Trading Profit
from Underlying
Operations**
(2025: £8.3m)

£24.5m

**Capital
Expenditure**
(2025: £31.0m)

£331.8m

Net Assets
(2025: £283.7m¹)

1 restated

Financial Highlights

Turnover

£844.6m

(2025: £883.9m)



Trading Profit

£4.3m

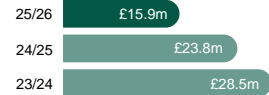
(2025: £8.1m)



Cash generated from operations²

£15.9m

(2025: £23.8m)



Underlying Operating Profit

£9.5m

(2025: £11.0m)



Net Debt

£36.1m

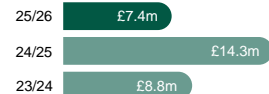
(2025: £30.8m)



Underlying profit before tax and payments to and on behalf of stakeholders

£7.4m

(2025: £14.3m)



Member Participation

Member sales in our food stores including fuel

£274.1m

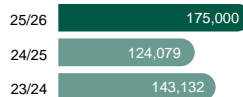
(2025: £279.4m)



New Members joining the Society

175,000

(2025: 124,079)



Member sales as a % of total food and fuel sales

33.5%

(2025: 31.4%)



→ Read more about our **Financials** on page 100

→ Read more about our **Businesses** on page 24

2 before pension deficit funding

President's Overview

“We ended the year with the launch of OurCoop, our new Society created from the rich co-operative history of Central Co-op, The Midcounties Co-operative and the Chelmsford Star Co-operative.”



Elaine Dean, President

2025, the International Year of Co-operatives, was a year like no other for our Society, and so it was fitting that we ended the financial year with the launch of OurCoop, our new Society created from the rich co-operative history of Central Co-op, The Midcounties Co-operative and the Chelmsford Star Co-operative.

A thank you to all our Colleagues

I want to start by thanking all of our wonderful colleagues across every area of our new Society and pay a particular tribute to those colleagues in the Food business who worked tirelessly after the Co-operative Group cyber-attack in spring 2025 to keep our stores up and running. Your dedication to our Society has been extraordinary.

International Year of Co-operatives

We have very much played our part in the International Year. In June we invited our Malawi partners John Mulangeni-Nkosi and Jeru Munthali from the Malawi Federation of Co-operatives (MAFECEO) to visit our Society stores and Funeral homes before taking part in a host of sessions to promote the Partnership at Co-operative Congress, which took place in Rochdale, the town where our movement began.

Welcoming Chelmsford Star Members and Colleagues

In July, over 300 Members of Chelmsford Star Co-operative Society voted in support of their Society joining ours. I remain committed to the promises we made to Members on that night to maintain the proud heritage of Chelmsford Star and I have been pleased to see the integration of colleagues and businesses taking place throughout the second half of the year.



Cooperatives Build
a Better World

After the transfer, Society Secretary Andy Seddon and I visited 12 stores and had dinner with their ex-President and two Operations Managers to discuss setting up a Member and Community Cluster Group to cover their area, and our future commitment to the Pride of Essex Awards. Some of us also went down again in December for a well-attended Get To Know Our Co-op event at Essex County Cricket Club.

Building new Membership and Community opportunities

We now have seven new stores across Lancashire and Cheshire. Andy and I did another tour there in August to visit those stores and met with local Members who we are hoping will be forming a nucleus of a Member and Community Cluster there too. It is very important to me that Members everywhere have opportunities to participate in activities and events.

Our Society Toy Appeal

It is also important for me to thank everyone who was involved in the enormous success that was our Toy Appeal which ran during November and December.



Creating OurCoop

During autumn, Members of Our Society and Midcounties Co-operative voted overwhelmingly at a series of Special Members' Meetings in support of both Co-operatives coming together to create a new Society, and on 26 January, OurCoop was officially launched when Midcounties transferred their engagements to Central Co-op to form our new Society.

As the largest independent co-operative Society in the UK, with a family of businesses that includes Food, Funerals, Early Years, Travel and Utilities, I am very optimistic about our potential to better serve our Members, customers, colleagues and the communities in which we serve.

It was a great honour for me to be elected by the Board to be the first President of our new Society. I would like to thank all of my fellow Board Directors and the Executive team, who are incredibly supportive of all that we hold dear and plan to achieve together.

We have already made some big steps in bringing our Societies together, and our Board of Directors is looking forward to sharing our plans with Members at our Annual Members' Meeting on 20 May 2026 and hearing your feedback on what you would like to see in your new Society. We are looking forward to seeing as many Members as possible in person across our seven meetings.

President's Overview

It is only made possible due to the care and attention of the teams who helped to organise and deliver it – including our Membership and Community Councils supported by our Membership and Community Relations Officers (MCRO), Board Members, colleagues in stores, Funeral homes and our support centre, plus our brilliant Operations Managers who dressed up and showed up at every Toy Van event.

We collected over 10,000 brand new toys for children who would otherwise receive nothing on Christmas morning. Toys collected all stayed local to their specific area and were distributed by food banks, churches and charities. I was delighted that Chelmsford colleagues entered into the whole spirit of the operation with very little notice. We called at a total of 75 stores, but every store had a toy box for collections.

I'm already looking forward to making this year's Appeal even bigger and brighter across many more stores and business outlets in our new Society.



I am even thinking we might need another van (or two!) to cover our greatly enlarged trading area. I do hope our Members and colleagues joining us will enjoy participating as much as we do.

Tackling Retail Crime

We have continued to work for an end to violence and abuse of shopworkers and at the Co-op Party Conference in London in November I was honoured to be invited to a small round table discussion with the Policing Minister Sarah Jones MP, and I did manage to tell her of a number of instances that had caused us real concern.

At the same conference we were given a short slot to talk about regulating the Funeral industry – particularly valid given the recent stories in the media – and my Board colleague and Funeral Director Amanda Gallie held the conference spellbound as she made the case.

Also, in November we held our now annual Men's Voices event making use of our super partnership with Derbyshire County Cricket Club, itself a co-operative and we are using their facilities very regularly now and have a great relationship with them. So, it is no surprise that our keynote speaker this year was test cricket legend and one of the fastest bowlers of all time Devon Malcolm. The event was well attended and serves an excellent purpose in promoting good mental health for men.

Before Christmas, Board Members attended lunches held by various Retired Employee Associations (REAs) as we continue to demonstrate our support for colleagues who helped to build our Society. We had also held a joint event for them in the summer with a lunch and presentations. As always, I give my 100% commitment to supporting REAs.



In concluding, I would like to pay my very special thanks to Andy Seddon, our Society Secretary who left the Society earlier this year to pursue another opportunity in the mutuals sector.

I would like to thank Andy personally for his support and leadership during the last 12 months. I have really valued Andy's friendship and advice as we have navigated our way through activity to bring our three Societies together, and I have particularly enjoyed spending time with him visiting our Society stores, colleagues and Membership and Community Councils across our trading area. I would like to welcome his successor, Ian Adderley who will join our Society in May.

To finish, I'd like to thank all of our colleagues who are often operating in testing times and working through a period of change as we build our new Society. Your Board thanks each of you for all your contributions to the continuing success of the Society. Thanks also to retired colleagues and ALL of our wonderful Members who have stayed loyal to our Society.

Please, keep on co-operating!

Elaine Dean
Society President

Chief Executive's Overview

“2026 marks an historic moment – the formation of OurCoop. Three Societies coming together with a single purpose: to build a stronger, competitive, resilient co-operative for the future.”

Debbie Robinson, Chief Executive Officer



Hello everyone, I hope you and your families are keeping well.

This report reflects on the final year of our Society, at a moment of real change. Today, we are OurCoop. That gives this year a particular significance. 2025 was a year of challenge, progress and ultimately decision – one that tested us and clarified why coming together was the right step for our future.

To our Members, colleagues, partners and communities: thank you. Your commitment, participation and resilience have carried us through a year that tested our systems, our reputation and our resolve.

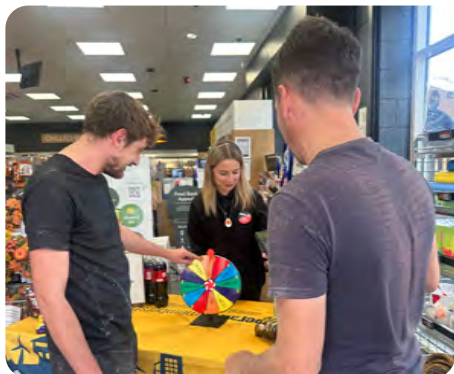
The economic backdrop remains demanding. Household budgets are under pressure. Competition across food, funerals and services is intense. Online operators in Food continue to expand, and rapid delivery is reshaping expectations. Traditional footfall-driving categories such as tobacco and alcohol are in structural decline. The market is shifting quickly towards value, health and digital fulfilment, and we must continue to adapt.

We also navigated a number of events that echoed across the wider co-operative movement and inevitably affected our own operating environment.

A significant cyber-attack on Co-operative Group in May disrupted the national co-operative supply chain, affecting availability and operations despite our own systems not being targeted.

Whilst insured, the incident required considerable operational focus and resilience across our teams. The withdrawal of national Co-op advertising following Advertising Standards Authority rulings removed a key source of visibility for the brand during the critical Christmas trading period, whilst wider media coverage relating to workplace culture elsewhere in the movement created additional scrutiny. Taken together, these events placed real pressure on trading conditions and reputation at an already demanding time, requiring careful management and sustained effort from colleagues across our Society.

Throughout we listened to colleagues, reinforced our own standards and ensured our culture remained respectful, supportive and accountable, all whilst we maintained focus on integration planning as we prepared to form OurCoop.



A year defined by co-operation

The creation of OurCoop is a structural strengthening.

Through democratic votes and clear Member mandates, three independent Societies chose to come together in response to a highly competitive environment that demands scale.

We now serve over one million Members and are supported by more than 13,000 colleagues. Local heritage remains vital to innovate and compete.

The coming together of the three Societies increases our commercial scale and capability, it brings together complementary strengths in community presence, Member engagement and local leadership. These steps are essential in markets increasingly dominated by national multiples and global technology platforms.

We came together to create a commercially strong and future-focused Society, delivering long-term value for Members and their communities. It is an approach that is rooted in co-operative values, including democratic Membership, ethical sourcing and fair reward.

Our future will be Member and colleague powered and driven by inclusive governance, local ideas and the development of future talent that reflects the diversity of our communities.

And looking more broadly, our Society will champion the co-operative model in the UK and beyond, supporting other societies and influencing policy.

Performance: Discipline and realism

This year required financial discipline. We delivered solid headline sales, maintained control and protected profit contribution in a volatile environment.

The first quarter showed encouraging trading momentum. The second half reflected softer consumer demand and operational disruption. The cyber incident required immediate investment in response and system strengthening; insurance mitigated part of the impact, but management focus was critical.

We paused elements of capital expenditure as a prudent decision to preserve liquidity and protect balance sheet strength during transition.

Chief Executive's Overview

Our financial headlines to 24 January 2026

- Total Turnover £844.6m (2025: £883.9m) and Total Trading profit £4.3m (2025: £8.1m). The year-over-year result is primarily driven by the impact of the Co-operative Group cyber-attack on food availability and a reduction in volume of funeral arrangements due to a declining death rate, partially offset by absolute savings in our cost base.
- Underlying Operating Profit was £9.5m (2025: £11.0m) and included revaluation of investment properties, profit on disposal of fixed assets and impairment.
- Retained Underlying Profit £1.2m (2025: £10.9m) is stated after finance costs, interest and the fair value movement on funeral plan investments.
- Non-underlying activities are separately disclosed which include discontinued operations in the prior year, exceptional costs associated with the transfers of engagement and the first-year impact of prospective valuation of trading assets to market value (£(20.1)m impact to Total Operating Profit and £55.2m improvement in Net Assets).
- Cash generation from operating activities (before pension deficit funding) remained strong at £15.9m, (2025: £23.8m).
- Capital Expenditure of £24.5m (2025: £31.0m) allowed the Society to open 6 new stores, regenerate 13 food and 8 funeral sites, continue the rollout of self-checkout tills, invest in digital shelf-edge labels, progress our digital funeral investment, and advance the rollout of solar panels across our estate, reflecting our short- to medium-term ambition of being energy self-sufficient.
- Net Debt of £36.1m (2025: £30.8m) remained well within our debt facility of £50m.
- Net Assets £331.8m (2025: £283.7m); an improvement of £48.2m, reflect investment growth and a reduction in long-term liabilities.



We must generate profit to invest in increasing Member value:

- Our Members and the communities where we trade.
- Marketing activity to celebrate our co-operative difference.
- Store standards and last mile fulfilment.
- Colleague reward, including real living wage progression.
- Systems and cyber resilience, including cloud migration and Artificial Intelligence (AI).
- Sustainability programmes to meet our Net-Zero commitments.
- Digitisation of our offer across our family of businesses.

Online growth and rapid delivery are structural shifts. We must compete in that space whilst maintaining the service, trust and community presence that differentiate co-operatives.

Category change is also real. We are repositioning towards healthier choices, fresh food, plant-based options and culturally diverse ranges that better reflect the communities we serve.

Building resilience

We have strengthened cyber capability and advanced cloud migration whilst launching an AI immersion programme to enhance operational effectiveness.

Retail crime remains a serious issue. We have invested over £2 million in colleague safety and technology to reduce incidents and protect our people, and through our partnerships with local police forces we have supported activity to sentence repeat offenders and explore rehabilitation activity.

Membership, colleagues and inclusive opportunity

At OurCoop, we will work with the Integration Board to shape the strategic priorities for our broader co-operative businesses. Our direction is clear – valued Membership, inclusive employment and sustainable operations.

Active Member participation increased to 37% and our recently launched App has now been downloaded by 310,000 Members.

Our refreshed 2025 Membership proposition modernised rewards, driving strong adoption and significant digital growth. Millions of pounds have been returned to Members through rewards and share of the profits. Members have earned £5 million in Reward ££s so far, with £4 million already reinvested through spending in our Society, as Members continue the virtuous circle of economic participation in our Society.

Value created here, stays here – shared with Members and reinvested to strengthen the business. As OurCoop, Members can now participate across more services and sectors than ever before.



Chief Executive's Overview

Inclusive employment

Inclusion remains central. Our colleague-led inclusion networks – EmpowHER, Pride, We Are One, NextGen and Ability – continue improving representation, disclosure and engagement.

We serve increasingly diverse communities. Our ranges, recruitment, leadership pathways and culture must reflect that reality. Differentiation comes from authenticity.

Young people are our future leaders. By combining structured development with an authentic, inclusive culture, we are building long-term resilience in the communities we serve.

We strengthened apprenticeship pathways and work experience routes, committing to 300 new apprenticeships for new

and existing colleagues during National Apprenticeship Week 2026, alongside developing degree apprenticeships and clearer leadership progression.

The Society has also completed its third Inclusion Maturity Curve in partnership with Diversity in Retail. Our score has improved by 6 points, placing us ahead of the Retail sector benchmark.

Sustainability and green energy

Sustainability underpins commercial resilience.

The Society's green energy self sufficiency 3 year plan was to achieve 35% green energy by 2028. 34% was achieved by January 2026, meaning that we are close to reaching this target 2 years ahead of schedule! The largest contributions came from our solar investments, producing 10%

Co-operation beyond our Society

The UK Government has committed to doubling the size of the co-operative economy. Independent societies are working more closely together through shared procurement, leadership forums and our Policy and Campaigns Group.

The procurement collaboration we have helped to lead is already delivering tangible results, with Independent Societies saving around £29.3 million annually through collective purchasing.

There are three million co-operatives worldwide, generating around £2.79 trillion for the global economy. To put that into perspective, if it were a country, the global co-operative economy would rank as the eighth largest economy in the world.

Through our Malawi partnership, we continue to champion trade over aid by building sustainable co-operative enterprises.

Our involvement in Co-operative Mutuals 50 (CM50) secured OurCoop a platform at the UN Social Summit.

This matters. It positions us within a global ecosystem capable of developing co-op-to-co-op trading relationships, strengthening supply chains and competing more effectively with multinational platforms.

By working together across the movement, we increase scale, reduce duplication and improve value. Co-operatives compete commercially, but with democratic ownership and long-term stewardship.

of the Society's energy, with the remainder from the wind power purchase agreements that we have signed up to.

Our Net-Zero strategy was validated by the Science Based Target Initiative and we will continue to update Members on our performance against these targets in our new Society.

A second purchase power agreement in November 2025 is providing the equivalent power needed to power our Chelmsford Star estate. We moved into this financial year with our green energy solutions providing 22% of OurCoop's power needs.

We continue to progress towards zero food waste, reducing cost and environmental impact simultaneously.

Towards a global co-operative economy

Through Euro Coop, we are progressing plans to source bananas, citrus and canned goods directly from co-operative producers – supporting the global co-operative economy while delivering better value for our Members.

Leadership with purpose

In Funeral services, regulatory scrutiny is increasing – appropriately so. Trust, dignity and compassion remain non-negotiable.

Our whitepaper, 'The Silence is Over: Why Grief Belongs in the Classroom', developed with campaigner John Adams, has advanced national conversation about bereavement awareness ahead of the curriculum rollout in September 2026.

Community fundraising, including partnerships with Samaritans and the installation of bleed kits and defibrillators, reflects our wider role in supporting the wellbeing of the communities we serve. Practical initiatives such as cycle repair stations outside our stores, and the



Chief Executive's Overview

provision of benches both inside and outside our shops, create welcoming spaces where people can pause, connect and feel part of their community.

In small but meaningful ways, these actions help open conversations about wellbeing and mental health, reinforcing the role our stores play as trusted community spaces. Commercial discipline and moral leadership strengthen one another.

Integration and stewardship

Integration demands clarity, patience and financial rigour. Chelmsford Star integration is progressing well and alignment with Midcounties is underway across systems, culture and governance.

The full integration will take over two years and will focus on:

- Seeking additional synergies from our family of businesses.
- Reducing debt as we come out of integration.
- Ensuring ongoing liquidity.
- Aligning brand architecture under the OurCoop family of businesses.



OurCoop brings together distinct operations sharing infrastructure, purchasing strength and brand alignment:

- **FoodCoop** – 495 stores at the heart of high streets across the UK and serving communities with quality, responsibly sourced products.
- **TravelCoop** – 73 branches, home-working Personal Travel Agents and online services, supported by leading travel consortia and our own Co-op Holidays tour operator.
- **FuneralCoop** – 185 Funeral homes, providing dignified, compassionate support when families need it most.
- **Early Years** – 46 co-operative nurseries giving children the best possible start, run on co-operative principles.
- **EnergyCoop** – Supplying homes with 100% renewable electricity and gas, helping Members power their homes responsibly whilst supporting community energy generation.
- **MobileCoop** – Flexible mobile services designed around everyday connectivity and reliable coverage.
- **BroadbandCoop** – Fast, reliable broadband connecting homes and communities.

Our new media marketing business gives brands, suppliers and partners a single, joined-up way to engage customers across our family of businesses – enabling partners to show up in the right places, at the right moments, in ways that feel relevant and genuinely useful.



Opportunities range from in-store environments and digital touchpoints to community-led activations such as bike repair stations, Early Years settings, customer facilities, events and App-based engagement.

This structure combines specialism with scale – modernising whilst protecting heritage.

Democratic ownership offers resilience. But this must be matched with competitiveness and execution. Our ambition is long-term relevance and regeneration.

Gratitude and confidence

To our colleagues: thank you for your professionalism through disruption and transition.

To our Members: thank you for your mandate to create OurCoop. To our Board, Executive and Leadership teams: thank you for steady governance and disciplined stewardship.

This report reflects on Central Co-op's final year as a standalone Society. It marks the beginning of something stronger. We came together to secure our future. We will manage transition transparently, responsibly and with care.

We will build a Society where Members have greater opportunity to participate in, and benefit from, a growing co-operative economy.



Debbie Robinson
Chief Executive

We want our stores to be a community hub where Members, local communities and our wider family of businesses can come together to demonstrate our co-operative difference.



We saw like-for-like sales decline by 5.4% and volume fall by 8.3% as our food business continues to recover from the cyber incident at Co-op Group last year, with some regions struggling to reach the level of sales achieved before this.

The trend of food sales and changing consumer habits, particularly a decline in grocery product sales, is being impacted by weight loss jabs being used by 4% of households. The potential development of these drugs in tablet form, rather than injections, is likely to increase their usage. Sales decline by category was most notably seen across Cigarettes and Tobacco at -13.5% and Beers, Wines and Spirits at -8.6% reflecting societal shifts.

Investing in local communities

During the year we opened six new food stores and completed 13 regeneration projects across our estate, ensuring our stores remain modern, accessible and rooted in their communities.

Our approach to store development increasingly focuses on creating spaces that go beyond convenience shopping. Many of our new and regenerated stores incorporate features designed to support everyday community life, including bike repair stations, free water fountains, improved accessibility, customer amenities and modern self-service technology. Enhanced food-to-go ranges, in-store bakeries and coffee offers also reflect changing customer habits and the growing demand for quick, high-quality meal options.

A standout example of this approach is the Society’s new Hambleton store, which sets a new benchmark for sustainable retail development. The site combines a modern community store with four residential flats above the store, maximising space



whilst contributing to local housing supply. Designed with sustainability at its core, the store includes solar panels, wind-powered car park lighting, air source heat pumps, rainwater harvesting and a community herb garden, demonstrating how our estate can evolve to reduce environmental impact whilst continuing to provide convenient, community-focused retail.

Navigating disruption

The year also presented significant operational challenges for the wider co-operative movement. The cyber-attack on Co-operative Group disrupted the national co-operative supply chain, affecting stock availability across our stores despite our own systems not being targeted.

Our colleagues worked tirelessly to manage availability issues, support customers and maintain operations during this period. We also thanked Members and customers for their patience and loyalty through targeted promotions and rewards once supply conditions stabilised.

Whilst the disruption inevitably affected trading performance, the response from colleagues and communities demonstrated the strength of our local relationships and the resilience of our business.

Strengthening our Membership proposition

Membership continues to play a central role in our food business, ensuring the value created through trading is shared with those who shop with us. Through personalised offers, promotions and App-based challenges, Members were able to save on everyday shopping whilst supporting their local co-operative. Seasonal campaigns and partnerships – including initiatives supporting the Sebbie Hall Kindness Foundation and student discounts through Student Beans – have also helped strengthen engagement whilst rewarding loyalty.

Tackling retail crime

Retail crime remains one of the most pressing challenges facing convenience retailers and their colleagues. Abuse, theft and intimidation directly affect the safety and wellbeing of retail workers.

Over the past year we have continued to raise awareness of the issue and advocate for stronger protections for retail colleagues. As part of this work, we hosted Members of Parliament in our stores, giving them the opportunity to hear directly from colleagues about the realities they face on the shop floor.

Trade that creates impact

Alongside serving communities across the UK, our food business also supports co-operative development internationally through Our Malawi partnership.

Now in its fifth year, the partnership is helping to build sustainable trading relationships between UK consumers and smallholder farmers in Malawi. It has supported increased coffee and macadamia production, delivered agricultural training to hundreds of farmers, supplied thousands of macadamia seedlings and helped establish Malawi's first tea co-operative union.

The partnership has also delivered clean water to more than 37,000 people and helped the Highland Macadamia Co-operative regain Fairtrade certification, enabling producers to access global markets.

Products available in our stores, such as Kilombero rice and Fairtrade macadamia nuts, create a direct link between UK shoppers and farming communities in Malawi. To date, the partnership has generated over £1 million in product sales, ensuring farmers receive fair payment for their produce whilst enabling reinvestment in their families and communities.

The integration of the 33 Chelmsford Star food stores has continued to progress in line with the plan. As at year-end, 24 stores are fully integrated, with a further six scheduled for completion and three progressing through to sale and/or closure, in line with Chelmsford Star Board decisions taken prior to the transfer of engagements.

During this time, the Society has focused on stabilising operational delivery and embedding consistent people practices across the estate. Colleagues have been introduced to core people policies, creating a more consistent and equitable framework across the combined Society. Managers have also been equipped with tools to strengthen day-to-day leadership.

Looking ahead, the programme will continue to focus on capability building and operational alignment, supported by a planned sequence of training, system rollouts and process improvements. This includes the rollout of electronic shelf-edge labelling in May, alongside the continued transition of the remaining stores.



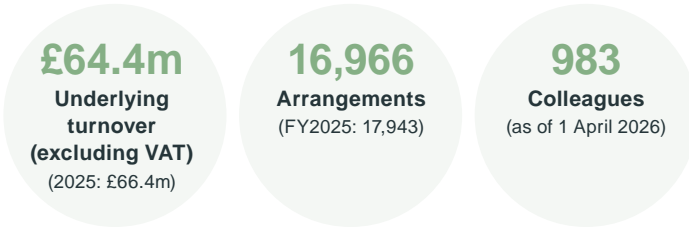
Future opportunities in our new Society

FoodCoop

With 495 Food stores in the new Society, the creation of OurCoop brings significant opportunities to strengthen and grow our Food business, enabling us to collaborate more effectively, share best practice and build on successful initiatives across a broader network.

- Aligning Member offers and promotions across all stores, creating a more consistent and compelling proposition, whilst ensuring we continue to meet local needs.
- Developing our stores as community hubs, bringing together Members, local communities and our wider family of businesses, reinforcing our co-operative difference and social impact.
- Expansion of cross-promotion opportunities, supporting the promotion and sale of products and services from across the OurCoop family of businesses.
- Reviewing and strengthening product ranges and the overall proposition, including our Co-op own brand offer, ensuring we can meet the changing needs and expectations of our Members and customers.

Supporting families through one of the most difficult moments in life remains at the heart of our funeral business.



Whether providing traditional funerals, sustainable options or new ways to remember loved ones, our mission is always the same: to deliver compassionate, dignified care with professionalism and integrity.

With a network of funeral homes and experienced colleagues, we continue to invest in the facilities, systems and services that allow us to support families in the best possible way. Our teams guide families through each stage of the funeral journey with sensitivity, helping them create tributes that reflect the life and wishes of the person they are remembering.

Strengthening our Funeral Plans business

The market for funeral planning continues to grow following regulation by the Financial Conduct Authority in 2022. Our regulated subsidiary, Central Co-op Funeral Plans, continues to develop services that allow Members and customers to plan ahead with confidence and peace of mind.

During 2025 we launched an updated Funeral Plans website, giving Members and customers the option to research and purchase plans online. This provides a convenient digital route for Members and customers who know what they want to purchase without the requirement to speak with our colleagues.

We also continued our programme of training, authorising colleagues within funeral homes to sell funeral plans. Fifteen colleagues successfully completed the required training during the year, ensuring Members and customers can speak directly with knowledgeable colleagues in their local funeral home when considering a plan.

Turnover has been impacted by death rates, which are still stabilising post Covid-19, declining market share and the mix of funeral arrangements and trend towards 'direct' funerals which are lower turnover and margin.

Integrating Chelmsford Star funeral homes

During the year we welcomed eight Chelmsford Star funeral homes into our funeral portfolio. Our teams worked closely with colleagues from these locations to ensure a smooth integration into what is now OurCoop's Funeral network.

A key part of this process was introducing Our Care Hub, our funeral management system, and embedding our care and operational processes. By adopting a 'best of both' approach we have respected the experience of the existing teams whilst aligning services with Central Co-op's standards and values. All homes are now fully aligned with our pricing structure and service materials, providing consistency and transparency for families.

Supporting our Members

We continue to support our Members with benefits that help ease both the emotional and financial pressures of arranging a funeral. In 2025 we enhanced our Member reward so that every funeral arranged with us provides a benefit redeemable across our retail stores.

Members can also choose from a range of complimentary 'little extras' to personalise tributes. These include a bouquet of flowers with any floral tribute, engraving on ashes caskets and the first 50 letters paid for on memorial headstones, helping families create lasting and meaningful memorials.



Future opportunities in our new Society

Funeral COOP

The creation of OurCoop provides significant opportunities to raise awareness of the Funeral business among Members and customers who are transacting with the other co-operative businesses operating across the new Society.

- Our Floral business will explore opportunities presented through greater cross-promotion along with regular supply into a larger store portfolio, increasing the product range available.
- There will be considerable opportunity for sharing best practice across the OurCoop specialist business areas, given the people-centred nature of both Early Years and Travel.
- OurCoop provides greater scope to work with more colleagues and support more Members. Our Funeral colleagues will be encouraged to explore and participate in community activities across many more local areas, as part of our wider work to connect our family of businesses.
- Central Co-op Funeral Plans Limited will also benefit from a greater reach and new marketing channels, enabling them to offer their products to many more Members and customers.

Estate planning support

Planning ahead is an important part of supporting families and protecting their wishes. Our partnership with Co-op Legal Services provides Members with expert support for wills, probate and lasting powers of attorney.

In 2025 we also launched a six-week free review of Members' wills and estate plans. This helped Members ensure their plans still reflected their wishes, explore options such as trusts and inheritance tax planning, and identify areas needing attention. For those without a will, the programme also provided a straightforward fixed-fee route to creating one.

Investing in our funeral estate

Maintaining welcoming and accessible funeral homes is essential to delivering high standards of care. During 2025–26 we continued to invest in our funeral estate to ensure our homes remain comfortable and fit for the future.

The largest project of the year was the full refurbishment of our Oxford funeral home. The redevelopment created improved client spaces, enhanced accessibility and modernised preparation facilities, alongside a dedicated wellbeing space to support colleague welfare.

Further regeneration projects were completed in Ilkeston, Eastwood, Redditch, Boldmere Road, Headington, George Crumps and Lichfield. These improvements strengthened the comfort and resilience of our buildings whilst ensuring they continue to meet the needs of the communities we serve.

Memorialisation and sustainability

Our partnership with The Lovely Gift Group continues to provide families with a curated online range of personalised memorial items, including seasonal tributes, condolence gifts and memorial items for children and pets. Many items can be personalised with names, messages and photographs, helping families create meaningful ways to remember loved ones.

Our commitment to sustainability also continues through our Planting Promise initiative. In partnership with the Wildlife and Environmental Society of Malawi, we plant a tree for every funeral we conduct. In 2025 this resulted in 17,653 trees being planted, contributing to environmental restoration whilst helping communities reduce flooding risks and improve food security.



Marketing, colleagues and regulation

Marketing activity during the year combined community engagement with digital campaigns to support both at-need services and Central Co-op Funeral Plans Limited, with targeted advertising engaging more than 100,000 people.

We have also reviewed our care procedures following the government's Independent Inquiry into the David Fuller case and will introduce further improvements including tighter mortuary access controls and enhanced, but respectful CCTV coverage.

The National Association of Funeral Directors introduced an updated Code of Conduct in January 2026 reflecting new regulatory standards adopted in Scotland. Our services already meet all elements of the revised code, and we support the move towards consistent regulation across the UK.

Together with our Members, colleagues and partners, we remain committed to providing trusted funeral care that honours every life with dignity, compassion and respect.



Property

Property remains an important asset for our Society, both in terms of the sites we trade from and the properties that are leased to other occupiers generating rental income and forming part of our investment estate.

£9.7m

Rental income
(2025: £8.9m)

£127.2m

Investment portfolio valuation
(2025: £130.4m)

£228.3m

Trading estate valuation
(2025: £214.8m)¹

1,100

Investment properties



The Society benefits from a strong portfolio of property assets, owning a high proportion of the properties from which it trades as well as having a significant investment portfolio, which is leased to third parties to generate rental income as well as providing space for businesses to trade, generating rental income, supporting local businesses and providing homes for people to live.

Like-for-like values have held up very well, increasing by 2.9%, which is supported by strong occupancy levels in the commercial estate (90%, increasing from 87% in 2024). Total income during the year was £9.7m (an increase of £0.8m on prior year).

The Society has also taken the decision during the year to revalue its trading assets to fair value in accordance with FRS 102. In total, 303 trading properties have been valued at £228.3m. The value of the Society's combined trading and investment portfolio is therefore £355.4m.

Repurposing our capital

Repurposing assets has also continued to be an important part of our property activity over 2025, raising capital to reinvest in refurbishments and new stores to generate increased member value.

- We completed the sale of 27 properties which generated over £22m of cash and a profit on sale of £3.2m.
- At the beginning of the year, we concluded the sale of the remaining eight sites to another retailer as part of a deal agreed in 2024.
- We have also sold a number of investment portfolio properties during the year, including a multi-let industrial estate in Eastwood (Nottinghamshire), an industrial building let to Moresco Property Limited in Derby (Derbyshire) and convenience stores let to Tesco Stores Limited in Portishead (Somerset), Yeovil (Somerset), Maidenhead (Berkshire) and Grantham (Lincolnshire).

New additions

During the year, the Society completed the transfer of engagements of the Chelmsford Star Society, which included 29 properties. Two former trading sites were also transferred into the investment estate following the relocation of its masonry business to a new leasehold site.

**320****Commercial tenants****158****Residential tenants****303****Trading estate properties**
(freehold and long leasehold)

The Society also completed the development of a new mixed-use facility at the end of the year at Wavendon, Buckinghamshire, which has created three supporting retail units and a new local community food store, which opened in February 2026.

Development activity

Development activity remains an important focus, encompassing both our own development activity and partnerships with other developers.

In addition to the new Wavendon store, we have also completed the development of a new local community store and supporting retail unit, and three residential apartments at Hambleton (Lancashire) which opened in March 2025, a new freehold store in Thornton Cleveleys (Lancashire) and, working in partnership with Everards Brewery, a new store on the car park of one of its public houses in Desford (Leicestershire) which opened in February 2026. The Society also opened new leasehold stores in Mosborough (South Yorkshire) and Chorley (Lancashire).

Our Property business: Future opportunities in our new Society

Bringing together our Property Functions creates a significant opportunity to deliver greater value for OurCoop Members and the communities we serve.

- Creating and reinvesting value from our estate to strengthen community outcomes.
- Supporting our bricks-and-mortar trade estate with a relevant, resilient footprint.
- Driving supply chain efficiencies across Facilities Management and Construction to maximise Member value.
- Improving estate performance through proactive, high-quality asset management and select partnerships.
- Strengthening relationships with tenants and landlords as a responsible, community-focused owner and occupier.
- Combining expertise to deliver well-maintained, sustainable assets aligned to our environmental commitments.

Meaningful Membership

More than 175,000 new Members joined the Society during the last 12 months.

By simplifying our proposition and accelerating the way rewards are earned, we have ensured that being a Member is more rewarding, more transparent and more empowering.

Introducing Reward ££s

Following our successful trials in early 2025, we officially rolled out Reward ££s. Members can now build a 'Member Pot' that can be spent whenever and however they choose.

Members are now earning Rewards ££s through:

- In-store purchase on everyday essentials and featured products.
- Interactive games and challenges that reward active participation.
- Funeral Plans and at-need arrangements.

Total Member sales as a % of all sales – 34.1%, worth £541.7m.

Since launch, Members have earned over £4,210,863 in Reward ££s. 183,938 Members have already spent their Reward ££s in Society stores, totalling £3,342,632.

Member-driven sales in Food stores reached 36.4%, a steady increase from the 34.2% reported in 2024. Our funeral services Membership participation, moved from 9.7% to 11.5%.

The new Membership proposition successfully launched on 10 September 2025, marking a significant milestone for the Society. The new proposition saw the launch of a new mobile App and brought new features to our Members including Member £s to make co-operation relevant for a new generation.

310,000 Members have downloaded the new App, with digital purchases making up 10.4% of all Member sales in the last period of the year.

Empowering people

Members told us that they want to have more of a say in the rewards available to earn. Members told us that our current Member benefits were confusing and that it took too long to earn rewards.



Principle 6 in action

Our partnership with Lobyco (part of Co-op Denmark) was central to this digital transformation. By leveraging their expertise to build our new App functionality, we championed Principle 6 – Co-operation among Co-operatives.

This collaboration served as a success story during the 2025 International Year of Co-operatives, demonstrating how Co-operative societies can work with co-operative partners internationally to deliver world-class technology to our doorsteps. By simplifying our proposition and accelerating the way rewards are earned, we have ensured that being a Member is more rewarding, more transparent and more empowering than ever before.

Future opportunities in our new Society

Our new Society serves one million Members and presents an exciting opportunity to deliver even more value for our Members across our family of businesses.

The priority areas for Membership will include:

- Learning from all former Societies what Members value most and building on what has worked well.
- Aligning on key metrics to measure the health of the Membership proposition.
- Engaging with our Members, customers and prospective future Members on the development of a new proposition, to ensure our future Membership is democratically designed.
- Launching our Membership proposition to Chelmsford Star Members in summer 2026.
- Creating a single Membership App for all Members in the new Society.

Our Colleagues

Our colleagues are at the heart of everything the Society has achieved this year. Their commitment, creativity and resilience shaped our progress and strengthened our culture, even as we navigated new challenges and opportunities.

In our new Society, more than 13,000 colleagues are now working together across teams and locations throughout the communities that we serve. As the three Societies come together, we will support all our colleagues through a period of change to ensure that we can continue to serve our customers and communities with integrity.

Colleague engagement

4,779 colleagues participated in our 2025 Let's Listen survey, which represented a participation rate of 86% (81% previous year). The engagement score for our Society was 4.07 (out of 5), a 0.03 increase on the previous year, and overall colleague turnover levels have also reduced versus the previous year.

Our diversity and inclusion commitments

We have completed our third annual Inclusion Maturity Curve in partnership with Diversity in Retail. Our score has improved from 66 to 72, placing us ahead of the Retail sector benchmark. We will use the insights to guide our next steps and future commitments as we continue to build a fair and inclusive Society for all.

Following our commitment to Level 1 status of the government's Disability Confident Scheme, with the support of the Business Disability Forum, we created a mandatory module for all colleagues on Disability Awareness.

This year, our inclusion networks continued to grow their communities and celebrated two new events; with the help of our 'We are one' and 'Ability' inclusion networks, we marked South Asian Heritage Month and Purple Tuesday which focused on experiences of disabled Members, customers and colleagues.

We have also been working hard to increase our diversity, equity and inclusion disclosure rates to help us better understand our colleagues and monitor progress.

Developing young people

As part of our partnership with Youth Employment UK, we made great progress in this year's 'Good Youth Employment Benchmarking' report, which acknowledged the work with educational providers, work experience programmes and the support and progression for young people.

The report also highlights our progress in our early careers' practices, where we have scored the highest accreditation of 'championing' with the focus on youth-facing activities which raise awareness of career opportunities.

During 2025, we recruited 482 young people and continued to increase our work experience opportunities with 273 placements across the Society. We enhanced our work experience offer with free meal deals and guaranteed interviews for future roles. We also invested in an additional two Level 6 Business Management degree apprentices and two Level 4 retail leadership apprentices.

Colleague development

To strengthen talent conversations, we simplified our approach to performance management during 2025 – making review conversations simpler, linking objectives to our colleague culture and scorecard and providing more guidance to leaders. We launched new coaching and mentoring frameworks and continued to invest in leaders through our bespoke leadership and high-potential training programmes.

We updated our career pathways to give our colleagues more clarity and access to development opportunities and included the introduction of trading academy programmes for roles in Funeral and Retail.

Our big focus for the year was the utilisation of the apprenticeship levy, investing over 85% of the funding in colleague training. 95 colleagues started leadership, retail, funeral, data, coaching, project management, data academy and finance apprenticeships in 2025.



Future opportunities for our colleagues

The new Society provides a significant opportunity to reimagine how we work and to create an enhanced, modern colleague experience.

Key areas of focus to deliver this experience for colleagues will include:

- A continued and visible commitment to diversity, inclusion and wellbeing, ensuring our Society remains a place where everyone feels valued, supported and able to thrive.
- Establishing a coherent and consistent career framework that enables colleagues to build rewarding careers.
- The scale and breadth of the combined Societies will create greater opportunities for development, progression and cross-functional collaboration. This will help us attract, develop and retain the talent we need for the future.
- Supporting young people into employment across the Society by promoting our family of businesses as a career option using apprenticeships and employability initiatives.
- A clear set of reward and policy principles that are fair, affordable and consistently applied, ensuring we offer what matters most to colleagues whilst supporting long-term organisational sustainability.

Our Co-operative Difference

OurCoop exists to create value for Members and communities. Through Members' economic participation, we are able to invest in our Society, support communities and deliver our environmental, social and governance priorities. This activity helps to bring our co-operative difference to life for Members, customers and the communities that we serve.

This section of the report summarises work in this area including Society partnerships, our approach to environmental, social and governance (ESG) benchmarking, our Environment report and the delivery of Membership and community activity locally.

In 2025, work commenced in partnership with Simply Sustainable to audit and benchmark our ESG approach in line with the principle of double materiality, examining both the risks and impacts flowing into and out of the Society's businesses and support functions.

Over the next year, we will explore how this work can be broadened across the full family of businesses that make up OurCoop.



Society Partnerships

Our national and local partnerships are vital in ensuring that the Society supports the diverse communities in which we operate.

We are committed to operating a 'co-op first' model, and this approach has enabled us to work with many wonderful co-ops and to build strong programmes, alongside working with a number of organisations that align to our co-operative values, principles and purpose.

Our Annual Report is an opportunity to acknowledge and thank some of our key national and international partners that help us to deliver our programme of ESG activity during the reporting period.

- Association of Convenience Stores
- British Retail Consortium
- Business in the Community
- Child Bereavement UK
- Co-op College
- Co-ops UK
- Partnership activity with Derbyshire, Northamptonshire, Nottinghamshire, West Midlands Police and Police forces, including respective Crime Commissioners
- Diversity in Retail
- Essex Community Foundation
- Euro Coop
- Fairtrade Foundation
- Fund for International Co-operative Development
- Inspired Energy
- Local foodbanks
- MAFECO ('Our Malawi Partnership' partner)
- National Association of Funeral Directors
- National Association of Funeral Plan Providers
- Olio
- One Water
- Oxfam
- Pennies
- Pride of Essex Awards
- Salvation Army
- Samaritans
- Science Based Target initiative
- Simply Sustainable
- SolPV
- Survivors of Bereavement by Suicide
- UK Food and Drink Pact

Society Partnerships



Samaritans – partnering to address mental health

Nearly 17,000 Members voted to select Samaritans as our official charity partner in early 2024. By the end of this reporting period, colleagues, Members and customers had raised over £460,000 to support Samaritans' vital services.

Over the past year, colleagues, Members and customers have come together across communities to fundraise in creative and inspiring ways – from in-store raffles and dawn walks to bake sales and sponsored challenges. We also integrated the Pennies scheme into our stores and petrol stations, giving Members the opportunity to donate 10p on purchases over £5.

Our Local Membership And Community Activity

Supporting connected, thriving communities is central to OurCoop's purpose. Through locally led activity, our Membership and Community Councils bring Members together, support our businesses and deliver lasting social impact across the areas we serve.

Membership and Community Councils (MCCs), made up of engaged Members across our trading area, play a central role in shaping and delivering this work.

Engaging Members and supporting our family of businesses

Across the year, MCCs delivered more than 100 local events in partnership with trading colleagues, helping to raise awareness of our co-operative difference and connect communities with our products and services.

This included 'Get to Know your Co-op' events linked to new and existing stores in Thornton-Cleveleys, Branston, Wells-next-to-the-Sea, Chelmsford, Desford and Rainhill. These events drive Member recruitment and strengthen local engagement, creating new opportunities for Members to connect with each other and with our businesses locally.

A new Member and community cluster has been formed in Essex, involving local store colleagues and former Directors. This reflects our commitment to continuing community activity delivered locally by Chelmsford Star prior to joining the Society.

Alongside this, and particularly during Co-operatives Fortnight during the International Year of Co-operatives, MCCs have continued to promote awareness of our wider co-operative impact, including Fairtrade and our Malawi partnership, through community events, school engagement and local campaigns.



Our Local Membership And Community Activity

Bringing Members together

Member groups and classes continued to provide opportunities for connection, learning and participation. Activities ranged from educational sessions and store visits focused on ethical trading, to social and cultural groups covering areas such as music, art, history and co-operative heritage, which have included Member visits to Society stores and history tours to the Rochdale Pioneers Museum.

These programmes play an important role in strengthening Member relationships with the Society whilst supporting wellbeing and social inclusion.

Supporting sustainable and resilient communities

Across our communities, activity focused on supporting practical resilience, sustainability and wellbeing.

This included initiatives such as:

- Promoting access to affordable food through foodbank partnerships and 'cooking on a budget' workshops.
- Supporting sustainable behaviours through bike maintenance events which took place at Food stores across Birmingham and Staffordshire.
- Improving access to food and raising awareness of Co-op own-brand products through foodbank and 'cooking on a budget' workshops in Leicester, Derby, Burton and Birmingham.
- Delivering financial education sessions for young people and wellbeing initiatives linked to national campaigns such as Mental Health Awareness Week and Suicide Prevention Awareness Week.

Celebrating diversity and inclusion

The Society continued to celebrate and support the diversity of the communities that we serve.

The Society celebrated Pride month with information, insights and opportunities for Members and colleagues to learn from often marginalised LGBTQ+ communities, supporting Birmingham Pride alongside our charity partner Samaritans and community-based Pride events in Lowestoft, Chesterfield, Lichfield, Belper, Stafford, Ely, Ashby-de-la-Zouch, Oakham and Burton.

Engagement events were also held for International Women's Day and International Men's Day, with a particular focus on wellbeing and inclusion. Work with schools, colleges and community partners also supported employability and youth engagement, including Freshers' Week activity to introduce students to Membership.

A continued commitment to the Pride of Essex Awards

The Pride of Essex Awards has been running for more than 20 years, celebrating individuals and groups making a meaningful difference across Essex communities.

Building on Chelmsford Star's long-standing support, OurCoop will continue as lead partner for the Awards. Essex Members will also be invited to vote for the 'Star of Essex' Award, strengthening the connection between Members and community recognition in the region.

Future opportunities for OurCoop

In the year ahead, we will begin a Member-led review of our community and Membership activity to:

- align our approach more closely with OurCoop's strategy and family of businesses
- develop a clearer community investment model linked to Member participation
- focus our efforts on the social issues where we can have the greatest impact

This will build on strong existing foundations, including partnerships such as Pennies and Olio and our role in the International Co-operative Development Fund.

In 2024, MCCs started to measure the impact they are making in local communities in support of the Society's three strategic objectives.

The table below provides a summary of this engagement during the reporting period and compared to the previous year.

Society strategic theme	Measure	2025/2026	2024/2025
Sustainability and green energy self-sufficiency	Number of sustainability events delivered	163	248
Growing Membership	Total number of Members engaged in Members' groups	1,157	560
	Total number of Members attending the Annual Members' meeting	1,221	847
	Total number of Members voting in Society elections	10,068	5,999
Young people	Number of schools participating in Society activity sponsored by MCCs	72	101
	Number of students engaged.	4,198	Not measured

Measuring Our Co-operative Difference

We report on our performance using the co-operative, environmental and social performance indicators set out by Co-operatives UK. Using these indicators ensures we report on our relationship with Members, our environmental actions and our community and co-operative investments – all important elements of being a co-operative.

The table below shows a summary of performance versus these indicators and includes a year-on-year comparison with the previous year.

Indicator	Description	Measurement	2025/26	2024/25	2023/24
Member economic participation	Trade with Members ¹	• Member sales in our food stores including fuel (£m)	274.1	280.4	230.8
		• Member sales as a % of total food and fuel sales	33.5%	31.3%	24.9%
		• Member sales as a % for food sales only	36.4%	34.0%	27.2%
Member democratic participation	Members taking part in the Society's democracy	• Number of Members voting in Society elections	10,068	5,999	5,740
		• Special Members Vote re integration	475	–	–
		Member attendance at:			
		• Annual Meetings	1221	847	733
		• Interim Meetings	1626	889	745
	• Special Members' Meetings	545	–	–	
Colleague engagement	Measurement of colleague satisfaction and enthusiasm	• Survey response rate	86%	81%	75%
		• Engagement index	4.07	4.04	3.99
Considerations of ethical issues in procurement decisions	<ul style="list-style-type: none"> • We purchase the majority of our food products through Federal Retail and Trading Services Limited (FRTS) with the buying arrangements subject to high ethical standards and respect for human rights. • We also procure locally sourced products to complement our overall range. • We continue to support Fairtrade through the availability and promotion of Fairtrade products in our stores and providing education and awareness of Fairtrade by our Membership and Community Councils. • We operate a Procurement Policy and Supplier Code of Conduct, which reflect our co-operative values and principles and a commitment to treat suppliers in a fair, objective and transparent manner. 				
Investment in co-operative and community initiatives	Community Dividend, Membership & Community funding, support for other co-operatives, grants, funds raised for charity and colleague volunteering	• Annual funding and expenditure incurred	£802k	£1,003k	£1,598k



Indicator	Description	Measurement	2025/26	2024/25	2023/24
Net carbon dioxide (CO₂) emissions arising from operations	Net tonnes of CO ₂ based on the Society's carbon footprint data	• CO ₂ tonnes per £m Society Turnover	578.9	593.2	587.6
Proportion of waste recycled or reused	Waste collected and recycled from our Food stores	• Percentage of waste recycled or reused	75%	85%	57%

1 Members of Central Co-op only

As part of a commitment to year-on-year improvements, we can report the following energy saving activities undertaken in the last financial year:

- Solar Installations – six additional store installations and a solar carport.
- Power Purchase Agreements – from April 2025, with this amount increasing further in November 2025 representing a long-term commitment to renewable energy.
- Voltage Optimisation (VO) Installation – eight trials were undertaken.
- Stores Regeneration – our rolling store regeneration programme continues including improvements with LED lighting, new doors on chillers, and refrigerant gas improvements.
- Looking to the future:
 - Energy Dashboard – enabling each site to monitor and manage energy usage.
 - Further Store Regeneration – 12 sites currently planned.

Our 2025/26 Environmental Report

Net-Zero 2040

We are now in year two of our Society's Net-Zero 2040 strategy which was approved by Science Based Target initiative (SBTi) in May 2025.

We continue to make strong progress against our targets and in the last financial year achieved both an absolute reduction in carbon emissions and a reduction in carbon intensity, which accounts for the inclusion of the Chelmsford Star business from 15 September 2025.

In line with SBTi best practice, our Society set both near-term and long-term targets:

Scope 1 and 2

- 44% emissions reduction by 2030
- 90% emissions reduction by 2035

Scope 3

- 55% per million GBP¹ value added by 2030
- 97% per million GBP value added by 2040

Fossil fuel sales

- 65% emissions reduction by 2030
- 90% emissions reduction by 2040

¹ 'Per million GBP' (£) is a standard intensity metric used to explain data – such as emissions, energy usage or costs – against £1m of economic value, revenue or expenditure

The remaining 5–10% residual emissions will be met through investment in beyond-value chain mitigation and emissions sequestration (such as tree planting and carbon offsetting).

Despite challenges on income and expenditure we have continued to invest in our estate to lower energy use, increase green energy production and work with suppliers to better understand our supply chain impacts. Alongside this we have invested in our colleagues through mandatory training and in growing community-based sustainability options. These initiatives are summarised in the table below:

125 solar installations complete generating equivalent of 9.39% of total consumption

6 Net-Zero stores now delivered (Energy Performance Rating A or above)

30 bike repair stations installed

22% year-on-year reduction in waste

2.8m kgs of CO₂ emissions avoided through food redistribution in partnership with Olio

492k litres of water saved through food redistribution in partnership with Olio

18500 trees planted in Malawi

95% of colleagues have undertaken sustainability training in the last year

Our carbon footprint has reduced by 25% since 2023

Energy consumption has fallen by 28% since 2023

We are pleased to report a 25% absolute reduction and 18% reduction per £1m turnover in the last financial year.

- Energy consumption is down 28% since 2023 and gas consumption is down by 49% due to the final disposal of both our old Support Centre and Distribution Centre
- Transport fuel (Scope 2) is down by 94% due to the transfer of our logistics to LIDIA network (Scope 3)
- Changes in waste management processes and reporting since joining LIDIA network and variable processes across Essex stores mean year-on-year waste data is inconsistent.
- Our solar generation now accounts for 9.39% of our overall energy consumption and has increased by 112% since year one of the project in 2024.

Net-Zero targets in OurCoop

In line with the SBTi protocol, our Net-Zero near- and long-term targets will be realigned for OurCoop in the 2027/28 financial year, using 2026/27 as the baseline. We remain fully committed to our existing targets in the interim.

Beyond Net-Zero, climate change is now fully integrated into our quarterly risk process, and we will be undertaking a review of OurCoop's combined risks during the coming year. We look forward to exploring the opportunities to learn and share across OurCoop's wider portfolio in the area of sustainability.

Carbon Footprint Report for financial year 2025/26

Central Co-op reports its energy use and associated greenhouse gas emissions in line with the UK's Streamlined Energy and Carbon Reporting (SECR) framework¹. It determines its organisational and operational boundaries by applying the operational control approach as defined by the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004:2015). This ensures that emissions

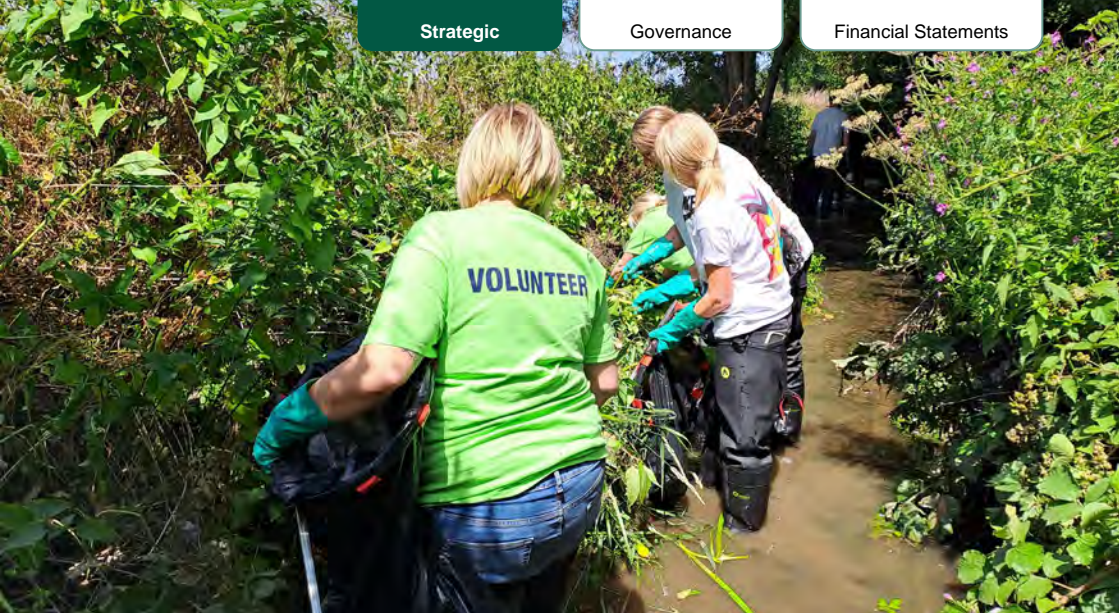
from all operations under Central Co-op's control are consistently captured and reported in line with the Science Based Target initiative.

As a co-operative society, Central Co-op is not legally required to comply with SECR despite being a 'large' company as defined by the Companies Act 2006. However, given the scale of its operations and its commitment to transparency, accountability and responsible business practices, the organisation voluntarily aligns its reporting with SECR requirements, a widely recognised UK reporting standard.

The reporting boundary for the 2025/26 financial year is for the UK only (no offshore interests) and includes the integration of the Chelmsford Star Co-operative business from 15 September 2025.

Our 2025/26 Environmental Report

UK greenhouse gas emissions and energy use data	YE 2023 Baseline	YE 2024 ²	YE 2025	YE 2026	% change against baseline
Energy consumption used to calculate emissions (kWh)	90,210,741	93,889,794	72,859,386	64,991,287	-28
Energy consumption breakdown (kWh)					
Gas	13,854,928	11,887,609	9,225,123	7,026,903	-49
Electricity	57,709,848	54,787,681	51,701,976	48,305,372	-16
Transport fuel	18,645,965	23,174,50	8,199,903	5,386,069	-71
Self-generated solar ³	–	2,020,000	3,732,383	4,272,944	112
Scope 1 (tCO ₂ e)					
Natural gas	1,972	2,175	1,687	1,286	-35
Owned transport fleet	134	5,245	1,707	1,071	-80 ⁴
Refrigeration gas	3,720	5,141	4,493	4,426	19
Total Scope 1 (tCO ₂ e)	5,826	12,561	7,888	6,782	16
Scope 2 (tCO ₂ e) market-based					
Purchased electricity (incl. EVs)	11,010	11,345	17,853	16,623	51
Total Scope 2 (tCO ₂ e) location based (incl. EVs)	11,010	11,345	10,705	8,550	-22
Purchased goods and services	360,225	295,745	284,503	253,894	-30
Capital goods	17,338	11,337	11,594	7,596	-56
Fuel and energy-related activities	3,640	5,304	4,218	3,796	4
Waste	226	198	16	85	-62
Business travel	184	307	199	201	9
Employee commuting	1,518	1,253	1,282	1,171	-23
Transport and distribution	5,072	22	4,300	4,087	-19
Downstream leased assets	5,808	5,448	4,785	4,453	-23
Use of sold products	228,251	192,969	186,157	187,732	-18
End-of-life treatment of sold products	33,369	27,569	19,909	24,563	-26
Total scope 1 and 2 (tCO ₂ e) location-based	16,836	23,906	18,502	15,332	-9
Total scope 3 ⁵ (tCO ₂ e)	655,631	540,232	516,962	487,579	-26
Total gross emissions in metric tonnes CO ₂ e location-based	672,467	564,138	536,871	502,911	-25
Carbon intensity ratio (tonnes CO ₂ e per £m turnover) ⁶	753.8	587.6	593.2	579.9	-18
Waste ⁷					
Food waste produced (tonnes)	1,846	1,859	1,207	2,705	146
Waste recycled or reused	4,779	4,286	1,425	2,453	-51
Total waste produced (tonnes)	7,779	7,482	3,085	6,876	-22
Percentage of waste recycled or reused ⁸	61%	57%	85%	75%	-14%
Waste intensity ratio (tonnes per £m turnover)	7.94	7.63	3.21	7.93	0



- 1 As required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, and supported by the UK Government's Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (2019).
- 2 2023/24 figures should be taken in the context of the work done in the last financial year to extend our carbon reporting. 2023/24 figures are confined to Scope 1 and 2 with a few key additions from Scope 3. Our 2024/25 figures include the entirety of Scope 3 and are compared to a new baseline of 2022/23.
- 3 Baseline for solar generation is 2024, when the project began.
- 4 Compared to YE 2024 when this was brought into scope of reporting.
- 5 The following categories have been excluded:
Processing of sold goods and Investments – Central Co-op does not sell intermediate products for further manufacturing or transformation. These are captured upstream in Scope 3 Category 1 (Purchased Goods and Services).
Investments – typically refer to Central Co-op's property portfolio which is leased and has therefore been included within downstream leased assets. Central Co-op's remaining investments are cash or cash equivalent and therefore out of scope for emissions reporting based on guidance from the Partnership for Carbon Accounting Financials (PCAF).
- 6 Turnover includes Chelmsford Star data from 15 September 2026.
- 7 Waste figures reflect process and reporting changes as a result of move to LIDIA and Chelmsford Star integration. These should be resolved in the next financial year.
- 8 Waste not recycled or reused was sent to energy recovery facilities.

Our Approach to Taxation

As a responsible business, the Society is committed to paying the right amount of tax at the right time and disclosing all relevant facts and circumstances to the taxation authorities, as well as claiming reliefs and incentives where available. Each element of the Taxation Policy is consistent with the Society's values and, in particular, the value of openness and honesty.

Ultimate accountability for the Society's Taxation Policy and compliance rests with the Board. In managing the Society's affairs, the Chief Finance, Technology and Property Officer has responsibility for implementing the Taxation Policy.

The Audit and Risk Committee ('the Committee') receives an annual report on the management of the Society's taxation affairs with any major issues arising in the intervening period brought to the Committee's attention. The Taxation Policy is reviewed and approved by the Board on a regular basis and at least annually. The Policy set out below relates to the financial year 2025/26.

The Taxation Policy commits that the Society:

- Takes a responsible and transparent approach to the management of its significant taxation issues.
- Will not use contrived or artificial structures to reduce the Society's taxation liabilities.
- Will only engage in reasonable taxation planning that is aligned with commercial and economic activity and does not lead to an abusive result.
- Will, where appropriate, take advantage of taxation incentives and reliefs for the purpose for which they are intended, in order to act in the best interests of the Society as a whole, and whilst at all times respecting the intention and letter of the law.
- Maintains an open, honest and co-operative relationship with HMRC, particularly on matters of taxation uncertainty.
- Ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any taxation issues arising at an early stage when submitting tax computations and returns to HMRC. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.
- Has the relevant skills and knowledge on taxation matters and access to independent professional advice when necessary.
- Will report to its Members, as soon as it is practicable, the Taxation Policy in order to foster a greater understanding of the Society's tax obligations.
- Will seek to reduce the level of taxation risk arising from its operations as far as reasonably practicable by ensuring that reasonable care is applied in relation to all processes that could materially affect its compliance with its taxation obligations.
- Will provide appropriate training for colleagues who have responsibility for performing activities that relate to taxation processes.



Details of the Society's corporation tax and deferred tax charge in respect of the financial year ended 24 January 2026 are set out in the following areas of the Financial Statements:

- Income Statement – current year tax credit of £7.417m (2024/25: a change of £945,000)
- Statement of Cash Flows – corporation tax payments made in the year of £nil (2024/25: £nil)
- Note 10 to the Financial Disclosures – details of the current tax and deferred tax charge. The tax charge in the Income Statement is lower than the standard rate of corporation tax of 25% (2024/25: 25%), and the note sets out the difference and an explanation of each item.
- Note 23 to the Financial Disclosures – details of the Deferred Taxation Liability / Asset.

Governance Report

“I am pleased to introduce our Governance Report for the year ended 24 January 2026 on behalf of the Board of Directors.”

Elaine Dean, President



The last 12 months have seen a significant amount of governance activity for the Society, marked most significantly by the successful transfer of engagements from Chelmsford Star Co-operative Society and Midcounties Co-operative, culminating in the creation of a new, stronger and more resilient Society. This work required close coordination between Boards, Executive leadership and Members across all three organisations, and I am proud that every stage was completed transparently, democratically and fully in line with co-operative values. This included participating in Special Members' Meetings across the three Societies, hosting our own Special General Meeting, and adopting interim Rules to guide our transitional governance arrangements until the full governance review is complete.

Alongside the transfers of engagements, we saw a marked increase in Members' engagement this year, with record participation in our Board elections and higher attendance at both our Annual and Interim Members' Meetings. We also made significant progress in strengthening our Membership Proposition, launching the new offer via the Co-op App in September 2025, and continuing to expand the role and reach of our Membership and Community Councils across our regions.

Throughout the year, the Board has remained focused on strong, values-driven leadership. We have supported major strategic developments, overseen organisational resilience measures, continued our programme of Board evaluation and development, and worked to ensure the Society maintains high standards of oversight, transparency and accountability. We were also pleased to welcome Ornella Akichi to the Board during the year and have worked collectively to support her induction and integration into our governance processes.

Finally, on behalf of the Board, I would like to thank our wonderful colleagues across the Society for their commitment and dedication throughout a year of significant change. Their ongoing contribution ensures that our co-operative continues to serve Members, customers and communities with purpose and integrity.

A handwritten signature in black ink that reads "Elaine Dean".

Elaine Dean
Society President

Co-operative Corporate Governance Code

Co-operatives UK published the Co-operative Corporate Governance Code (the 'Code') in November 2019, which was last updated in November 2020.

Under the terms of the Code's compliance assessment, the Board has a responsibility to ensure that the Society complies with those recommendations that are appropriate to its circumstances, or to explain its reasons where this is not the case.

The Code is available on Co-operatives UK's website (www.uk.coop).

For the financial year ended 24 January 2026, the Society conformed to the majority of the current Code's provisions and principles, and, where this is not the case, a brief explanation is detailed below. By providing appropriate explanations, the Board is satisfied that it has fully complied with the Code.

The following explanations are provided:

<p>Section 3. Roles and Responsibilities</p> <p>Provision 9 – an elected Chair should have served at least one year of office as a Director before being elected to the role. The term of office of the Chair should be three years or less and may be renewed up to a total maximum service of six years consecutively.</p>	<p>The Chair is not required to have served as a Director for one year before being elected to the role of Chair.</p> <p>Appointments are based on skills, knowledge and experience. Rule 87, 'No Director shall be President of the Board for a period exceeding three consecutive years.'</p>
<p>Section 4. Board Composition, Succession and Evaluation</p> <p>Provision 10.a. – determining the co-operative's succession plan.</p>	<p>The Search Committee's Terms of Reference allowed for Board succession planning as far as is possible. The Chief Executive is responsible for succession planning in respect of the Management Executive, with oversight provided by the Remuneration Committee.</p>

Membership Engagement

Member engagement remains a defining feature of the Society's co-operative identity, and this year saw meaningful increases in both participation and the depth of Members' involvement across governance and community activities.

- Record Members' participation in Board elections (10,068 voters).
- Increased attendance at Annual and Interim Member Meetings.
- Members engaged extensively in transfer of engagement activity through Special Members' Meetings and voting processes.
- Regular review and redesign of the Membership Proposition, including launch via Co-op App.
- Ongoing use of Member engagement surveys, with feedback loops and action planning.
- Active programme of Membership and Community Councils across five regions.
- Board-level committee dedicated to strengthening Membership and community engagement.
- Improved communication tools (financial infographics) to support Members' understanding.

Democratic participation

Democratic Members' control continues to be one of the Society's key points of difference.

The Board is elected by Members and from within the Membership, ensuring Members retain direct influence over the Society's strategic leadership.

In April 2025, elections were held for three positions on the Board, with a record 10,068 Members participating – a significant rise from 5,999 in the previous year. This record turnout reflects growing engagement with the Society's democratic processes, and the Board extends its thanks to every Member who took the time to vote. The following candidates were elected to the below constituencies:

- Ornella Akichi (Eastern constituency, 3-year term of office)
- Amanda Gallie (Western colleague constituency, 3-year term of office)
- Jane Avery (Northern constituency, 3-year term of office)

Richard Bickle was also appointed unopposed to the Western constituency with a 3-year term of office.

Given the importance that democracy has in establishing the top level of the Society's governance and ensuring Members have opportunities to shape the Society they own, the Board continues to review opportunities to further strengthen participation, including improving nomination pathways, increasing voting turnout, and encouraging greater attendance at Members' Meetings. These efforts form part of a wider programme to evolve and strengthen the Society's overall Members proposition.

Member involvement in major governance decisions

This year's transfer of engagement activity required extensive engagement with Members across three Societies. Members of Chelmsford Star Co-operative Society and The Midcounties Co-operative were involved through Special Members' Meetings (SMMs), at which they voted overwhelmingly in favour to approve the transfer of engagements into our Society.

Our Society Members also participated in their own Special Members' Meeting to approve the interim Rules for our Society enabling it to function whilst time was taken to create a new Rules framework suitable for an organisation of the size and scale of the newly formed business.

The strong turnout and voting support across all three Societies demonstrated a high level of Members' interest in shaping the future of their co-operative.

In addition to voting activity, the Society saw increased attendance at both Annual and Interim Members' Meetings during the year, reinforcing the Membership's appetite to actively engage with strategic decision making.

Strengthening the Membership proposition

During 2025, significant progress was made in reshaping the Society's Membership proposition, culminating in its launch via the Co-op App in September 2025. The proposition aims to improve the experience, benefits and value offered to Members, whilst supporting future participation and relevance.

The Society also introduced new communication methods, including the use of infographics within interim financial reporting to improve transparency and enhance understanding among Members when reviewing performance information.

Membership and Community Councils (MCCs)

The Society's five MCCs, Northern, Southern, Eastern, Western and Yorkshire, continued to strengthen local connection and community involvement by bringing Members and Directors together for events, activities and Member-led initiatives. Supported by Directors and Society colleagues, the Councils enable Members to influence community priorities and ensure regional engagement reflects local needs.

Co-operative leadership and purpose

The Board provides clear and values-driven leadership, acting as the custodian of the Society's long term purpose and ensuring all decisions reflect co-operative values, benefits for Members and stakeholder impact. It is responsible for setting the Society's strategy, ethos and culture, determining risk appetite, and overseeing the Executive team in the delivery of sustainable business success. During a year of significant organisational change, the Board demonstrated strong, collaborative leadership – guiding transitional governance arrangements, supporting Members' decision making and ensuring continuity of purpose throughout.

Membership Engagement

Board Rationale Statement up to 26 January 2026

“We are collectively the custodians of the Society, acting in accordance with co-operative values and principles for sustainable business success, to secure a co-operative business for future generations, by:

- working with the Executive to set and monitor the implementation of our strategy
- setting the ethos and culture of the Society
- fulfilling our obligations to Members and all stakeholders.”

The Board’s leadership remit is as follows:

- Set the Society’s purpose, ethos and culture.
- Set and monitor strategy.
- Determine risk strategy.
- Ensure the Society has the resources, structure and governance needed to meet its objectives.
- Oversee the Executive team and hold it to account.

The Governance Framework on page 58 and 59 outlines the Board’s leadership remit in detail.

Roles and responsibilities

Effective governance within the Society is underpinned by a clear articulation of the respective roles and responsibilities of the Board, its Committees, the Chair, the Society Secretary, Directors and Executive Management. These structures ensure that accountability, oversight and decision making operate in accordance with the Society’s Rules and co-operative values.

The Board

The Board is collectively responsible for the control, direction and long-term stewardship of the Society. Its key responsibilities include:

- Ensuring the Society’s affairs are conducted in accordance with its Rules, the best interests of Members, and the Co-operative Values and Principles.
- Determining the Society’s strategy, policy framework and risk strategy, in consultation with the Chief Executive and Executive team.
- Considering and approving any decision with a material financial, operational, strategic or reputational impact.
- Overseeing the work of the Chief Executive and Executive team, ensuring effective delivery against strategy and robust management of the Society’s operations.

The Board is accountable to the whole Membership and must consider long-term consequences and stakeholder impacts when making decisions.

Governance Framework

The Society strives for the highest professional standards and business performance and seeks to maintain these standards across all its operations. The Society has an appropriate organisational structure for planning, executing, controlling and monitoring business operations to achieve the Society's objectives.

The organisational structure has clearly defined lines of responsibility and of delegated authority. The Board has approved a Schedule of Matters Reserved for the Board, which clearly defines those responsibilities reserved for the Board and those delegated to Executive Management. A high-level summary of the Society's governance framework, which was operational up to the transfer of engagements on 26 January 2026, is set out on page 58 and 59.

The Board is accountable to the whole Membership and is responsible for ensuring the Society carries out its commitment to be a successful co-operative business. The Board has a duty to act in the best interests of the Society for the benefit of its Members as a whole. In doing so, the Board must take into account the long-term consequences of any decision it makes, and the impact on the Society's stakeholders.

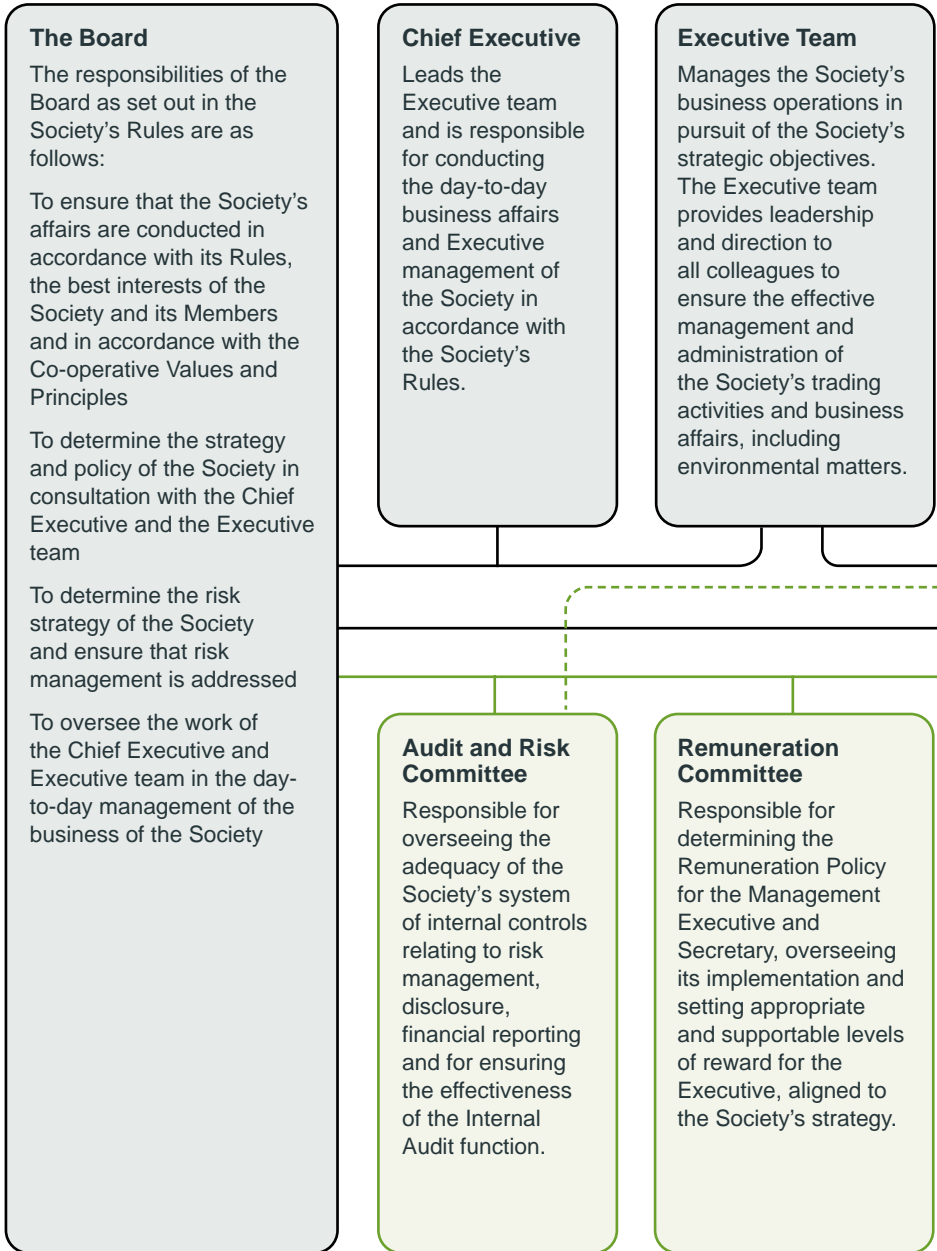
In carrying out its duties, the Board is collectively responsible for the control and direction of the affairs of the Society. The Chief Executive, with the Executive team, is responsible for the day-to-day operation and management of the Society.

Any decision that is likely to have a material impact on the Society from any perspective, including, but not limited to, financial, operational, strategic or reputational, is reserved for the Board.

The Board, in consultation with the Chief Executive and Executive team, is responsible for setting the Society's strategy and monitoring delivery of the strategy by management, identifying key business risks facing the Society and for the development of policies and procedures to manage those risks.

*Purpose statement and Board rationale statement are applicable up until the creation of the new Society on 26 January 2026.

Governance Framework



Capital Committee

Co-ordinates all requests and approvals for capital and significant revenue expenditure, including for onward presentation to the Board for consideration and approval in accordance with the Society's defined delegated authority limits.

Risk Management Committee

Monitors the Society's risk framework to provide summary reporting on Society risk, provides recommendations to the Audit and Risk Committee on Risk Management Policy and risk appetite, and communicates with the Leadership Group on changes to risk environment and progress against the risk frameworks.

Society Secretary

Advises and guides the Board and supports the Society President in the effective implementation of the Board's duties.

Rules and Practices Committee

Responsible for reviewing and monitoring the Rules and constitution of the Society and making any recommendations to the Board. Responsible for reviewing the Society's compliance with Co-operative UK's Corporate Governance Code.

Search Committee

Responsible for keeping the effectiveness of the Board under review by ensuring the composition of the Board provides an appropriate balance of skills, experience and diversity to provide effective leadership and oversight of a Society of the size and complexity of Central Co-op.

Conduct Committee

Examination and oversight, as and when required, of any breaches of conduct relating to the actions of Board Directors.

Board Composition, Effectiveness and Activity

Board governance activities during 2025

The main areas of focus for the Board and its Committees during the reporting period have been:

- Full consideration and review of the risks and opportunities for the Society presented by the transfer of engagements of Chelmsford Star Co-operative Society into the Society.
- Oversight of the governance arrangements required to progress and complete the transfer of engagements of Chelmsford Co-operative, which completed in September 2025.
- Full consideration and review of the risks and opportunities for the Society presented by the transfer of engagements of Midcounties Co-operative Society.
- Oversight of the subsequent governance arrangements required to progress and complete the transfer of engagements with The Midcounties Co-operative, which completed on 26 January 2026.
- Working alongside the Executive team to define the shape of the Society’s new Membership proposition, which launched through the Co-op App in September 2025.
- Identifying opportunities presented by the creation of a Board-level Policy and Campaigns Working Group with external representatives to drive forward Society campaigning priorities with a new government.
- Board succession planning activity ensuring there is a diverse pool of candidates that have the skills and experience required for the Board to be effective; and a good balance of new and more experienced Directors.
- Migration to digital platforms for hosting Board papers, offering increased security and encryption in response to the Co-operative Group cyber-attack.

Reviewing Board performance

Annual	Triennial
One-to-one appraisals for those elected Directors starting the second year of their tenure (typically, this will be four Directors per annum), conducted by the President.	Independent Board effectiveness evaluation – to include a skills audit.
One-to-one appraisals with the Independent Non-Executive Directors conducted by the President.	
Board evaluation survey completed by all Directors, reviewed by the President and Secretary to identify key themes, areas for improvement and actions.	

Director Attendance at Meetings

The table below lists the attendance record of Directors for the year ended 24 January 2026 at meetings of the Board and those Committees (excluding the Conduct Committee due to the nature of its role) stipulated by the Rules of the Society.

The figures show the number of meetings attended with the number of meetings that the Director was eligible to attend included in brackets.

Board / Committee	Board	Audit and Risk	REMCO	Search	Rules and Practices	Membership and Community
Number of meetings in reporting period	11	4	7	1	1	4
Elaine Dean	10 (11)		6 (7)	1 (1)	1 (1)	3 (4)
Richard Bickle ¹	8 (8)	4(4)	5 (5)			
Jane Avery ¹	8 (8)		5 (5)			
Marc Bicknell	10 (11)	4(4)				
Brad Tuckfield	10 (11)			1 (1)		4(4)
Maryann Denfhy	11 (11)			1 (1)	1 (1)	4(4)
Bob Burlton	11 (11)	4(4)	7 (7)			
Valerie Watson	10 (11)					3 (3)
Maria Lee	11 (11)			1 (1)	1 (1)	4 (4)
Sue Rushton	11 (11)	4(4)				
Amanda Gallie	10 (11)					3 (3)
Rebecca Britland	10 (11)				1 (1)	1 (3)
Ornella Akichi ¹	8 (8)					
John Howells ²	3 (3)		2 (2)			
Danny Douglas ²	3 (3)		2 (2)			2 (2)
Suzanne Bennett ²	3 (3)					

Bracketed figures show total meetings during Board Director term during reporting period

1 Elected 2 May 2025

2 Resigned 2 May 2025

Director attendance at meetings

Codes of conduct and ethical expectations

Directors are bound by high standards of ethical behaviour, supported by:

- Codes of conduct and behavioural expectations included within committee terms of reference and Society governance policies.
- Regular review processes, including the Conduct Committee, which oversees any breaches of conduct relating to the actions of Directors.

Conflicts of interest

The Society maintains a structured approach to identifying and managing conflicts of interest. Directors must declare any potential or actual conflicts, which are recorded and managed in line with governance best practice. Where required, Directors recuse themselves from discussions or decisions in which they may have a conflict. This ensures openness, integrity and transparency in Board decision making.

Risk, financial management and internal controls

The Board maintains overall responsibility for the Society's system of internal control, covering financial, operational, compliance and risk management, with day-to-day operation delegated to the Chief Executive and Executive team (see Roles and Responsibilities). Oversight is provided through the Audit and Risk Committee, which reviews Internal Audit findings, risk reports and financial control processes, and meets with the Auditor to ensure robust, independent assurance (see Audit and Risk Committee Report).

The Society continued strengthening organisational resilience during the year, including enhanced digital security through the migration to fully encrypted digital platforms for Board papers and communications and clearer financial reporting for Members. Further detail on risk oversight and financial governance is set out in the Audit and Risk Committee sections of this report.



Governance Activity to Support the Transfer of Engagements of Chelmsford Star and the Midcounties Co-operative Societies

In 2025, the Society undertook an extensive programme of governance activity to support the transfer of engagements process and the creation of a new Society. This is a legal process that co-operatives can use to come together and enabled The Midcounties Co-operative and Chelmsford Star Co-op to transfer their businesses and Members into Central Co-op to create a new Society.

This work required close co-ordination between Boards, Executive leadership and Members across all three organisations, ensuring that every stage upheld co-operative values, legal requirements and democratic control.

Both Chelmsford Star and Midcounties Co-operative formally transferred their engagements into Central Co-op through clear governance processes, formal approvals and transparent, Member-driven decision making, creating a smooth and well-supported path to establishing the new Society.

Transfer of engagements of Chelmsford Star Co-operative Society

The Society supported the governance arrangements including Special Members' Meetings held by Chelmsford Star Co-operative Society to enable a transfer of its engagements to Central Co-op on 15 September 2025.

- The Chelmsford Star Board formally approved the proposed transfer of engagements into Central Co-op.
- Under Chelmsford Star's Rules, Members were required to vote in favour at two Special Members' Meetings – an initial vote followed by a confirmatory meeting.
- Members voted overwhelmingly in favour, providing a strong democratic mandate for the transfer.
- Central Co-op's President and Chief Executive attended the Chelmsford Star meeting, offering direct leadership presence and supporting transparency throughout the process.

This sequence ensured that the decision was entirely Member-led and compliant with Chelmsford Star's constitutional requirements.

Governance Activity to Support the Transfer of Engagements of Chelmsford Star and the Midcounties Co-operative Societies

Transfer of engagements of The Midcounties Co-operative

Throughout the second half of 2025, the Society undertook a significant programme of governance activity including a Society Special General Meeting to approve rule changes which enabled the transfer of engagements of The Midcounties Co-operative to Central Co-op from 26 January 2026.

The transfer followed a similarly rigorous path, requiring both Societies to fully consider the opportunities presented and to involve Members fully in the governance process, ensuring democratic control was maintained throughout.

- In September 2025, both Boards agreed to recommend the transfer of engagements to their respective Memberships.
- Central Co-op and The Midcounties Co-operative held Special Members' Meetings, including one for Central Co-op focused on approving rule changes necessary to facilitate the transfer.
- Midcounties Members were required to approve – and later ratify – the proposal through two Special Members' Meetings, mirroring the democratic safeguards seen at Chelmsford Star.
- Members of both Societies again voted overwhelmingly in favour of the transfer.

The process demonstrated the effective alignment of governance structures across two large co-operatives, ensuring full compliance with rules and proper Member oversight.

This illustrates the pivotal role of:

- Strong Board and Executive leadership
- Adherence to formal governance requirements
- Transparent communication
- And – above all – Member democratic decision making

in delivering one of the most significant strategic developments in the Society's recent history.



Remuneration Committee Report

“On behalf of the Remuneration Committee (‘the Committee’), I am pleased to present the Remuneration Report for the year ended 24 January 2026.”

Bob Burlton, Chair of the Remuneration Committee



Introduction

The Committee’s role is to provide robust review, governance and oversight of the remuneration of our Executive team, making considered recommendations thereon to the Board, and to support the Board, as required, in its oversight of the Society’s policies and strategies for the remuneration of all colleagues. When making its recommendations relating to Executive pay, the Committee pays particular attention to both best practice regarding Executive remuneration and developments in corporate governance, whilst ensuring that overall reward for our Executive team is aligned to the Society’s values and principles.

The Committee continues to seek to adopt best practice reporting requirements as set out in the UK Corporate Governance Code and these have been considered when producing this report.

Business context

During the last year, our Society has experienced an unprecedented period of change, with the year ending in the creation of our new Society, built from the solid foundations of 3 former societies, all with a proud co-operative heritage.

The start of the 2025/26 year saw the Society delivering well against its targets with a record-breaking start to the year.

We then experienced the effects of the unexpected cyber-attack on The Co-operative Group in April, which had a significant impact on our performance due to major supply and availability issues. We recovered partially later in the year, but this took longer than expected and our Food sales have not returned fully to their levels before the attack.

Midway through the year, the Society’s strategic priorities changed to deliver the transfer of engagements of Chelmsford Star Society into our Society in September, which preceded the coming together with The Midcounties Co-operative in January 2026 to form the new Society.

We really value and appreciate the contribution of all our colleagues who continue to make a difference to our Society and the communities that we serve. The Society has continued to invest in pay, and benefits, and we are delighted to have made a pay award in April 2025, which increased our base rates for all colleagues to a minimum of £12.40 per hour. Also, we are one of the few retailers who continue to pay our colleagues for their breaks.

I’d like to take this opportunity to say thank you to all our colleagues for the part they have played in our success this year, and the difference they continue to make.

Remuneration Committee Report

Changes to the Remuneration Committee during the reporting period

Danny Douglas and John Howells resigned from the Committee on 2 May 2025 following the 2025 Director elections.

Jane Avery and Richard Bickle joined the Committee on 15 May 2025.

Changes to the Management Executive

There were no changes to the Executive structure during the reporting period.

Summary of Executive Remuneration in 2025/26

Pay

Throughout this year, the Committee has recognised the importance of retaining and motivating the Executive team, who have continued to deliver for our Members and customers.

The Committee has an important role to motivate and retain our Executives at a critical time, and in considering alternative reward packages, it has recognised and sought to address a level of risk and exposure for the Society due to overall remuneration for our Executive Members being significantly lower than prevailing levels in peer organisations.

In addition, the Management Executive Incentive Scheme was designed for long-term performance on the Society's past priorities. The substantial scale and pace of change in the Society over the past year have rendered the bases of the scheme obsolete. The Committee recommended appropriate changes to close the scheme in the year, replacing incentives with arrangements to retain our Executive through the upcoming periods of integrating and delivering for our new Society.

Looking forward, our Executive will be required to deliver Society performance, whilst ensuring that integration of the 3 societies achieves the commercial plan that has underpinned the mergers. The Committee considers that this has created and will continue to create an increased demand from these colleagues with a requirement to remain committed and focused during a critical time in the creation of our new Society.

In January 2025, the Members of the Executive received a salary increase aligned to the SATA (Supervisory, Administrative and Technical Association) increase in 2024. Debbie Robinson (Chief Executive) and Selina Butterfield-Mashoofi (Chief Finance & Technology Officer) both received a market-based adjustment in mid-year, but effective from January 2025.

As outlined in our Remuneration Policy, the salaries for these appointments have been set to reflect the individual's role, responsibilities and experience whilst considering the market rate and internal relativities.

Colleague pay

The Board remains committed to improving the pay rates of the Society's customer-facing colleagues, subject to important affordability considerations and the management of internal pay comparisons. The Society continues to pay above the National Living Wage (NLW) and does not reduce rates for those colleagues under 25 years old. The Committee is pleased to confirm that the Society remains committed to these principles.

The Committee is pleased to report the following increases were awarded to all colleagues through the annual pay awards, in April 2025:

- The hourly rate of pay for Customer Service Assistants employed in food stores increased from £12.00 to £12.40 (+3.3%) in April 2025.
- The hourly rate of pay for Team Leaders employed in food stores increased from £13.62 to £14.07 (+3.3%) in April.
- For colleagues employed in other roles, pay increased by 3.3% on average, based on their individual performance rating, subject to a minimum rate of pay of £12.40 per hour.

Gender pay

Gender pay gap reporting is a legal requirement to publish data showing differences in pay and bonuses between men and women. The Gender Pay Gap Report focuses on two different types of calculations:

- The mean is the total hourly pay of all colleagues divided by the number of people in the group (the mean is more commonly used for considering averages).
- The median is the middle figure when hourly pay is arranged in order from highest to lowest.

We are pleased to see progress on our gender pay gap this year. We value and appreciate our incredible colleagues and the difference they make every day.

Our results are as follows:

Pay

- The Society has seen a decrease in the mean average pay gap to 11.9%, down from 13.0% in 2024.
- The Society's median average pay gap has also seen a decrease to 11.3%, down from 13.3% in 2024.

Bonus

- The Society's mean bonus gap has decreased to 59.7% compared to 76.0% in 2024.
- The Society's median bonus gap has decreased to 0.0% compared to 32.8% in 2024.


We recognise the importance and benefits of an inclusive workforce. Our median gender pay gap remains ahead of the ONS benchmark of 12.8% in 2025.

[The full Gender Pay Gap Report and our action plan can be found here](#)

Committee Adviser

Willis Towers Watson remained appointed by the Committee during the year. Willis Towers Watson are founders of the Remuneration Consultants' Group (RCG), and signatories of the RCG's Code of Conduct.

The Committee invites Members' support for this Report, when it is put to an advisory vote at the Society's forthcoming Annual Members' Meeting.



Bob Burlton

Chair of the Remuneration Committee

Remuneration Policy

This section of the report explains the Committee's policy for the remuneration of the Management Executive and the Society Secretary. It contains a description of the overall policy, a table summarising each remuneration component and a description of how the policy for the Management Executive compares to the policy for the Society's other employees.

Reward philosophy

Our colleagues are central to the Society's ongoing success and the Society's overall reward strategy supports this. Our objective is to have a fair, sustainable and competitive total reward package which enables the Society to:

- **Attract** the right people that share our purpose and live our values
- **Motivate** our colleagues to deliver the Society's goals
- **Recognise** our colleagues' advocacy and positive contribution to the Society
- **Retain** our colleagues who will enable the Society to deliver its long-term vision

The Remuneration Policy for the Management Executive and the Society Secretary aims to:

- Pay fair base salaries, informed by market benchmarking.
- Incentivise based on market benchmarking, the complexity and scale of each role and individual contribution.
- Recognise that in a period of integration, shorter-term reward decisions may need to be made.

Summary of remuneration components

Base salary	
Purpose and link to strategy	To pay a fair salary commensurate with an individual's role.
Summary and operation	<p>Base salaries should be set taking account of the median level of market-based salaries for fully competent performance.</p> <p>Salaries are normally increased annually in line with formal agreements and to reflect affordability and economic circumstances and salary increases for all colleagues. Formal reviews may be conducted as required, such as a significant change in role responsibilities or to ensure market competitiveness in cases of potential 'flight risk'.</p>
Maximum opportunity	There is no formal maximum salary. When conducting formal salary reviews, the Committee will consider market data, job scope, function, size and complexity of the business, along with internal relativities between other positions within the Society.

Incentives

Purpose and link to strategy	To motivate and incentivise achievement of agreed objectives and performance measures.
Summary and operation	<p>In a year of change, previous incentive arrangements became unmeasurable and obsolete having been superseded by the scale and pace of change in the Society.</p> <p>Arrangements to conclude inflight incentives have been considered and recommended by the Committee, focusing on individual contribution, retention and performance.</p> <p>All payments are paid in cash and are non-pensionable. If performance conditions have been met, payments are made within four months following the end of the financial year to which they relate.</p>

Pensions

Purpose and link to strategy	To provide the same level of pension benefits to all other colleagues in the Society.
Summary and operation	Members of the Management Executive can join the Society's Defined Contribution pension plan or receive a cash allowance in lieu of pension provision.
Maximum opportunity	<p>The following options are available:</p> <ul style="list-style-type: none"> • Defined Contribution employer pension % determined by date of employment • Cash alternative

Benefits

Purpose and link to strategy	To offer a competitive benefits package that is flexible and offers choice to colleagues.
Summary and operation	<p>The benefits provided to our Management Executive will be in line with normal market practice and include a company car or cash allowance, a fuel benefit in certain cases, life insurance, private medical insurance and an annual medical examination.</p> <p>Members of the Management Executive are also able to take advantage of benefits offered to all colleagues for example, a share incentive plan and colleague Reward ££'s.</p>
Maximum opportunity	There is no formal cap on the level of benefits that can be provided as the cost of providing these varies year to year, however this will represent a small proportion of the total remuneration.

Remuneration Policy

Performance measures

The Committee reviews and recommends to the Board the incentive arrangements each year to ensure they are aligned to the Society's overall strategy, following consultation with the Chief Executive.

Changes to Remuneration Policy

During the course of the 2025/26 financial year, the application of our prevailing Remuneration Policy came under significant challenge, as we faced the very real risk of losing senior Executive talent, as a result of headhunting, at an absolutely critical time, in the light of the impending mergers, which we deemed to be of major strategic importance. Accordingly, the Committee recommended and the Board approved, that our practice of offering incentives to our Executive team at around one-third

Set out below is the Society's CEO pay ratio at the statistical points highlighted above, alongside the average (for information only).

	CEO pay	P25 (lower quartile)	P50 (median)	P75 (upper quartile)	Average
Base salary	£632,000	£25,147	£25,147	£25,147	£27,729
Total pay	£1,086,227 ⁷	£25,147	£25,902	£27,662	£28,580
Total pay ratio	–	43:1	42:1	39:1	38:1

The CEO pay ratio for 2025 is currently tracking at a similar level with the equivalent average FTSE 250 median of 37:1. Our results are trending significantly behind the average food retailer result of 200:1. In 2023 and 2024 the average CEO pay ratio was 28:1 compared to 2022 at 30:1.

to one-half the levels offered by peer organisations, was now inappropriate, and that we should offer incentives and total remuneration that compared more closely to peer organisations.

CEO pay ratio

Overview

Our Society is committed to openness with our stakeholders and aims to reflect good governance in our reporting and policies. The Society has consistently and voluntarily disclosed the pay ratio between the Chief Executive and colleagues.

Results are generated by comparing the base salary¹ and total pay² amounts for the CEO with colleagues³ at the lower quartile (25th percentile)⁴, median (50th percentile)⁵ and the upper quartile (75th percentile)⁶.

1 'Base salary' excludes pension contributions and benefits.

2 'Total pay' is annual salary plus any incentive payments, pension contributions and benefits paid in 2025.

3 Includes all colleagues employed by the Society as of 31 December 2025 and reflects the full-time equivalent salary.

4 The '25th percentile' is a statistical measure identifying the colleague placed ¼ of the way along a ranking of 'total pay' amounts ranked from low to high.

5 The '50th percentile' is the same statistical measure as above but ½ of the way along.

6 The '75th percentile' is the same statistical measure as above but ¾ of the way along.

7 Reflects the value of the CEO's current annual remuneration arrangements. *Note the CEO total pay figure differs from the Management Executive total earnings table to maintain consistency with the calculation of colleague total pay.

Loss of office

The employment agreement for the Chief Executive is terminable on 12 months' notice by the Society. Future appointments to Executives will be terminable on six months' notice by the Society. No contracts provide an entitlement to the payment of a pre-determined amount on termination of employment in any circumstances.

The Executives' employment agreements contain provisions for payment in lieu of notice in respect of base salary and contractual benefits only. Termination payments will be made in line with the terms agreed with USDAW's professional and managerial arm SATA (Supervisory, Administrative and Technical Association) at the time and those stated in the contracts of Executives.

Upon termination, no payment under any incentive arrangements will be paid under the scheme rules, unless employed on the date of payment or the reason for termination is due to retirement, death, disability, redundancy or any other circumstances at the Committee's discretion.

Anyone deemed by the Committee as a 'good leaver' will be entitled to an incentive pro-rated to the period of service during the relevant financial year. The Committee has the discretion to reduce the entitlement of a 'good leaver' in line with performance and the circumstances of the termination.

Employment contracts

The Chief Executive is entitled to 12 months' notice as described above. All other contracts for Members of the Executive and the Society Secretary are entitled to six months' notice.

Dates of appointments to the Management Executive are included in the Executive Total Earnings table displayed further on in this report.

We reviewed and issued updated contracts of employment to all of the Management Executive in 2023 to reflect the latest market practice for Executive contracts.

Committee discretions

The Committee abides by the policy for all components of the remuneration package (unless otherwise stated); however, it has discretion when agreeing and recommending the components of a settlement agreement for a Member of the Executive.

The Committee operates the Society's incentive plans according to their respective rules. To ensure the efficient administration of these plans, the Committee has certain operational discretions. These include:

- Agreeing the eligible participants on an annual basis.
- Determining the timing of payments.
- Determining the quantum of awards and/or.
- Making the appropriate adjustments required in certain circumstances (for example, change of control and restructuring events).
- Determining 'good' or 'bad' leaver status for incentive purposes and applying the appropriate treatment.
- Undertaking the annual review of incentive arrangements from year to year.

If an event occurs which results in the incentives performance conditions and/or targets being deemed no longer appropriate (for example, a material acquisition or divestment) the Committee has the authority to recommend accordingly the measures and/or targets and alter weightings, provided that the revised conditions or targets are not materially less difficult to satisfy.

Remuneration Policy

Implementation report 2025/26

This section of the report explains how the Remuneration Committee has applied its Remuneration Policy during the Society's 2025/26 financial year. It contains a summary of how the remuneration of the Chief Executive, Executive Members and Society Secretary has varied dependent on Society performance and full details of the remuneration received by Members of the Executive during 2025/26.

	Year	Basic Salary ¹	Taxable benefits ²	Incentive ³	Vested LTIP ⁴	Pension benefits ⁵	Other remuneration ⁶	Total	Total fixed remuneration	Total variable
Deborah Robnson	25/26	£632,000	£2,456	£1,106,000	£0	£18,960	£400,000	£2,159,416	£653,416	£1,506,000
Chief Executive	24/25	£567,090	£3,091	£0	£53,772	£17,012	£0	£640,965	£587,193	£53,772
Andy Peake	25/26	£275,600	£13,899	£47,312	£0	£8,268	£0	£345,079	£297,767	£47,312
Chief Operating Officer – People, Funeral and Property	24/25	£249,309	£13,244	£0	£19,193	£7,479	£0	£289,225	£270,032	£19,193
Sarah Dickins	25/26	£291,200	£16,079	£291,200	£0	£8,736	£200,000	£807,215	£316,015	£491,200
Chief Operating Officer – Food, Membership & Brand	24/25	£267,642	£13,723	£0	£20,907	£8,029	£0	£310,301	£289,394	£20,907
Selina Butterfield - Mashooi	25/26	£400,000	£7,609	£500,000	£0	£12,000	£212,015	£1,131,624	£419,609	£712,015
Chief Finance, Technology and Property Officer	24/25	£257,606	£27,334	£0	£24,044	£7,728	£0	£316,712	£292,668	£24,044
Andy Seddon	25/26	£130,860	£10,000	£22,465	£0	£3,926	£0	£167,251	£144,786	£22,465
Society Secretary	24/25	£125,827	£10,000	£0	£10,454	£3,775	£0	£150,056	£139,602	£10,454
Paul Dennis	25/26	£0	£117	£0	£0	£0	£0	£117	£117	£0
Chief Operating Officer	24/25	£139,965	£8,649	£0	£11,442	£4,199	£234,274	£387,087	£152,813	£11,442
Total 2025/26		£1,729,660	£50,160	£1,966,977	£0	£51,890	£812,015	£4,610,702	£1,831,710	£2,778,992

1 Basic salary incorporates any pay increases throughout the financial year and therefore shows the amount earned as salary during the financial year.

2 Taxable benefits include the provision of a car or a cash alternative, fuel and private healthcare. Salary Sacrifice EV drivers are shown with both the cash alternative to fund the vehicle and the taxable benefit for the vehicle.

3 The annual incentive payment relates to cash payments due to be paid in 2026 relating to the 2025/26 scheme year.

4 There are no LTIP award payments due for 2025/26.

5 Pension benefit figures show either; the value of contribution made by the Society to the individual's defined contribution pension arrangement, or the value of salary supplement in lieu of pension contributions.

6 Other remuneration includes one-time discretionary remuneration relating to specific deliverable performance or one-time payments.

Loss of office payments

There were no loss of office payments during the reporting period.

Committee activity summary

Meeting	Activity completed
January	<ul style="list-style-type: none"> • Review of Society progress versus Society Management Executive Incentive Scheme • Executive and Society Secretary salary increase proposals • Annual performance review update – Chief Executive and Society Secretary • Funeral Plan Limited Director Fee increase proposal
March	<ul style="list-style-type: none"> • Review of Society progress versus Society Management Executive Incentive Scheme, and approval of payout • Review of Remuneration Committee Report • Review of Gender Pay Report • Updated Committee Terms of Reference
August	<ul style="list-style-type: none"> • Review of Executive reward • Review of Directors' fees, subject to progression of merger activity
September	<ul style="list-style-type: none"> • Director annual fee increase
October	<ul style="list-style-type: none"> • Executive reward review • Review of external adviser

Remuneration Policy

Executive external directorships

The table below shows external directorships held by the Executive team during the reporting period. It also shows any external directorships held by the Executive team in the new Society.

Executive	Role	Organisation	Date of Appointment
Debbie Robinson	Director	British Retail Consortium	May 2017
	Director	Cult Status Limited	May 2018
	Director	Federal Retail and Trading Services Limited (FRTS)	April 2019
	Vice President Chair	Euro Co-op Fund for International Development	December 2020 April 2025
Selina Butterfield-Mashoofi	No directorships held		
Michelle Cemm¹	No directorships held		
Sarah Dickins²	Director	Ranmoor Homes and Developments Limited	July 2019
Sara Dunham³	No directorships held		
Phil Ponsoyby⁴	Chair	Association of Convenience Stores	
	Director	Younity Community Energy	
Andy Peake⁵	No directorships held		

- 1 Michelle joined the Executive team on 26 January 2026
- 2 Sarah Dickins left the Society on 11 March 2026
- 3 Sara joined the Executive team on 26 January 2026
- 4 Phil joined the Executive team on 26 January 2026
- 5 Andy ceased to be a Member of the Executive team on 26 January 2026

Note: Executive colleagues receive no remuneration in respect of these appointments.



Board Director fees

This section of the Report provides details of the fees, expenses and benefits for Directors of the Society during the reporting period.

In accordance with the Society's Rules, the Members are required to approve the level of fees paid to the Society's Directors, and this should be done, at a minimum, at least every three years. Director fees were approved by Members at the October 2025 Interim Members' Meeting.

	2025/2026 (£)	2024/2025 (£)
Elaine Dean (President)	27,631.43	21,712.00
Richard Bickle ¹	17,304.62	4,765.60
Ornella Akichi ¹	7,323.87	0
Jane Avery ¹	7,881.43	0
Marc Bicknell	16,036.49	10,674.62
Suzanne Bennett ²	2,743.87	9,928.82
Rebecca Britland	11,365.13	7,851.40
Bob Burlton	11,506.04	10,722.42
Danny Douglas ²	3,059.85	10,990.26
Maryann Denfhy	11,834.68	10,935.70
Amanda Gallie	10,475.03	7,169.40
John Howells ²	3,059.84	11,146.50
Maria Lee	13,466.41	11,437.83
Sue Rushton	10,661.04	7,442.20
Brad Tuckfield	11,365.13	10,900.98
Valerie Watson	10,475.03	7,169.40

1 Appointed on 3 May 2025

2 Resigned on 3 May 2025

See 'Other Payments' section for payments made to Directors of Central England Co-operative Funeral Plans Limited (CECFPL).

Expenses

Directors are reimbursed all reasonable expenses incurred whilst carrying out their duties for the Society. In addition, delegation fees (of £40.32 for up to five hours or £80.61 for five hours or more; including travel time) are payable per day where Directors are formally appointed to represent the Society at pre-approved events, such as Co-operative Congress and the annual Co-operative Retail Conference. The Society also operates a policy to reimburse Directors who incur loss of income (from regular or part-time employment) in carrying out their Board duties.

Other benefits

The Society's colleague discount scheme is available to Directors and their partners. Our Directors also have access to a wide range of non-food retailer discounts through the Society's colleague engagement portal.

Employee Directors are also entitled to other benefits, such as pension membership, in accordance with the standard terms and conditions of employment with the Society. Director fees do not qualify for Society pension contributions for any Board Directors.

Remuneration Policy

Other payments

From June – December 2025, Elaine Dean, Richard Bickle and Marc Bicknell represented the Society on the Fuse Governance Group. This group comprised Directors from Central and Midcounties Co-operatives to consider governance arrangements that would enable the two Societies to come together, and the transitional governance arrangements that would need to be implemented if the merger was approved by Members. This group met on a weekly basis during this period.

Fees in connection with the Independent Non-Executive Director (Audit and Risk Committee Chair) and Member-nominated Director appointments to the CECFPL Board were paid as follows:

Role	Fees	
	2025/2026 (£)	2024/2025 (£)
Chair	£13,500	£12,500
INED	£8,000	£7,000
Member-nominated Director	£8,000	£2,100
Audit Committee Chair fee	£912	£752
Nominations Committee Members fee	£652	£627

Marc Bicknell received a fee of £8,912.80 per annum as an Independent Non-Executive Director (INED) of CECFPL and as Chair of the Audit and Risk Committee of CECFPL.

Bob Burlton received an additional fee of £8,652.25 per annum as a Member-nominated Director of CECFPL and as a Member of the Nominations Committee of CECFPL.

For details of fees paid to INEDs on the Board of Central England Co-operative Funeral Plans Limited, please see the relevant accounts, which are available on request from the Society Secretary.

Tenure

In accordance with the Society's Rules, the normal period of office for elected Directors is three years. This expires at the conclusion of the final Members' meeting at the end of their three-year term. Directors cannot serve for more than nine consecutive years without a break of service of at least one year.

In December, the Board agreed a discretionary one-off payment of £5,000 to the Directors who had participated in the group to recognise the significant additional time commitment that has been required to support this group.

With the exception of the Non-Executive Directors of CECFPL, no further additional payments were made to Directors during the year, other than the reimbursement of expenses incurred, or in respect of, any loss of income.

In addition, the Board may appoint up to two INEDs, whose length of appointment is determined by the Board. INEDs are remunerated on the same basis as the elected Directors. Any such appointments are subject to annual review by the Board and are submitted for ratification at a meeting of the Members of the Society.

Director external directorships and other relevant appointments

The table below shows external directorships held by Directors during the reporting period. It also shows any external directorships held by the Board of Directors in the new Society.

Executive	Role	Organisation
Elaine Dean	Elected Independent Society Member Vice Chair	The Co-operative Group National Members' Council (from Co-operative Press Ltd) Co-operative Press
Ornella Akichi	n/a	n/a
Jane Avery	Director Director	CASE Ltd Co-operative Loan Finance
Suzanne Bennett	n/a	n/a
Richard Bickle	Director Director Director Director Director Director Director Secretary	CASE Limited Co-operative Loan Finance Ltd Revolver Co-operative Limited Birmingham Co-operative Film Society Friends of the Earth (Birmingham) York Supplies Community Society Student Co-operative Homes The Co-operative Loan Fund Co-operative Press
Marc Bicknell	Director	Railway Enginenen's Assurance Society Limited
Rebecca Britland	n/a	n/a
Ellie Boyle¹	n/a	n/a
Bob Burlton	Principal Board Chair	Energy Saving Group, Sustainable Stansted Peacock Community Energy Ltd
Bernadette Connor¹	n/a	n/a
Maryann Denfhy	n/a	n/a
Danny Douglas	Elected Independent Society Member	Co-operative College
Amanda Gallie	n/a	n/a
John Howells	n/a	n/a
Irene Kirkman¹	n/a	n/a
Maria Lee	Trustee	Leicester Mobile Toy Library Company
Paul Mather¹	Director Trustee Trustee	Co-operative Futures ICOF ICOF Community Capital Ltd
Sue Rushton	n/a	n/a
Brad Tuckfield	n/a	n/a
Valerie Watson	Director Director	Belper Pub Company The Open Centre, Derby
Helen Wiseman¹	Director	Co-operatives UK
Janson Woodall¹	n/a	n/a
Vivian Woodell¹	Director Director Director Director Director Director	West Oxfordshire Community Transport Student Co-operative Homes Society for Student Co-op Housing The Co-operative Loan Fund The Collective Ownership Society Westmill Wind Farm Co-operative Co-operatives Europe

¹ Joined the Board of Directors on 26 January 2026

Audit and Risk Committee Report

“I am pleased to introduce the report of the Audit and Risk Committee for the financial year ended 24 January 2026.”

Marc Bicknell, Chair of the Audit and Risk Committee



The Co-operative’s UK Corporate Governance Code for Consumer Co-operatives requires the Board of Directors to review the effectiveness of the Society’s system of internal control. This review covers all controls, including financial, operational, compliance and risk management.

The Board of Directors is, ultimately, responsible for the Society’s system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Executive team is responsible for the implementation, day-to-day operation and management of the Society’s system of internal control.

The Audit and Risk Committee is a sub-Committee of the Board. Full details of its duties can be found in the Committee’s Terms of Reference, which are available on request.

Members of the Committee

The Audit and Risk Committee comprises four Directors; the normal term of office is two years. The President and Employee Directors are precluded from serving on the Committee.

The Directors who served on the Committee during the year, and a record of their attendance at meetings, can be found on page 61.

Audit and Risk Committee meetings were also attended by:

- Chief Finance, Technology and Property Officer
- Society Secretary
- Head of Financial Control
- Senior Internal Audit and Risk Manager
- Senior Manager, Shared Service and Compliance
- Representatives from MHA, the Society’s Auditor
- Attendance by other Society management colleagues (from time-to-time and as required)

Committee Activity in 2025

Meeting	Activity completed
April	<p>Review of the draft Annual Report and Financial Statements for the year ended 24 January 2026 and ancillary documentation</p> <p>The Society's Treasury and Taxation Reports</p> <p>Stakeholder payments for the year ended 25 January 2025 and proposed distributions from Trading Surplus</p> <p>Received reports relating to Risk Management, Compliance Matters and Internal Audit</p>
July	<p>Received reports relating to Risk Management, Compliance Matters, Whistleblowing Update, Internal Audit and External Audit Update</p>
September	<p>Review of the Society's financial information and Interim Report for the 28 weeks to 9 August 2025, including activity to present financial information through infographics to improve Member understanding</p> <p>Received reports relating to Risk Management, Compliance Matters and Internal Audit</p> <p>Chelmsford Star transfer of engagements accounting paper and Auditor review</p>
December	<p>Received reports relating to Risk Management, Compliance Matters, Internal Audit and External Audit Update</p>

During the year, and in accordance with corporate governance best practice and the Committee's Terms of Reference, the Committee met with the external Auditor and separately with the Society's Senior Internal Audit and Risk Manager in private sessions without the presence of management.

Search Committee

“This Committee plays an important role in establishing the Board’s sub-committees, ensuring a balance of skills and diversity of experience.”



Elaine Dean, Chair of the Search Committee

The Search Committee is a sub-Committee of the Board, and its primary responsibility is to consider appointments to the Board’s sub-committees. Full details of its duties can be found in the Committee’s Terms of Reference, which are available on request.

Members of the Committee

The Search Committee comprises the Society President and three Directors, who can serve on the Committee for a period of up to two years. This may be extended for a maximum further period of up to two years, provided the Director still meets the criteria for Membership of the Committee.

The Directors who served on the Committee during the year, and a record of their attendance at meetings, can be found on page 61.

Search Committee meetings were also attended during the year by the Society Secretary and Deputy Society Secretary.

Committee Activity in 2025

Meeting	Activity completed
June	Board Committee appointments following Society Director elections Appointments to co-operative and external organisations

Rules and Practices Committee

“The Rules and Practices Committee ensures that our Society is abiding by the Co-operative Corporate Governance Code.”



Maria Lee, Chair of the Rules and Practices Committee

The Rules and Practices Committee is a sub-Committee of the Board. Full details of its duties can be found in the Committee’s Terms of Reference, which are available on request.

Members of the Committee

The Rules and Practices Committee comprises the Society President or Vice President and three Directors, who can serve on the Committee for a maximum of nine consecutive years (subject to being re-elected to the Board every three years and reappointed to the Committee every two years).

The Directors who served on the Committee during the year, and a record of their attendance at meetings, can be found on page 61.

Rules and Practices Committee meetings were also attended by the Society Secretary and Deputy Society Secretary.

Committee Activity in 2025

Meeting	Activity completed
January	Annual Review of Society Compliance versus the Co-operative Corporate Governance Code

Membership and Community Strategy Committee

“This Committee plays an important role in shaping the Society’s Member and Community Plan.”



Brad Tuckfield, Chair of the Membership and Community Strategy Committee

The Membership and Community Strategy Committee is a sub-Committee of the Board. The Committee’s purpose is to strengthen Membership and community engagement across all parts of the Society and monitor the effectiveness and operation of the Society’s Membership and Community Councils (MCCs) in the context of the Society’s wider Membership and Community strategy. Full details of the Committee’s duties can be found in the Committee’s Terms of Reference, which are available on request.

Members of the Committee

The Membership and Community Strategy Committee comprises five Directors and the President, who attends in an ex-officio capacity.

The Directors who served on the Committee during the year and a record of their attendance at meetings can be found on page 61.

Membership and Community Strategy Committee meetings were also attended by:

- Chief Executive
- Chief Operating Officer, Food, Member and Customer
- Head of Membership, Brand and Marketing
- Society Secretary
- Deputy Society Secretary
- Membership and Community Relations Officers
- MCC representatives

Committee Activity in 2025

Meeting	Activity completed
February	<p>Consideration and input into Society's new Membership proposition</p> <p>Review of Society Member engagement survey</p> <p>Review of Membership and Community activity plan and Member participation analysis</p> <p>Review of Society activity plan in support of International Year of Co-operatives 2025.</p>
April	<p>Consideration and input into Society's new Membership proposition</p> <p>Review of Membership and Community activity plan and Member participation analysis</p> <p>Review of Society activity plan in support of International Year of Co-operatives 2025.</p>
June	<p>Member engagement survey feedback and next steps</p> <p>Review of Membership and Community activity plan and Member participation analysis</p> <p>Review of Society activity plan in support of International Year of Co-operatives 2025.</p>
November	<p>Member engagement survey feedback and next steps</p> <p>Review of Membership and Community activity plan and Member participation analysis</p> <p>Review of Society activity plan in support of International Year of Co-operatives 2025.</p>

During the year, and in accordance with corporate governance best practice and the Committee's Terms of Reference, the Committee met with the external Auditor and separately with the Society's Senior Internal Audit and Risk Manager in private sessions without the presence of management.

Conduct Committee

The Conduct Committee is a sub-Committee of the Board. Full details of its duties can be found in the Committee's Terms of Reference, which are available on request.

Members of the Committee

The Conduct Committee comprises not less than four Directors. The normal term of office is two years. The President is precluded from serving on the Committee.

The Committee met once during the year, in May 2025, as part of the Society's standard process to review the operation of the annual Board elections and immediately prior to announcing the results of the election.

The Directors who served on the Committee during the year and a record of their attendance at meetings can be found on page 61.

Committee Activity in 2025

Meeting	Activity completed
May	Review of Society Director elections process



Other Committees Attended by Directors

During the reporting period, Directors were also appointed to the Society's Membership and Community Councils (MCCs) which, in addition to attending meetings, involves participating in the MCC events and activities.

Committee Activity in 2025

Region	Covering	Appointed Directors
Northern	Derbyshire Nottinghamshire	Elaine Dean Valerie Watson
Southern	Leicester/Leicestershire East/South Leicestershire Northamptonshire North Warwickshire	Jane Avery Maria Lee
Eastern	Peterborough, The Fens Norfolk Suffolk Cambridgeshire and surrounding counties	Ornella Akichi Brad Tuckfield
Western	Birmingham West Midlands and surrounding counties Staffordshire Lancashire and Merseyside	Richard Bickle Amanda Gallie Maryann Denfhy
Yorkshire	West and South Yorkshire	Elaine Dean Rebecca Britland

The Society also participated on the governance bodies of a number of organisations in which it holds a corporate shareholding during the reporting period. Once a Director has been appointed to the respective governance body, their fiduciary duties are owed to that organisation and not the Society. The Directors involved receive fees from the relevant organisation, in accordance with the particular arrangements of those organisations.

Organisation	Role	Director
The Co-operative Group National Members' Council	Elected Independent Society Member	Marc Bicknell Maria Lee
Co-operatives UK	Director	Tanya Noon*
Co-operative College	Director	Danny Douglas
Co-op Press	Director	Elaine Dean

*The Board agreed that Tanya Noon would complete her current term of office on the Co-ops UK Board ending May 2026 following her resignation from the Board of Directors in May 2024

Our Approach to Risk Management

The Society operates a comprehensive risk management framework ensuring risks are identified, assessed and managed in line with our overall governance expectations. All colleagues play an active role in recognising risks and appropriate mitigations and responses. All risks are regularly reviewed, ensuring that our approach remains dynamic, proactive and responsive to change.

The Society risk team is responsible for the development and implementation of our risk management framework. This work is overseen by the Executive team, ensuring alignment with the Society's goals and values and reviewed quarterly by the Board Audit and Risk Committee.

The Society's risk landscape is divided into two categories:

- Enduring risks – long-standing risks that require consistent and ongoing control measures, for example supplier management and legal compliance.
- Dynamic risks – risks that cannot be fully addressed through the internal control systems and therefore require targeted ownership and timely mitigations.

To ensure clear responsibilities and effective assurance, our Society follows the Three Lines of Defence model:

- First line: Frontline colleagues, managers and leaders identify and assess risks as part of day-to-day operations and escalate issues where needed.

- Second line: Specialist teams, including Compliance, Health and Safety and other oversight functions, provide advice, challenge and monitoring to support effective risk management across the business.
- Third line: Internal Audit delivers independent assurance over the effectiveness of controls that are critical to managing risk.

Internal Audit uses the risk management framework to inform planning and prioritisation of work. After independent review of regulatory, operational and financial controls, Internal Audit then reports directly to the Audit and Risk Committee.

The table below shows the principal Society risks during the reporting period and summarises the mitigating actions in place.

Risk	Description and Potential Impact	Mitigation(s)
<p>Colleague engagement, capability and succession</p>	<p>The Society employs more than 13,000 colleagues. Attracting talented people, embracing diversity, and investing in learning and development are essential to our Society's long-term sustainability and future success.</p>	<p>To support strong colleague engagement, capability building and effective succession planning, we will:</p> <ul style="list-style-type: none"> • Embed our colleague culture • Provide accessible and engaging learning opportunities • Enable structured performance and development conversations • Conduct biannual talent reviews • Regularly review our policies, rewards and benefits • Run a listening survey annually • Provide a dedicated platform for colleague recognition, reward and community interaction
<p>Competition and the external environment</p>	<p>The Society operates in highly competitive Food and Funeral markets. Failing to protect and grow our market share, by providing the right products and services at the appropriate quality and price, ensuring our routes to market are relevant, pursuing an inappropriate strategy or failing to execute our strategic plans effectively could adversely affect our Society's performance in an increasingly competitive environment.</p>	<p>The Society actively monitors and adapts to competitive pressures and external market developments by:</p> <ul style="list-style-type: none"> • Ongoing monitoring and management of commercial activities • Weekly reviews of performance and external market conditions • Investment in regeneration programmes • Leveraging Membership of the Federal Retail and Trading Services (FRTS) • Regular governance oversight of strategic delivery and business change
<p>Co-operative principles</p>	<p>The Society exists to serve a purpose. Any actions or behaviours that diverge from its core values and principles would risk undermining Our Society's brand and damaging its reputation.</p>	<p>The Society is committed to upholding Co-operative values and principles through:</p> <ul style="list-style-type: none"> • Board leadership and oversight • Active Members' participation • Clear demonstration of purpose

Our Approach to Risk Management

Risk	Description and Potential Impact	Mitigation(s)
Data protection	<p>The Society generates, manages and relies on a substantial volume of data across its operations. Failure to maintain data that is secure, accurate and relevant, or the use of personal data without appropriate consent or a legitimate basis, could lead to harm to individuals, reputational damage and potential financial penalties under the General Data Protection Regulation (GDPR).</p>	<p>The Society maintains robust measures to ensure personal data is captured, stored and used appropriately by:</p> <ul style="list-style-type: none"> • Established policies, processes and controls • Providing access to a Data Protection Officer (DPO) service
Health and safety, and security	<p>Protecting the health and safety of colleagues, Members, customers and the public remains a fundamental priority for the Society. Any failure in this area would significantly undermine confidence among customers and colleagues.</p>	<p>The Society maintains strong controls to protect colleagues, customers and the public through:</p> <ul style="list-style-type: none"> • Comprehensive health, safety and food safety policies and procedures and training • Colleague-led health and safety forums providing a structured mechanism for discussion, escalation and resolution of health and safety matters • Proactive support from internal health and safety advisers, food safety specialists and loss-prevention teams

Risk	Description and Potential Impact	Mitigation(s)
Liquidity and financial control	The Society relies on a combination of internally generated cash and bank borrowing to support its business strategy. As a result, any significant reduction in trading cash flows could affect our Society's ability to deliver its strategic plans.	<p>The Society maintains strong financial discipline and rigorous oversight to ensure sufficient liquidity and effective financial control. Key measures include:</p> <ul style="list-style-type: none"> • Regular cash flow forecasting • Forecasting informed by the annual budget, quarterly re-forecasting and a rolling capital expenditure plan • An annual Five-Year Financial Planning process • Quarterly review of bank covenant compliance
Pensions	The Society continues to carry a deficit within its closed defined-benefit pension scheme. This obligation presents a risk that future funding requirements could limit the capital available for investment across our Society's trading businesses.	The Society works closely with its professional advisers and the Pension Scheme Corporate Trustee to ensure that deficit-recovery plans remain affordable for Our Society whilst providing appropriate and sustainable funding to the pension scheme, supporting the ongoing reduction of the deficit.
Regulation/legislation compliance	Failure to comply with applicable regulations or legislation could harm our Society's reputation and expose it to significant financial penalties or sanctions.	<p>The Society has established robust oversight and assurance arrangements to ensure compliance with regulatory and legislative requirements including:</p> <ul style="list-style-type: none"> • Second-line assurance activities covering core regulatory and legislative obligations • Regular reporting to governance committees • Planned preventative maintenance programmes • Use of internal and external expertise to horizon-scan emerging regulatory and legislative developments

Our Approach to Risk Management

Risk	Description and Potential Impact	Mitigation(s)
Technology, cybersecurity and artificial intelligence (AI)	<p>The Society is increasingly reliant on technology which increases the risks of data breaches and cybercrime. Cybercrime can cause significant financial loss, business interruption or reputational damage through loss of confidence by customers and stakeholders.</p>	<p>The Society continues to invest in the resilience, security and oversight of its technology environment to protect systems, data and operations by:</p> <ul style="list-style-type: none"> • Robust cyber-resilience capabilities, delivered through our Society’s internal IT security team and supported by specialist third-party managed service partners • A proactive approach to emerging cyber threats • Cyber insurance
Trading	<p>Ongoing geopolitical tensions and wider macroeconomic uncertainty continue to shape the trading environment, with elevated inflation, high energy costs, wage pressures, and rising commodity prices all affecting consumer spending power.</p>	<p>The Society continues to strengthen its trading performance through initiatives that enhance Members’ value, improve operational efficiency and support long-term sustainability including:</p> <ul style="list-style-type: none"> • Launch of the new Membership proposition • Commitments to environmental sustainability • Investment in energy-efficient technologies and efficiency improvements

OurCoop: Managing Integration Risks in the New Society

The Society continues to manage a number of risks associated with the integration of the organisation.

This work is being carried out by the Integration Executive team in collaboration with the Society Risk and Audit Committee to ensure a coherent and effective approach to risk management for OurCoop. Once the review is complete, the approved framework will be communicated to key stakeholders, supported by training where required. A full update on the revised risk framework will be provided to Members in the 2026/27 Annual Report.

The key integration-related risks are summarised in the table below.

Risk	Description and Potential Impact	Mitigation(s)
Synergy benefits	The Society has identified significant synergy opportunities from the merger, with initial delivery targets set for FY27. Failure to realise the expected financial and strategic benefits within the planned timeframe could reduce the value delivered by the merger.	To help support the delivery of synergies, the Society has: <ul style="list-style-type: none"> • Re-baselined synergy assumptions following greater access to information post Day 1 • Governance, benefit tracking and reporting processes in place • Dedicated resourcing within the integration programme
Cultural integration and talent retention	The Society recognises that bringing together three co-operative organisations with distinct cultures, values and working practices could create a risk of colleague disengagement, loss of key colleagues and reduced productivity.	To help support People and promote the retention of key talent, the Society has: <ul style="list-style-type: none"> • Prioritised early work on the Target Operating Model • Implemented regular colleague communications and engagement activity • Identified key roles and critical capabilities across the combined Society • Dedicated resourcing within the integration programme
Technology and operational integration	The Society operates a significant number of technology platforms and systems across the combined Society. Dependencies between technology integration and day-to-day operations may lead to operational disruption during system changes and migrations.	To develop a technology-enabled Society that effectively supports our operations, the Society has: <ul style="list-style-type: none"> • Completed a side-by-side comparison of technology platforms across the combined Society • Developed a clear technology and operational roadmap to support the Target Operating Model

OurCoop: Managing Integration Risks in the New Society

Risk	Description and Potential Impact	Mitigation(s)
Customer/ Member experience and brand	<p>The Society Members may experience changes to services, products and channels during the integration of the combined Society. Differences in offerings across regions may affect Member engagement and perceptions of the Co-op brand if not carefully managed.</p>	<p>The Society continues to place Members at the heart of integration decisions, phasing operational changes to minimise disruption. We have:</p> <ul style="list-style-type: none"> • Begun updating 'OurCoop' branding across relevant Member and colleague digital touchpoints • Put in place appropriate protection for our brands – OurCoop and the family of businesses • Implemented clear and proactive Member communications across digital and in-store channels • Begun the development of a combined Member database and customer relationship management (CRM) platform which will include approaches for cleaning Member data and managing marketing consents consistently. We are developing a CRM strategy that will help re-engage Members across the family of businesses • Started to develop the combined Membership proposition
Chelmsford Star integration	<p>The Chelmsford Star estate includes a number of older retail sites and legacy infrastructure requiring higher ongoing maintenance and facilities expenditure. If trading performance does not improve following integration, property overheads, maintenance liabilities and operational costs could place sustained pressure on operating margins and reduce the financial benefits expected from the merger.</p>	<p>Our Society continues to monitor estate performance closely as part of the integration programme. We have:</p> <ul style="list-style-type: none"> • Reviewed store performance and contribution across the estate to identify locations requiring improvement or further assessment • Prioritised essential maintenance and property requirements to manage estate costs effectively • Aligned trading and operational standards to support improved performance

Risk	Description and Potential Impact	Mitigation(s)
<p>Governance structure</p>	<p>Our Society recognises that, during the transitional period prior to the establishment of a new governance structure, there is a risk that governance effectiveness may be reduced. The Board's ability to respond to emerging issues may be impacted, with potential for focus to be diverted by pressing integration activities.</p>	<p>Our Society continues to maintain effective governance throughout the transitional period, ensuring appropriate oversight and clear escalation of key matters. We have:</p> <ul style="list-style-type: none"> • Established a regular cadence of Board engagement, including monthly updates and CEO reports • Embedded risk identification and escalation processes within the integration programme to ensure timely visibility of key issues • Positioned governance as a core priority within the Legal and Compliance workstream • Progressed the development of the future governance model, including design and planning for implementation of the new structure
<p>Financial risk</p>	<p>Our Society may face financial risk in balancing the achievement of operational performance targets alongside integration objectives. Competing priorities between maintaining business performance and delivering integration outcomes may create tension if not carefully managed.</p>	<p>Our Society continues to balance the delivery of operational performance and integration objectives, ensuring clear prioritisation and oversight of competing demands. We have:</p> <ul style="list-style-type: none"> • Established integration forums and implemented tracking mechanisms to support effective management of competing priorities between integration and business as usual • Established escalation routes to ensure timely resolution of conflicts and emerging risks • Implemented resource planning approaches to allocate and flex people and budget across business-as-usual and integration activities • Strengthened financial oversight to track operational performance alongside integration costs and benefits

Other Corporate Matters

Political subscriptions and donations

The Society welcomes all customers and Members who use its services and subscribe to the values and principles of the co-operative movement, irrespective of their religious or political beliefs or personal characteristics.

At the Society's Interim Members' Meeting(s) held in October 2022, Members approved a resolution for the Society to set aside funding for political purposes in furtherance of co-operative values and principles, amounting to 0.6% of trading profit (to not exceed £120,000 per annum) for each of the three financial years ending January 2024, January 2025 and January 2026.

During the course of the year, the Society's long-standing affiliation to the Co-operative Party was maintained to secure a co-operative voice in the political arena in furtherance of the wider interests of the Society and the co-operative movement. This comprised paying a national subscription and funding and participating in Society Co-operative Party Councils in our trading area.

The Group Income Statement for the year ended 24 January 2026 (Note 9 to the accounts) reports that £59,000 was paid by the Society in respect of political subscriptions and related funding. This included support at national level for the Co-operative Party and grants to four Society Party Councils.

Withdrawable share capital

The Society follows Co-operatives UK's Code of Best Practice on withdrawable share capital where it is applicable to Central England Co-operative Limited. The Society's Terms and Conditions provide Members with full details about the nature of their shareholding and its legal status as withdrawable share capital. The Terms and Conditions are available on the Society's website (or available from the Secretary, on request). Members may withdraw money from their share accounts at any time, unless the Board of Directors has removed the facility in accordance with procedures set out in the Society's Rules.

Members share capital is risk capital and, therefore, if the Society is unable to meet its debts and liabilities, Members risk losing some, or all, of their shares held. This therefore may make it inappropriate as a place to invest savings. The Financial Services Compensation Scheme (FSCS) does not apply to Members' share accounts and, therefore, Members are not eligible to claim compensation under the FSCS in the event of the Society not being able to meet requests for the withdrawal of shares.

The Society is not subject to supervision by the Prudential Regulation Authority or by the Financial Conduct Authority in relation to withdrawable share capital. The Financial Ombudsman Service does not apply to withdrawable share capital or the relationship between Members and the Society.

Statement of Directors' Responsibilities

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

Co-operative and Community Benefit Society law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under Co-operative and Community Benefit Society law, 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.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Society will continue in business.

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.

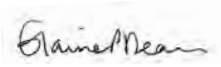
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

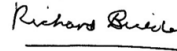
Statement of Directors' Responsibilities

Board certification

These financial statements are hereby signed on behalf of the Board of Directors pursuant to the requirements of the Co-operative and Community Benefit Societies Act 2014.



Elaine Dean
Society President



Richard Bickle
Vice President



Debbie Robinson
Chief Executive



Simon Plunkett
Society Secretary

23 April 2026



Independent Auditor's Report

Opinion

We have audited the group financial statements of Central England Co-operative Limited (the 'Group') for the period ended 24 January 2026, which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity and the Group Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 24 January 2026 and of its income and expenditure for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

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 Group 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.

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 Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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

Independent Auditor's Report

in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this 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

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:

- a satisfactory system of control over transactions has not been maintained; or
- the Group has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of Directors' Responsibilities, 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 Group'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 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 group 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 group financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of the Board of Directors and the Audit and Risk Committee;
- Holding discussions with the Risk and Audit Committee/Board of Directors regarding known or suspected instances of non-compliance with laws and regulations and fraud;

- A review of legal and professional expense nominal accounts for any indications of non-compliance with laws and regulation;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of larger or otherwise unusual journal entries and other adjustments for appropriateness;
- Review of cashbook for evidence of larger and unusual payments; and
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements (due to the susceptibility of these areas for management bias) and assessing their reasonableness.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors-responsibilities. This description forms part of our Auditor's Report.

Other matter

This audit report does not extend to the financial statements of the Society itself. A separate report will be issued on the financial statements of the Society in due course.

Use of our report

This report is made solely to the society, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

Martin Ramsey BSc (Hons) FCCA (Senior Statutory Auditor)

for and on behalf of MHA, Statutory auditor
Birmingham, United Kingdom

Date: 23 April 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Accounting Policies

For the 52 weeks ended 24 January 2026

1. General Information

Central England Co-operative Limited (the 'Society') is a registered Society under the Co-operative and Community Benefit Societies Act 2014. The address of the Society's registered office is Central House, Queen Street, Lichfield, Staffordshire WS13 6QD.

Central England Co-operative Limited traded as Central Co-op during the period.

2. Basis of Preparation

Statement of Compliance

This consolidated Group Annual Report for the 52 weeks ended 24 January 2026 (2025: 52 weeks ended 25 January 2025) has been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014 and applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS102), 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements have been prepared under the historical cost convention except for modification to the revaluation of investment and trade properties; and to fair value for certain financial instruments, funeral plans and investments as specified in the accounting policies below. The financial statements are presented in pounds sterling and amounts have been rounded to the nearest thousand pounds (£'000).

Basis of Consolidation

The consolidated annual report incorporates the audited annual report of Central England Co-operative Limited and all of its subsidiary undertakings. The results of subsidiary undertakings are included in the Group annual report from the date on which control

transferred to the Society or, in the case of disposals, up to the effective date of disposal. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The individual results of Central England Co-operative Limited are not presented within this Annual Report and are filed separately.

On 15th September 2025, Chelmsford Star Co-operative Society Limited transferred its engagements to Central England Co-operative Limited under the Co-operative and Community Benefit Societies Act 2014. The results of this transfer of engagement are included in the financial statements for the Group.

Following transfer, Chelmsford Star Co-operative Society Limited has been deregistered after a certificate was filed under section 126 of the Act.

Transfers of engagements

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

Investment in Subsidiaries

The consolidated Annual Report incorporates the Annual Reports of the Society and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the parent.

Post balance sheet event

On 26 January 2026 the Society entered into a transfer of engagement with The Midcounties Co-operative and together created a new Society that is built on shared values, purpose and co-operative principles.

This represents a combination of similar sized entities and the enlarged business will continue within this legal entity. Details of the Midcounties Co-operative financial information may be found on the website.

This is a non-adjusting post balance sheet event and no figures for The Midcounties Co-operative are included in the financial results to 24 January 2026.

Details of the revolving credit facility entered into by the Society following the merger are disclosed in Note 17 and the Going Concern section.

Going Concern

The Directors are required to assess whether the Society has adequate resources to continue in operational existence for the foreseeable future. The annual report has been prepared on the assumption that the Society remains a going concern.

From 26 January 2026, the Society reflects the performance of the combined business; Central England, Midcounties and the already incorporated Chelmsford Star, supported by the new financing facility.

On 26 January 2026, the newly created Society entered into a new revolving credit facility to meet its day to day working capital requirements for the next three and a half years. The bank facilities consist of a revolving credit facility of £162.5m which includes a bank overdraft of £30.0m and carve outs for guarantees of £6.4m. There are three financial covenants which are attached to the revolving credit facility which will be tested on a quarterly basis, none of the covenants are expected to be breached in the twelve months from the date of signing this Annual Report.

These are based on a sensitised forecast model. The repayment terms and details of the revolving credit facility are detailed in note 17 to the financial statements.

At 24 January 2026, the Society reflects a net current liability position driven by the statutory presentation of funeral plans; whilst the liability is split between creditors due less than and more than one year, the assets are reflected in fixed investments (non current). This statutory presentation does not impact the going concern assessment as there is no issue in the liquidity of those investments.

As part of the due diligence work carried out prior to creating the larger Society, the individual societies five year financial plans were reviewed and combined, taking account of reasonable possible changes in trading performance and synergy and cost benefits. The Society anticipates it will operate within the available banking facility during this five year period.

The Directors have also reviewed the forecasts for the current and upcoming financial period, with specific consideration of macro-economic factors, including increases in inflation, and considering specific areas such as potential issues in the supply chain and a decrease in sales volume. A range of downside scenarios have been considered, and a combination of risks which are considered to be a severe but plausible scenario (including an impact on Food sales due to the material size of the business to the Group and also on Travel sales due to the natural volatility on the business potentially being impacted by world wide events). The Directors have concluded that, under these scenarios, and after implementing some mitigating actions which are available at short notice, the Society can continue as a going concern.

Accounting Policies

For the 52 weeks ended 24 January 2026

2. Basis of Preparation (continued)

The Society also has opportunities to implement further mitigating actions if required. The Society has sufficient resources with its current bank facilities to continue operating for a period of twelve months from the date of signing. On this basis the Directors continue to prepare the annual report as a going concern.

3. Significant Judgements and Estimates

The Group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions may not equal the related actual results but are based on historical experience and expectations of future events.

The key judgements and estimates that have a significant impact in the annual report are discussed below:

Market valuation of trading properties

During the year, the Society adopted a prospective accounting policy change on the valuation of trading properties and adopted the revaluation model under Section 17 of FRS102. The property valuations undertaken at the year end were undertaken on a market valuation basis (fair value approach). Previously trading properties were valued under the historical cost method and were measured at cost less accumulated depreciation.

The market value is determined on an annual revaluation by external valuers in accordance with the Royal Institution of Chartered Surveyors (the 'RICS') Valuation – Professional Standards January 2014 (the 'Red Book') prepared by the RICS, using appropriate judgements that incorporate market conditions which are subject to fluctuations.

The calculation is looked at on a property-by-property basis. In the first year of valuation, any downward movement in value is posted to the income statement as an impairment charge. The charge is reflected in the income statement this year (£20,125,000) and has been classified within non-underlying transactions. Any increase in valuation is posted to a revaluation reserve in the balance sheet. The increase in valuation shown in the reserve in this year is £75,334,000.

Overall, the change in accounting policy has resulted in an increase of £55,209,000 in Net Assets.

The valuation of trading properties held as at 24 January 2026 is £228,260,000 (2025: £179,643,000 using the historical cost method). The value of future disposals may differ from the valuation depending on market conditions as at the date of disposal.

Trading properties are categorised as property, plant or equipment within fixed assets. As this is deemed as a prospective change in accordance with FRS102, no prior year restatement is needed.

Fair value adjustments

All identifiable assets and liabilities in relation to the transfer of engagement for Chelmsford Star have been measured at their fair value at the acquisition date. See note 25 (Transfer of Engagements) for further details.

This involves several judgements and estimates, as fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. Although a transfer of engagements is not itself a commercial transaction, the accounting standard requires a market-based measurement of acquired balances.

Impairment of Goodwill and Fixed Assets

The Group assesses individual cash generating units or groups of cash generating units for indication of impairment. Impairment is recognised based on the recoverable amount, which is the higher of value in use and fair value less costs to sell. The value in use calculation requires the estimation of the present value of discounted future cash flows applying a weighted average cost of capital of 9.57% post tax. Actual outcomes could vary from these estimates.

Impairment models are continually reviewed to ensure data and assumptions are appropriate. The accuracy of any such impairment calculation will be affected by unexpected changes to the economic situation, and assumptions which differ from actual outcomes. As such, judgement is applied when determining the levels of provisioning.

The approach considers a central overhead allocation on EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation), and the budgeted profitability of each site for next year (2026/27). The market values of trading sites are also considered in the impairment process.

In the 52 weeks ended 24 January 2026, an impairment of £1,346,000 (2025: £205,000) has been recognised in relation to tangible fixed assets and £67,000 (2025: £nil) in relation to intangible fixed assets. Due to this calculation being a significant area of estimation, it is sensitive by nature.

For the year ended 24 January 2026, onerous leases were recognised for the sites that were impaired resulting in a charge of £1,083,000 (2025: £46,000).

Pension Costs

The Group operates two defined benefit schemes for some of its employees, both schemes are closed to new entrants, with one being closed to future accrual and the other scheme being open to future accrual. The present value of both of the schemes' liabilities are recognised at the reporting date and the net financing charge recognised in the income statement are dependent on interest rates of high quality corporate bonds. Other key assumptions within these calculations are based on market conditions or estimates of future events, including discount rate, inflation assumptions and mortality rates. See note 19 (Employee Benefits).

Any changes to assumptions used will impact the carrying value of the retirement benefit obligation. The retirement benefit obligations are most sensitive to changes in the discount rate.

Other Judgements and Estimates

Valuation of Investment Properties

Properties held for long-term investments are recognised as investment properties, initially recognised at cost, and are subsequently measured at market value. The market value is determined on an annual revaluation by external valuers in accordance with the Royal Institution of Chartered Surveyors (the 'RICS') Valuation - Professional Standards January 2014 (the 'Red Book') prepared by the RICS, using appropriate judgements that incorporate market conditions which are subject to fluctuations. The value of future disposals may differ from the valuation depending on market conditions as at the date of disposal. The valuation of investment properties held as at 24 January 2026 is £127,178,000 (2025: £130,367,000).

Accounting Policies

For the 52 weeks ended 24 January 2026

3. Significant Judgements and Estimates (continued)

Funeral Plan Liabilities

The Society accounts for funeral plan liabilities using the deferred revenue method. The principles of revenue recognition for the provision of services has been applied in order to better reflect the nature of the transaction.

When a plan is taken out by a customer, the plan value is held on the balance sheet as deferred income within liabilities. Due to the nature of this transaction it is necessary to increase this deferred revenue liability annually to reflect the fact that costs will increase to fulfil the performance obligation. A long term borrowing rate (15 year bond rate), reflecting the expected life of funeral plans, has been used to calculate this increase on an annual basis, which is charged to the income statement each year.

Contracts are also considered annually to identify any that become onerous. Where such an indicator is present, the liability will be reviewed, and where considered necessary increased accordingly, with a corresponding charge processed within the income statement.

4. Principal Accounting Policies

Cyber Incident

During the year, The Co-operative Group, a key supplier of the Society, suffered a significant cyber attack, which caused significant disruption in the delivery of goods to our retail stores for a number of weeks. As a result, the Society experienced inventory shortages, which directly impacted food revenue in those weeks and also in the months that followed.

The Society holds a business interruption insurance policy (for turnover impact) which was fully claimed at £4,850,000. In the financial statements this has been accounted for as other operating income – compensation for business interruption.

The Society incurred extra costs in the year due to the cyber incident amounting to £3,234,000 which has been accounted for in exceptionals. This includes higher costs of goods, delivery charges and personnel costs.

Turnover

Turnover is measured at fair value of the consideration received or receivable, net of VAT, discounts and incentives.

Retail Turnover

Turnover through retail outlets are shown net of returns, employee discounts, vouchers and sales made on an agency basis. Commission income is recognised in revenue based on the terms of the contract. Turnover is recognised at the point of sale.

Funeral Turnover

Revenue from funeral operations comprises the amount recoverable from clients for the provision of funerals, income from crematoria and other services, to the extent that those services have been performed or goods supplied.

The Group pays certain disbursements such as crematoria fees, cemetery fees, Ministers' fees and doctors' fees on behalf of clients. These amounts are recovered as part of the invoicing process. These amounts are not included within turnover as they are simply passed on to clients at cost.

4. Principal Accounting Policies

(continued)

Travel Turnover

Gross agency sales are not recognised and only commission received under the agency agreement is recognised as sales. Revenue is recognised at the point of booking. Commission on booked holidays is recognised at the point of sale.

Pre-need Funeral Plans

The Society sells pre-arranged funeral plans, with monies received from selling funeral plans being invested with Royal London. The sale of a pre-need plan is accounted for as a long term contract, with the majority of revenue being recognised at the point of delivery of the funeral.

Amounts received from plan holders are deferred on the balance sheet within contract liabilities until the related funeral is performed or the plan cancelled.

For the majority of plans where the service as per the funeral plan is expected to be performed, the deferred amount is subject to an adjustment to reflect a significant financing component.

This significant financing component, which has been calculated based on a relative borrowing rate, would be reflected in a separate financing transaction between the Society and the plan holder at contract inception and is charged to the income statement as a finance cost until the performance obligation is satisfied.

The rate applied is fixed for the duration of each plan at inception.

All costs in respect of the administration of the pre-need funeral plans are expensed in the Society's income statement as incurred.

Plans which have been inherited due to the transfer of engagement of Chelmsford Star are managed by Ecclesiastical Planning Services.

Rental Income

Rental income is generated from the Group's investment property portfolio and recognised on a straight-line basis over the lease term. The cost of lease incentives is recognised as a reduction to rental income over the lease term on a straight-line basis.

Investment Income

Interest receivable is accounted for on an accruals basis. Dividends are accounted for when the right to receipt is established.

Funeral plans are invested in whole-of-life insurance policies, the value can be dependent on market conditions. The plan investment is a financial asset, which is recorded at fair value at each reporting period through the income statement as fair value movement on financial instruments.

Trading Profit

The Society uses trading profit as a measure to provide additional information to its Members on the core operations of the business to generate a profit. This does not include any financing-related income or expenses, impairments, restructuring provisions, valuations and gains or losses.

Employee Benefits

Short-term employee benefits and contributions to defined contribution pension plans are recognised as an expense as the services are rendered.

Long Term Incentive Plan

In the prior year, the Group had a long-term scheme in place to incentivise the Management Executive within the Society. An expense was recognised over the vesting period of three years based upon meeting specific targets and objectives.

Accounting Policies

For the 52 weeks ended 24 January 2026

4. Principal Accounting Policies

(continued)

Exceptional Items

Exceptional items are disclosed separately as they are significant to the Group or non-recurring in nature and require further explanation, such as transfer of engagements and costs arising from re-organisation of the business.

Payments To and on Behalf of Stakeholders

The surplus shown in the income statement is not considered to be attributable solely to the Members, but also to various stakeholders including the Group's employees, charitable institutions or other organisations with objectives or purposes consistent with those of the Group.

Payments to and on behalf of stakeholders are recognised in accordance with the Group's rules to include approved dividends, Member relations costs, subscriptions and grants to the Co-operative Party. Payments to and on behalf of stakeholders are recognised in the income statement in the period in which they are approved by Members.

Intangible Fixed Assets

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the fair value of the consideration of the business combination over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated amortisation and impairment losses, and is amortised evenly over its useful economic life but will not exceed ten years.

Computer Software

Computer software and licences are carried at cost less accumulated amortisation and any provision for impairment. Computer software is amortised on a straight-line basis over the useful economic life of three to ten years.

Investment Properties

Properties held for long term investments are recognised as investment properties, initially recognised at cost, and are subsequently measured at market value. The market value is determined on an annual revaluation by external valuers in accordance with the Royal Institution of Chartered Surveyors (the "RICS") Professional Standards January 2014 (the "Red Book").

All surpluses and deficits arising on revaluation to market value are taken to the income statement. No depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years remaining on the lease.

Where the Society no longer occupies a trade property, it is transferred into investment properties and revalued to fair value in accordance with FRS102.

Tangible Fixed Assets and Depreciation

Market Valuation on Trading Properties

Trading properties are valued under the revaluation model. The land and buildings are carried at a revalued amount, being their fair value at the date of the revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. The calculation for revaluation is looked at on a property-by-property basis. In the first year of valuation, any downward movement in value is posted to the income statement as an impairment charge. The charge for this

4. Principal Accounting Policies (continued)

reflected in the income statement this year is £20,125,000 and has been classified within non-underlying transactions. Any increase in valuation is posted to a revaluation reserve in the balance sheet. The increase in valuation shown in the reserve in this year is £75,334,000. Overall, the change in accounting policy has resulted in a net increase of £55,209,000 in Net Assets.

Previously trading properties were valued under the historical cost method and were measured at cost less accumulated depreciation.

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than investment properties, properties under development, assets in the course of construction and freehold land, at rates calculated to write off the cost of fixed assets, less their estimated residual value (reviewed annually), over their expected useful lives on the following bases:

- Freehold buildings: 2%–10% per annum
- Leasehold properties: Over the unexpired part of the lease
- Plant & machinery, fixtures & fittings: 6.7%–33.3% per annum
- Fleet vehicles and other transport: 10%–50% per annum

Assets under construction

Assets under construction are included within tangible fixed assets and represent expenditure on assets that are in development stages and not fully complete for its trading purpose.

These assets are recognised at cost. Depreciation is not charged on these assets

until the asset is fully complete at which point the property would move to trading properties and be revalued using the revaluation model.

Impairment

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount (higher of value in use or fair value less costs to sell). An impairment assessment is triggered by loss making units, and impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units, and then to reduce the carrying value of other fixed assets. Goodwill impairments are not reversed in future periods.

Assets Leased by the Group

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at the fair value of the leased assets (or if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining liability. The outstanding commitment is analysed between current and long term liabilities. Assets held under finance leases are included in tangible fixed assets and are depreciated over the shorter of the lease term or the Group's normal accounting policy.

Accounting Policies

For the 52 weeks ended 24 January 2026

4. Principal Accounting Policies

(continued)

The aggregate benefit of lease incentives are recognised as a reduction to the expense over the lease term on a straight line basis.

Rentals due under operating leases are charged to the income statement over the lease term on a straight line basis.

Investments

Investments in shares and funeral plan investments are measured at fair value. Changes in the fair value are recognised in the income statement in the period in which they occur.

Investments in the withdrawable share capital of other Co-operatives are held at cost less any provision for impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

Trade Debtors and Other Debtors

Debtors and other debtors, as basic financial instruments, are initially measured at the transaction price. Such assets are subsequently measured at amortised costs less any impairment. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment, any impairment loss identified is recognised in the income statement.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities three months or less from inception and bank overdrafts. Bank overdrafts, when utilised, are shown within borrowings in current liabilities.

Financial Liabilities

Basic financial liabilities, including creditors, other creditors and bank loans, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives held by the Society in the prior year relate to an interest rate swap. As defined by FRS102 this is not seen as a basic financial instrument. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement as finance costs or finance income as appropriate, unless they are included in a hedging arrangement. The Society has not applied hedge accounting in the current or prior period.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4. Principal Accounting Policies

(continued)

Taxation

Current Tax

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the reporting date. Current tax is charged or credited to the income statement.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

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

A net deferred tax liability is recognised where a future tax liability will be payable as a result of transactions which have occurred at the reporting date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

Deferred tax is charged or credited to the income statement, except when it relates to items charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income respectively.

Funeral Plans

The performance obligation to deliver the funeral is treated as a contract liability (deferred income) and is held on the balance sheet as deferred income within current and non-current liabilities as a contract liability until the delivery of the funeral at which point the revenue is recognised and the liability is discharged.

The liability is apportioned into less than and more than one year based upon the Group's experience of funerals carried out under its pre-payment plans over the last five years.

All money received for funeral plans is paid into a contract for whole of life insurance policy on the life of the customer for the purpose of providing the funeral and disclosed within investments at fair value on the statement of financial position, using the valuation provided by the insurance policy provider. The values reflect the amount the policy provider would pay on redemption of the policy at the valuation date. This investment strategy complies with the provisions of the Financial Service and Markets Act 2000.

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefit will be required to settle the obligation, and where the amount of the obligation can be reliably estimated. If the effect is material provisions are determined by discounting the expected, risk adjusted, future cash flows. The unwinding of the discount is recognised as interest payable in the income statement.

Accounting Policies

For the 52 weeks ended 24 January 2026

4. Principal Accounting Policies

(continued)

The Group provides for the following short and long term liabilities:

Holiday Pay Provision

The Group recognises a provision for annual leave accrued by employees as a result of service rendered in the current period, but has not been taken by the reporting date, and which employees are entitled to carry forward and use within the next two months. The Group also recognise a provision for certain employees who have unused annual leave entitlement under the holiday banking scheme not utilised by the reporting date. The provision is measured at the total salary cost payable and national insurance for the period of absence.

Onerous Lease Provisions

Where the Group is committed to future rental payments on a property that are in excess of income received, an onerous lease provision is made. The provision is discounted at the weighted average cost of capital.

Decommissioning Provision

Provisions are made in respect of decommissioning obligations for petrol filling stations. The amounts provided are based on the Group's best estimate of the present value of costs to be incurred to decommission the petrol tanks in the future.

Dilapidation Provisions

A dilapidation provision is recognised for sites where there is reasonable certainty that the Society will exit the lease. The provision relates to costs for returning the property to the condition required in the lease agreement.

Other Provisions

Other provisions such as property provisions or site closures are recorded when the contractual obligation arises.

Pension Costs

The Group currently operates two defined benefit pension schemes, the Central England Co-operative Society Limited Pension Scheme which is closed to future accrual and new entrants and The Chelmsford Star Co-operative Society Limited Employees' Superannuation Fund, this scheme is not closed to future accrual but is closed to new entrants.

The assets of the schemes are held in separate trustee administered funds.

The Schemes are subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Schemes is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Society agrees with the Trustees of the Schemes the contributions to be paid to address any shortfalls against the Statutory Funding Objective. No additional contributions are currently being paid for either scheme.

The comprehensive actuarial valuation is updated by an independent qualified actuary to the reporting date allowing for cash flows in and out of the Schemes and changes to assumptions over the period.

The deficit on the Central England Co-operative Society Limited defined benefit scheme is recognised in full on the statement of financial position and represents the difference between the fair value of the assets and the present value of the defined benefit obligation at the reporting date.

4. Principal Accounting Policies (continued)

The surplus on the Chelmsford Star Co-operative Society Limited pension scheme has not been recognised on the Society statement of financial position, reflecting the rules of that scheme.

For the defined benefit pension schemes the finance cost is recognised in the income statement based on the interest on pension assets less the interest on pension scheme liabilities.

Differences between the interest and actual return on assets, experience gains and losses and changes in actuarial assumptions are included directly in other comprehensive income.

The Group also operates two defined contribution schemes. The contributions payable to the schemes in respect of the accounting period are charged to the income statement.

Share Interest

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

Chelmsford Star members share capital is incorporated into the year end share capital total value of the Society.

Prior year adjustment

During the year the Society corrected a system legacy issue. In accordance with the Financial Reporting Standards (FRS102) Section 10. The comparative figures for the opening balances of the year ended January 2025 have been restated accordingly.

Subsequently, creditors in the year ended January 2025 have been increased by

£8,500,000 and retained earnings brought forward have been reduced by the same value.

Reserves

The Revenue Reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

Capitalised Labour

The Group capitalises internal labour costs where they are directly attributable to bringing an asset into use. This has been applied to IT projects and store regeneration projects in the current period where appropriate.

Management believe that it gives a more accurate reflection of the long term benefits of the labour costs incurred, and therefore better information to the readers of the annual report.

Costs are depreciated in line with the depreciation policy on the associated asset.

Sale and Leaseback Transaction

The Group holds a lease funding agreement in regards to the rollout of solar panels on a selection of retail stores. The agreement is for a period of 7 years.

The risks and rewards of the solar panels remain with the Group and are treated as a finance lease in the financial statements in accordance with FRS102.

The solar panels remain as an asset to the Group and a finance lease creditor has been created at the present value of the minimum lease payments using the effective interest rate method.

The liability will be remeasured and unwound over the term of the lease in accordance with the Society's accounting policy for finance leases.

Group Income Statement

For the 52 weeks ended 24 January 2026

	Note	2026 52 weeks			2025 52 weeks		
		Underlying Operations £'000	Non underlying operations £'000	Total £'000	Underlying Operations £'000	Non underlying operations £'000	Total £'000
Turnover	1	844,602	–	844,602	882,157	1,720	883,877
Cost of sales		(592,123)	–	(592,123)	(623,282)	(1,097)	(624,379)
Gross profit		252,479	–	252,479	258,875	623	259,498
Other income - compensation for business interruption	3	4,850	–	4,850	–	–	–
Administrative expenses		(253,074)	–	(253,074)	(250,549)	(805)	(251,354)
Trading profit		4,255	–	4,255	8,326	(182)	8,144
Profit on disposal of fixed assets and businesses		3,176	–	3,176	2,550	3,452	6,002
Exceptional items	6	–	(13,956)	(13,956)	–	(5,106)	(5,106)
Impairment & onerous lease on fixed assets	4	(2,496)	–	(2,496)	(251)	–	(251)
Fair value movement on revaluation of trading properties		–	(20,125)	(20,125)	–	–	–
Profit on revaluation of investment properties	12	4,576	–	4,576	397	–	397
Operating (loss)/profit	4	9,511	(34,081)	(24,570)	11,022	(1,836)	9,186
Loss on financial assets at fair value	27	–	–	–	(469)	–	(469)
Fair value movement on financial instruments	2	16,426	–	16,426	22,219	–	22,219
Interest and dividends receivable	7	110	–	110	447	–	447
Other finance cost	19	(2,506)	–	(2,506)	(3,143)	–	(3,143)
Interest payable	8	(16,179)	–	(16,179)	(15,810)	–	(15,810)
(Loss)/profit before tax and payments to and on behalf of stakeholders		7,362	(34,081)	(26,719)	14,266	(1,836)	12,430
Payments to and on behalf of stakeholders	9	(1,735)	–	(1,735)	(1,976)	–	(1,976)
Taxation	10	(4,388)	11,805	7,417	(1,404)	459	(945)
Retained (loss)/ profit for the financial period		1,239	(22,276)	(21,037)	10,885	(1,376)	9,509

Non underlying operations includes exceptional items. In the prior year it also includes discontinued operations (note 28).

Group Statement of Comprehensive Income

For the 52 weeks ended 24 January 2026

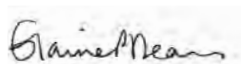
		2026	2025
		52 weeks	52 weeks
	Note	£'000	£'000
Retained (loss)/profit for the period		(21,037)	9,509
Actuarial gain on pension scheme	19	2,113	13,561
Gain on revaluation of trading property		75,334	–
Movement on deferred tax		(9,738)	(3,906)
Total comprehensive income for the period		46,672	19,164

Group Statement of Financial Position

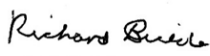
As at 24 January 2026

Notes	24 January 2026		Restated 25 January 2025	
	£'000	£'000	£'000	£'000
Fixed assets				
Intangible assets	11	24,348		27,146
Tangible assets	12	441,674		387,292
Investments	13	267,344		259,861
		733,366		674,299
Current assets				
Stocks	14	33,591	31,951	
Debtors: due within one year	15	34,631	33,230	
Cash at bank and in hand		5,337	6,599	
		73,559	71,780	
Creditors: due within one year				
Creditors	16	(132,596)	(120,979)	
Borrowings	17	(39,602)	(446)	
		(172,198)	(121,425)	
Net current liabilities		(98,639)		(49,645)
Total assets less current liabilities		634,727		624,654
Creditors: due after one year				
Creditors	16	(266,522)	(270,458)	
Borrowings	17	(1,851)	(36,932)	
		(268,373)	(307,390)	
Provisions for liabilities	18	(11,999)		(7,727)
Net pension liability	19	(22,538)		(25,837)
Net assets		331,817		283,700
Capital and reserves				
Share capital	20	28,271		22,108
Revaluation reserve		66,124		–
Revenue reserve		237,422		261,592
Members' funds		331,817		283,700

The financial statements on pages 100 to 151 were approved by the Board of Directors on 16th April 2026 and authorised for issue on 23 April 2026. Signed on behalf of the Board by:



Elaine Dean



Richard Bickle

Group Statement of Cash Flows

For the 52 weeks ended 24 January 2026

	Note	2026 52 Weeks		2025 52 Weeks	
		£'000	£'000	£'000	£'000
Net cash generated from operating activities	21		3,897		9,539
Cash flows from investing activities					
Proceeds from disposal of tangible assets		20,666		19,045	
Purchase of tangible assets		(24,503)		(31,016)	
Interest received		59		450	
Transfer of engagement	25	298		–	
Net cash flows used in investing activities			(3,480)		(11,521)
Cash flows from financing activities					
Draw down of bank loans	17	4,000		5,000	
Net decrease in share capital		(2,174)		(429)	
Interest paid		(3,031)		(3,277)	
Repayment of finance lease obligations		(474)		(551)	
Net cash flows generated from financing activities			(1,679)		743
Net decrease in cash and cash equivalents			(1,262)		(1,239)
Cash and cash equivalents at beginning of the period			6,599		7,838
Cash and cash equivalents at end of the period			5,337		6,599

Group Statement of Changes in Equity

For the 52 weeks ended 24 January 2026

	Share capital £'000	Revaluation Reserve ¹ £'000	Restated Revenue reserve £'000	Total £'000
At 27 January 2024	22,147	–	251,319	273,466
Prior year adjustment (note 29)	–	–	(8,500)	(8,500)
As restated 27 January 2024	22,147	–	242,819	264,966
Profit for the financial year	–	–	9,509	9,509
Other comprehensive gains:				
Actuarial loss on pension scheme	–	–	13,561	13,561
Movement on deferred tax relating to pension scheme	–	–	(3,906)	(3,906)
Total comprehensive gain for the period	–	–	19,164	19,164
Share capital contributions (note 20)	249	–	–	249
Share capital withdrawals (note 20)	(679)	–	–	(679)
Share interest (note 20)	391	–	(391)	–
At 25 January 2025	22,108	–	261,592	283,700
Loss for the financial period	–	–	(21,037)	(21,037)
Gain on revaluation of trading property	–	75,334	–	75,334
Actuarial gain on pension scheme	–	–	2,113	2,113
Movement on deferred tax	–	(9,210)	(528)	(9,738)
Total comprehensive gain for the period	–	66,124	(19,452)	46,672
Share capital contributions (note 20)	247	–	–	247
Share capital withdrawals (note 20)	(2,362)	–	–	(2,362)
Share interest (note 20)	426	–	(426)	–
Transfer of engagement (note 25)	7,852	–	(4,292)	3,560
At 24 January 2026	28,271	66,124	237,422	331,817

1 This includes revaluation movements on the trading properties.

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

The “Keeping it Simple” boxes are additional information to assist with the readers’ understanding and interpretation of the Group’s Annual Report.

1. Turnover and Gross Sales Reconciliation

Turnover represents the income received by the Group.

	Gross sales Reconciliation 2026 52 weeks £'000	Gross Sales Reconciliation 2025 52 weeks £'000
Gross sales including VAT	933,361	980,913
less:		
VAT	(88,567)	(96,628)
Concessions	(192)	(408)
Turnover	844,602	883,877

	Turnover 2026 52 weeks £'000	Turnover 2025 52 weeks £'000
Retail – Food	683,227	715,589
Retail – Fuel	85,131	91,311
Wholesale	–	1,720
Funeral	64,351	66,384
Travel	936	–
Rent receivable from investment properties	9,697	8,873
Department store income	1,260	–
Total	844,602	883,877

Turnover consists of sales made in the United Kingdom and is analysed by category as follows:

	2026 52 weeks £'000	2025 52 weeks £'000
Sales of goods	775,002	814,119
Rendering of services	54,518	56,192
Commission	5,385	4,693
Rent received from investment properties	9,697	8,873
Total	844,602	883,877

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

2. Fair Value Movement on Financial Instruments

Represents the investment growth made on Funeral plans in the year.

	2026 52 weeks £'000	2025 52 weeks £'000
Unrealised fair value movement on funeral plan investments	16,426	22,219

3. Other Income

Compensation for business interruption

In May 2025, The Co-operative Group, who is a key supplier to the Society, suffered a significant cyberattack. The Society holds a business interruption insurance policy which was fully claimed at £4,850,000 in the year.

4. Operating (Loss)/Profit

This is the profit the Group has made after accounting for all direct costs incurred in providing goods and services delivered to customers. These costs include the amounts paid to colleagues and the costs of running the trading businesses.

Operating (loss)/profit is stated after charging:

	2026 52 weeks £'000	2025 52 weeks £'000
Bad debt provision movement	781	84
Operating lease rentals:		
- Plant and machinery	628	717
- Land and buildings	8,666	8,093
Intangible assets (note 11)		
- Amortisation	2,788	3,283
- Impairment ¹	67	-
Tangible assets (note 12)		
- Depreciation on owned assets	19,474	21,655
- Depreciation on assets held under finance leases	169	330
- Impairment of tangible assets ¹	1,346	205
- Onerous lease cost ¹	1,083	46
Stock provision	968	426
Auditor's remuneration for the audit of the Society and its subsidiary undertaking	378	304

¹ These amounts constitute the impairment and onerous lease on fixed assets charged in the income statement.

4. Operating (Loss)/Profit continued

Fees Payable to the Society's Auditors

	2026 52 weeks £'000	2025 52 weeks £'000
Fees payable to the Group's auditors for the audit of the Group's annual statement	299	244
– The audit fees of the Society's subsidiaries	79	60
Total audit fees	378	304

The Group's auditors provided no additional non-audit services to the Group in the current or prior period.

5. Staff Number and Costs

These are the costs associated with paying colleagues, including employer taxes and pension contributions.

	2026 52 weeks Number	2025 52 weeks Number
The average number employed by the Group was:		
Full-time	1,728	1,741
Part-time	4,408	4,974
	6,136	6,715

The average number of full-time equivalent employees during the 52 weeks ended 24 January 2026 was 3,708 (2025: 4,033).

	2026 52 weeks £'000	2025 52 weeks £'000
Aggregate amounts paid in respect of:		
Wages and salaries	123,083	124,714
Social security costs	12,151	8,767
Defined contribution pension scheme costs	5,919	6,381
	141,153	139,862

Included in wages and salaries above are amounts relating to temporary agency staff, casual labourers and contractors of £407,000 (2025: £631,000).

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

6. Exceptional Items

These items are treated as exceptional because they do not form part of the Group's normal day-to-day trading business. By highlighting these items separately, the Group's underlying performance is clearer.

	2026 52 weeks £'000	2025 52 weeks £'000
Strategic consultancy	–	47
Costs arising from the reorganisation of business	1,209	472
Depot closure costs	13	2,334
Strategic closure costs	850	2,211
Pension costs	–	150
Cyber incident costs	3,234	–
Transfer of engagements	8,305	–
Legal settlement	345	–
Onerous lease provisions	–	(108)
	13,956	5,106

During the year, no costs were incurred in relation to the Society working with Strategic consultants (2025: £47,000).

Costs of £1,209,000 (2025: £472,000) were incurred relating to the reorganisation of the Executive and Leadership team.

During the year, final costs were incurred in relation to the closure of the distribution centre totalling £13,000 (2025: £2,334,000). Prior year costs were in relation to property costs up to the date of sale, legal fees, further costs relating to vehicle and machinery hire and end of contract fees, building closure costs, and stock clearance costs.

Following the strategic review that took place in the prior year, the Society closed several loss making sites incurring costs of £850,000 (2025: £2,211,000). These include redundancy costs, strip out costs, stock write down, legal fees, and onerous lease and dilapidations provisions.

During the prior year, a full review of the pension contributions took place relating to colleagues that contributed to their pension scheme via salary sacrifice and earned close to the national living wage in which it was determined that the auto enrolment legislation was not adhered to. There were no such costs in the current year (2025: £150,000).

In May 2025, The Co-operative Group, a key supplier to the Society, suffered a significant cyberattack. As a precaution they turned off their warehouse system completely, which caused significant disruption in the delivery of the goods to the Society's retail stores. Due to this incident the Society incurred further costs of £3,234,000 (2025: £nil) beyond those incorporated in the insurance claim.

6. Exceptional Items continued

During the year, Chelmsford Star Co-operative transferred its engagements to the Society. Within the year work was also undertaken in regards to the transfer of engagement with The Midcounties Co-operative which took place after year end. Total costs associated with both transfers of engagements totalled £8,305,000 in the year. Within this total, £2,800,000 relates to redundancy costs, £4,000,000 relates to legal and professional fees, advisory and due diligence work, with the balance representing banking fees, personnel and other costs.

In the year the Society has an on going legal case in relation to a Mesothelioma claim from 1960s. £345,000 has been included to reflect the potential settlement claim and legal costs. (2025: £nil).

Onerous lease provisions totalling £nil (2025: £108,000) were reviewed and released as no longer required.

7. Interest and Dividends Receivable

Interest receivable reflects interest on cash balances. Dividend receivable reflects interest received on our shareholding with the Co-operative Group Limited.

	2026 52 weeks £'000	2025 52 weeks £'000
Interest receivable	3	340
Dividends receivable	107	107
	110	447

Co-operative Group Limited have not declared a dividend on the shareholding in FY26 (2025: £nil).

8. Interest Payable

This is the amount of interest the Group has paid on bank loans and for any assets purchased under finance lease agreements. It also includes interest charges in relation to the Group's pensions arrangements, accounting adjustments to unwind the discounting of provisions and the finance cost recognised on funeral plans.

	2026 52 weeks £'000	2025 52 weeks £'000
Interest payable on bank loans	2,966	2,944
Interest payable on finance leases	208	122
Interest unwind on the Central Asset Reserve	4,909	4,755
Unwinding of discounted provisions	574	271
Finance cost on funeral plans	7,522	7,718
	16,179	15,810

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

9. Payments To and on Behalf of Stakeholders

The Group returns some of the profits earned each year to its Members and colleagues as well as supporting other Co-operatives and organisations with a similar purpose through grants and donations.

	2026 52 weeks £'000	2025 52 weeks £'000
Member benefits	191	169
Membership & Community funding and other grants	628	502
Members' dividend	373	530
Total Member distributions	1,192	1,201
Co-operative Party	59	59
Community dividend	81	101
Employee dividend	403	615
	1,735	1,976

10. Taxation

This explains the adjustments which are made to the profits or losses to calculate the tax and deferred tax charge for the period. Deferred tax arises due to timing differences in accounting standards treatment and when tax amounts are physically paid over to the authorities.

	2026 52 weeks £'000	2025 52 weeks £'000
Current tax:		
Adjustment to tax charge in respect of prior periods	54	–
	54	–
Deferred taxation:		
Origination and reversal of timing differences	(7,124)	429
Adjustments in respect of prior periods	(347)	516
Total taxation	(7,471)	945

The applicable rate of tax applied to reported profit on ordinary activities is 25% (2025: 25%).

There is no expiry date on timing differences, unused tax losses or tax credits.

10. Taxation continued

Factors Affecting the Tax Charge for the Period

The tax assessed for the period is lower (2025: lower) than the effective rate of corporation tax in the UK of 25% (2025: 25%). The differences are explained below:

	2026 52 weeks £'000	2025 52 weeks £'000
(Loss)/profit before taxation	(28,454)	10,454
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2025: 25%)	(7,114)	2,614
Effects of:		
Fixed asset differences	8,781	(1,584)
Expenses not deductible for tax purposes	(95)	112
Income not taxable	(109)	(614)
Deferred tax on trading properties revaluations	(8,587)	–
Adjustment to current tax in respect of prior periods	(293)	516
Impact of changes in tax rates	–	(99)
Tax (credit)/charge for the period	(7,417)	945

Fixed Asset Differences

The accounting treatment of capital assets differs from the tax treatment. For accounting purposes an annual rate of depreciation is applied to capital assets and charged to the profit and loss account. For tax purposes the depreciation charge is added back and instead a tax capital allowance is claimed on assets qualifying for capital allowances, a relief provided by law.

Expenses Not Deductible for Tax

Some expenses incurred by the Society and included in its Annual Report are not allowable as a deduction against taxable income when calculating the Society's corporation tax liability. Examples of these include: entertaining, abortive project costs, lease surrender premiums and certain legal and professional fees.

Capital Allowance Full Expensing

From 1 April 2023, a 100% deduction is available when entities invest in qualifying assets and a 50% first year allowance is available on certain other assets.

Additional Deductible Expenditure

There are expenses which are not included within the income statement but are tax deductible for the Society. This includes an element of a discount unwind related to the Society's pension scheme and interest paid on the Society's shares. This movement is partly offset by the unwind of fair value movements following business combinations.

Adjustments related to prior period provisions

Adjustments to tax charges in earlier years arise because the current and deferred tax charge in the Annual Report are an estimate that is prepared before the detailed tax computations are required to be submitted to HMRC, which is 12 months after the year end. HMRC also have a period of time after the year end to raise queries on the tax returns submitted (ordinarily 12 months) and this may also result in a prior period adjustment.

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

11. Intangible Assets

An asset is something used by the Group to generate financial benefit. An intangible asset is an asset that cannot be physically touched, such as computer software.

	Software £'000	Goodwill £'000	Total £'000
Cost			
At 26 January 2025	17,773	67,539	85,312
Additions	47	–	47
Transfer of Engagement (note 25)	–	10	10
Disposals	(9)	(261)	(270)
At 24 January 2026	17,811	67,288	85,099
Accumulated amortisation			
At 26 January 2025	15,003	43,163	58,166
Provided this period	786	2,002	2,788
Impairment	–	67	67
Disposals	(9)	(261)	(270)
At 24 January 2026	15,780	44,971	60,751
Net book value			
At 24 January 2026	2,031	22,317	24,348
At 26 January 2025	2,770	24,376	27,146

In line with the Group's accounting policies, an impairment review of loss-making properties was performed during the period and gave rise to an impairment of £67,000 (2025: £nil) relating to intangible assets.

12. Tangible Assets

Tangible assets are used by the Group to generate financial benefit and include property, plant and equipment and vehicles.

Investment properties are those held by the Group for the purpose of generating rental income and not used by the Group for trading. Trade properties include the Group's retail sites, head office and funeral homes and are the sites that the Group trades from. All of the fixtures and fittings within these sites are included within plant and machinery. Transport includes vehicles used within the Group, or within the funeral business.

	Investment properties £'000	Trade properties £'000	Plant & machinery, fixtures & fittings £'000	Asset under construction £'000	Fleet vehicles and other transport £'000	Total £'000
Cost or valuation						
At 26 January 2025	130,367	240,439	261,475	–	7,850	640,131
Additions	332	7,447	14,208	315	–	22,302
Transfer of Engagements (note 25)	6,347	3,362	1,010	–	56	10,775
Transfer from trading properties	1,848	(12,636)	4,271	6,517	–	–
Disposals	(16,232)	(2,397)	(9,103)	–	(1,208)	(28,940)
Revaluation	4,516	(7,955)	–	–	–	(3,439)
At 24 January 2026	127,178	228,260	271,861	6,832	6,698	640,829
Accumulated depreciation						
At 26 January 2025	–	60,796	184,683	–	7,360	252,839
Provided this period	–	4,141	15,416	–	86	19,643
Impairment	–	–	1,346	–	–	1,346
Transfers	60	(61)	1	–	–	–
Disposals	–	(1,714)	(8,529)	–	(1,208)	(11,451)
Revaluation	(60)	(63,162)	–	–	–	(63,222)
At 24 January 2026	–	–	192,917	–	6,238	199,155
Net book value						
At 24 January 2026	127,178	228,260	78,944	6,832	460	441,674
At 26 January 2025	130,367	179,643	76,792	–	490	387,292

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

12. Tangible Assets continued

Colliers International, independent qualified valuers, (Simon Summerby-Bent BSc (Hons) MRICS and James Cubitt BSc (Hons) MRICS) have valued all investment properties as at 24 January 2026. Of the investment properties, one-fifth have been inspected and the remainder have been valued by Colliers International at 24 January 2026 based on information provided by the Group. The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (the 'RICS') Valuation – Professional Standards January 2014 (the 'Red Book').

These valuations have been incorporated into the Annual Report and the resulting revaluation adjustments have been taken to the income statement. The revaluations during the period resulted in a revaluation gain of £4,576,000 (2025: revaluation gain of £397,000).

During the year, the Society has changed its accounting policy on the valuation of trading properties. The properties are valued at market value rather than historical cost using the revaluation model under Section 17 of FRS102. The property valuations undertaken at the period end date were undertaken on a market valuation basis.

The trading properties have been valued on an individual basis. If an asset value has increased, the movement is taken straight to the revaluation reserve and is only recognised upon the disposal of the property. If the asset value has decreased, the losses are taken to the income statement where they do not reverse a previous revaluation gain.

Any leasehold improvements previously held within trade properties have been moved to plant and machinery, fixtures and fittings.

Had the Society chosen to stay with the historical cost basis, the net book value of the trading property sites would have been £184,000,000.

Valuation changes recognised in other comprehensive income are £75,334,000.

Tangible fixed assets with a carrying value of £46,514,000 (2025: £47,172,000) are pledged as security for the Group's bank loans.

Total assets in the course of construction amounts to £8,084,000 (2025: £11,760,000).

Assets under construction are not depreciated.

Any sites that are currently under development have now been classified as Assets under construction. Once complete, these assets will transfer to trading properties and depreciation will commence in the following month.

The Group does not capitalise borrowing costs connected to the purchase of a fixed asset. The cumulative value of finance costs previously capitalised and included within fixed assets (cost or valuation) amounts to £1,018,000 (2025: £1,026,000).

Included within fixed assets are assets with a net book value of £2,220,000 (2025: £2,390,000) relating to assets held under finance lease. Depreciation charged on these assets amounted to £169,000 (2025: £330,000) during the period.

12. Tangible Assets continued

Transfers arise to reflect the most appropriate class for each asset and include sites transferring from trade to investment and sites transferring from investment to trade.

In line with the Group's accounting policies, an impairment review of loss-making properties was performed during the period and gave rise to an impairment of £1,346,000 (2025: £205,000) including £67,000 (2025: £nil) relating to intangible assets. For the loss making units an onerous lease provision has been booked resulting in a charge of £1,083,000 (2025: £46,000).

Retail sites which have been operational for three years, have an asset base of over £100,000 and generate a negative contribution, after allocating a share of central overheads, were reviewed for impairment. Impairment losses were recorded on loss-making stores to reduce the carrying value of a trading unit to its recoverable value. The fair value of property assets was based on an assessment by independent qualified valuers. This is included within the income statement under impairment and onerous leases on fixed assets.

The Group holds a lease funding agreement for the rollout of solar panels on a selection of retail stores. The agreement is for a period of 7 years.

	2026 £'000	2025 £'000
Investment properties:		
Freehold	122,433	124,542
Leasehold	4,745	5,825
	127,178	130,367
Trade properties:		
Freehold	217,205	166,676
Leasehold	11,055	12,967
	228,260	179,643
Total properties:		
Freehold	339,638	291,218
Leasehold	15,800	18,792
	355,438	310,010

Included in the carrying values of land and buildings is £67,403,000 (2025: £61,797,000) relating to land which is not depreciated. These sites are now held at market value.

The historical cost of investment properties now included at valuation:

	2026 £'000	2025 £'000
Cost	131,315	139,353
Accumulated depreciation	(21,164)	(24,770)
Net book value	110,151	114,583

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

13. Investments

Investments include shares held in other businesses and investment of monies received for funeral pre-payment plans.

	2026 £'000	2025 £'000
The Co-operative Group Limited – shares	2,780	2,684
Other societies – shares	7	3
Companies – not quoted	7	7
Funeral plans	264,550	257,167
	267,344	259,861

The following analysis shows the movement in the year on investments held during the period ended 24 January 2026:

	Co-operative Group Limited £'000	Other Societies £'000	Unquoted shares £'000	Funeral plans £'000
Carrying amount				
At 26 January 2025	2,684	3	7	257,167
Additions	–	–	–	12,540
Transfer of Engagements (note 25)	96	4	–	–
Disposal and redemptions	–	–	–	(22,423)
Change in fair value	–	–	–	17,266
At 24 January 2026	2,780	7	7	264,550

14. Stocks

Stocks are goods purchased by the Group for resale to customers.

	2026 £'000	2025 £'000
Goods for resale	33,591	31,951

Included in the stock value is a provision for slow moving and obsolete stock of £900,000 (2025: £400,000).

15. Debtors

A debtor is an amount owed by a person or business that has received goods or services from the Group but has not yet paid for them.

	Due within one year	
	2026 £'000	2025 £'000
Trade debtors	5,247	7,052
Other debtors	19,750	16,495
Prepayments and accrued income	9,634	9,683
	34,631	33,230

Trade debtors are stated after a provision for impairment of £2,160,000 (2025: £2,152,000).

At the period end date the Society did not have a swap in place (2025: £12,000,000).

16. Creditors

Creditors are amounts owed by the Group to other parties. They are created when the Group carries out an activity, which results in a cost that will be settled at a later date.

	Due within one year		Due after one year	
	2026 £'000	Restated	2026 £'000	2025 £'000
		2025 £'000		
Trade creditors	65,377	59,998	–	–
Central Asset Reserve liability	7,976	7,975	55,870	59,179
Funeral plans	17,372	17,622	210,652	211,038
Taxation and social security	2,937	5,205	–	–
Other creditors	1,724	1,618	–	–
Accruals and deferred income	33,790	25,608	–	241
Payments to and on behalf of stakeholders	3,420	2,953	–	–
	132,596	120,979	266,522	270,458

Restated prior year reflects an update to trade creditors from a system legacy correction (note 29).

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

17. Borrowings

This represents the total cost that the Group will have to pay in the future for the amounts borrowed in respect of its bank loan and for settlement of its finance leases.

	Within one year		After one year	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Bank loan	39,000	–	–	35,000
Finance lease obligations (note 22)	602	446	1,851	1,932
	39,602	446	1,851	36,932

Interest payable on the bank loan for the 52 weeks ended 24 January 2026 was £2,966,000 (2025: £2,944,000). Interest payable on finance lease obligations was £208,000 (2025: £122,000).

The bank loan was repaid on the 26 January 2026.

	2026 £'000	2025 £'000
Borrowings falling due:		
Within one year	39,602	446
Between one and two years	714	517
Between two and five years	1,137	36,185
Over five years	–	230
	41,453	37,378

The Society's bank loan is a revolving credit facility of £60,000,000 which is made up of £50,000,000 loan and £10,000,000 overdraft (2025: £50,000,000 loan, £10,000,000 overdraft) which is repayable on 23 November 2027. £39,000,000 (2025: £35,000,000) of the facility was drawn down at the year end. The facility has two financial covenants: interest cover and leverage ratio, neither of which have been breached during the current or prior year. The interest rate incurred on the loan is driven by the outcome of the leverage ratio, which is calculated on a quarterly basis.

The Society entered into a new bank loan agreement on 26 January 2026 following the transfer of engagement with The Midcounties Co-operative. The bank loan in existence at the balance sheet date was repaid on this day. The new facility, a revolving credit facility of £162,500,000 is made up of a loan of £132,500,000 and a £30,000,000 overdraft with carve outs for guarantees of £6,400,000.

18. Provisions for Liabilities

Provisions represent the Group's estimate of the cost of a future liability.

	Deferred Tax Liability £'000	Onerous leases £'000	Other provisions £'000	Total £'000
As at 26 January 2025	1,890	3,228	2,609	7,727
New provisions created in the period	1,592	1,855	516	3,963
Transfer of Engagement (note 25)	–	1,699	1,412	3,111
Utilised this period	–	(1,031)	(1,090)	(2,121)
Released this period	–	(14)	(667)	(681)
As at 24 January 2026	3,482	5,737	2,780	11,999

The onerous lease provision represents an assessment of the costs to cover rent and rates for leasehold premises where the Group is committed to future rental payments on properties that are in excess of incomes receivable, taking account of the anticipated period until the leases are assigned or reassigned. The assessment, which is undertaken at the end of each accounting period, is made on a property by property basis. The provision is expected to be utilised within the next 11 years (2025: 6 years).

Other provisions represent an assessment of costs associated with the decommissioning of petrol filling stations of £296,000 (2025: £332,000), property provisions of £1,377,000 (2025: £2,147,000), provisions relating to the transfer of engagements for Chelmsford Star of £1,107,000 (2025: £nil) and other provisions of £nil (2025: £130,000).

19. Employee benefits

Defined Benefit Pension Scheme

The Society operates two defined benefit pension arrangements; the Central England Co-operative Limited Pension Scheme and the Chelmsford Star Co-Operative Pension Scheme. The Schemes provide benefits based on final salary and length of service on retirement, leaving service or death. The value of these benefits (the 'liabilities') is currently significantly more than the value of the Scheme assets.

The Group currently operates two defined benefit pension schemes, the Central England Co-operative Society Limited Pension Scheme which is closed to future accrual and new entrants and The Chelmsford Star Co-operative Society Limited Employees' Superannuation Fund, this scheme is not closed to future accrual but is closed to new entrants.

The assets of the Chelmsford Pension Scheme have not been recognised. The Directors do not believe that the Society has an unconditional right to access any assets of the pension fund in the future and, accordingly, no asset has been recognised in the financial statements.

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

19. Employee benefits continued

Central England Co-operative Pension Scheme

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process, the Society must agree with the Trustees of the Scheme the contributions to be paid to meet any shortfall against the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 December 2023 and the next valuation of the Scheme is due as at 31 December 2026. In the event that the valuation reveals a larger deficit than expected, the Society may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it's possible that contributions may be reduced.

The Society implemented a pension deficit reduction arrangement (Central Asset Reserve) which has resulted in additional Scheme assets of £63,242,000 (2025: £64,909,000) being recognised. The Scheme assets are underpinned by way of subordinated pledges given by Central Midlands Estates Limited, a subsidiary of the Society.

The Society is not expected to pay deficit reductions contributions in the year to 23 January 2027, as stated in the Schedule of Contributions corresponding to the 31 December 2023 valuation. However, during the year to 23 January 2027, contributions to the Scheme will be paid from the Central Asset Reserve (CAR). 31% of the CAR contributions are deemed as contributions whilst 69% is treated as investment returns. Therefore, the Society expects a further £3,900,000 of contributions from the CAR into the Scheme during the year.

The Scheme is managed by a Corporate Trustee with Directors appointed in part by the Society and in part from elections by Members of the Scheme. The Trustee has responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustee delegates some of these functions to professional advisors where appropriate.

There were no Scheme amendments, curtailments, or settlements during the year.

A requirement of FRS102 is to include the value of all insurance policies and the related obligations held covering pensions in payment. However, where the insurance policy (annuities) exactly matches the related obligation they have been excluded from the gross disclosures since this information is not readily available and its inclusion would have a neutral effect on the overall FRS102 financial position.

Summary of pension Scheme balance sheet position as at January 2026:

	2026 £'000	2025 £'000
Central England Co-operative Limited	(22,538)	(25,837)
Chelmsford Star Co-operative Limited	1,512	-
Less fair value adjustment (note 25)	(1,512)	-
	(22,538)	(25,837)

19. Employee benefits continued

Central England Co-operative Pension Scheme

The following amounts are recognised in the balance sheet:

	2026 £'000	2025 £'000
Fair value of assets	460,750	469,220
Present value of funded obligations	(483,288)	(495,057)
Deficit in the scheme	(22,538)	(25,837)

The following amounts are recognised in the income statement:

	2026 52 weeks £'000	2025 52 weeks £'000
Administration cost	1,105	1,105
Interest on liabilities	27,349	26,790
Interest on assets	(25,948)	(24,752)
Other finance cost	2,506	3,143

The remeasurements over the period are as follows:

	2026 52 weeks £'000	2025 52 weeks £'000
Loss on scheme assets in excess of interest	5,879	28,446
Experience loss/(gain) on liabilities	4,162	(18,381)
(Gain)/loss from changes to demographic assumptions	(2,075)	3,851
Gain from changes to financial assumptions	(10,079)	(27,477)
Total remeasurement	(2,113)	(13,561)

The movement in the balance sheet over the period was:

	2026 52 weeks £'000	2025 52 weeks £'000
Deficit at the start of the period	(25,837)	(42,485)
Other finance costs	(2,506)	(3,143)
Society contributions	3,692	6,230
Total remeasurements	2,113	13,561
Deficit at the end of the period	(22,538)	(25,837)

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

19. Employee benefits continued

The movement in the assets over the period was:

	2026 52 weeks £'000	2025 52 weeks £'000
Opening fair value of scheme assets	469,220	497,292
Interest on assets	25,948	24,752
Society contributions	3,692	6,230
Benefits paid	(31,126)	(29,503)
Administrative costs	(1,105)	(1,105)
Loss on assets less interest	(5,879)	(28,446)
	460,750	469,220

The major categories of assets as a percentage of total assets are as follows:

	2026	2025
LDI ¹	38%	35%
Debt	7%	9%
Property & Infrastructure	16%	19%
Cash/Cash Equivalents	2%	6%
Other	37%	31%
	100%	100%

1 Inclusive of bonds at 118% and repurchase agreements at -80% (2025: bonds at 109% and repurchase agreements at -74%).

The amounts do not include the Central Asset Reserve asset. They explicitly relate to the scheme invested assets.

The actual return on the Scheme's assets over the period to the review date, net of investment expenses but including the Central Asset Reserve, was a gain of £19,898,000. (2025: loss of £3,694,000) which corresponds to a 4.3% (2025: -5.0%) return over the period. The return reflects investment performance before benefit payments and other outflows, which have resulted in an overall decrease in scheme assets.

The assets do not include any investment in shares of the Society.

19. Employee benefits continued

The movement in the defined benefit obligation over the period was:

	2026 52 weeks £'000	2025 52 weeks £'000
Opening obligation	495,057	539,777
Interest cost	27,349	26,790
Benefits paid	(31,126)	(29,503)
Experience loss/(gain) on defined benefit obligation	4,162	(18,381)
Changes to demographic assumptions	(2,075)	3,851
Changes to financial assumptions	(10,079)	(27,477)
Closing obligation	483,288	495,057

The principal assumptions used to calculate the Scheme's liabilities include:

Financial assumptions	2026	2025
Discount rate – per annum	5.70%	5.70%
Inflation assumption (RPI) – per annum	3.30%	3.50%
Inflation assumption (CPI) – per annum	2.85%	3.00%
RPI max 5.0% pension increases in payment – per annum	3.15%	3.35%
RPI max 2.5% pension increases in payment – per annum	2.25%	2.30%
CPI max 3.0% pension increases in payment – per annum	2.30%	2.40%
Members assumed to take maximum tax free cash	90%	90%
Increase for post PIE (CPI max 5%)	2.75%	2.90%
Increase for post PIE (CPI max 2.5%)	2.10%	2.15%

Revaluation in deferment is based on the relevant inflation assumption and subject to relevant caps.

Mortality assumptions

The mortality assumptions used are based on 95% of the S4PA_H tables for males and 110% of the S4PA_H tables for females (2025: 95% of the S3PA_H tables for males and 110% of the S3PA_H tables for females) with an allowance for future mortality improvements using the CMI 2024 projections with a long-term rate of improvement of 1.25% per annum in both the current and prior year. The initial addition is 0.00% per annum (2025: 0.00% per annum). The Central Asset Reserve asset value is assumed to be 69% of Trustees' valuation as at 31 December 2025, adjusted for significant changes to 24 January 2026 (2025: 69% of Trustees' valuation as at 31 December 2024).

Under the adopted mortality tables, the future life expectancy at age 65 is as follows:

	2026	2025
Male currently age 45	21.3	21.0
Female currently age 45	23.9	23.8
Male currently age 65	20.0	19.6
Female currently age 65	22.4	22.3

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

19. Employee benefits continued

Chelmsford Star Superannuation Fund

On 15 September 2025, Chelmsford Star Co-operative Society Limited transferred its engagements to Central England Co-operative Limited.

The actuarial estimates of liabilities as at the period end date for Chelmsford Star Co-operative Society Limited have been carried out by an actuary. The numbers provided have been prepared in accordance with generally accepted actuarial principles and procedures.

The cost relating to the defined benefit plans for the year end January 2026 includes no charges/credits due to special events. There were no changes in fund provisions since the previous reporting period. There have been no changes to the actuarial methods or accounting policies since the prior year end valuation. The scheme is still open to future accrual but closed to new entrants.

The balance of the Trustee bank account as at 24 January 2026 was £226,964.

The movement in the balance sheet over the period was:

	24-Jan-26 £'000	14-Sep-25 £'000
Opening balance	13,033	13,954
Cost:		
Change arising from employee service in reporting period	26	59
Interest expense	274	471
Benefit payments from plan assets	(369)	(618)
Participant contributions	20	38
Remeasurements:		
Effects of changes in assumptions	606	(1,058)
Effects of experience adjustments	(61)	187
Defined benefit obligation at end of the year	13,529	13,033

	24-Jan-26 £'000	14-Sep-25 £'000
Opening fair value of scheme assets	14,546	14,897
Interest income	307	504
Employer contributions	20	38
Participant contributions	20	38
Benefit payments from plan assets	(369)	(618)
Return on plan assets (excluding interest income)	690	(313)
Fair value of plan assets at end of the year	15,214	14,546

19. Employee benefits continued

The following amounts are recognised in the balance sheet:

	24-Jan-26 £'000	14-Sep-25 £'000
Fair value of plan assets	15,214	14,546
Defined benefit obligation	(13,529)	(13,033)
Net defined benefit asset after reimbursement rights	1,685	1,513
Surplus not recognised as per FRS102	(1,685)	(1,513)
Total amount recognised	–	–

	24-Jan-26 £'000	14-Sep-25 £'000
Opening balance	(1,513)	(943)
Costs relating to defined benefit plans income in the income statement	(7)	26
Total remeasurements included in other comprehensive income	(145)	(558)
Employer contributions	(20)	(38)
Net defined benefit surplus at end of the year	(1,685)	(1,513)

	24-Jan-26 £'000	14-Sep-25 £'000
Costs relating to defined benefit plans		
Change arising from employee service in reporting period	26	59
Total cost	26	59
Interest expense on defined benefit obligations	274	471
Interest income on plan assets	(307)	(504)
Total net interest cost	(33)	(33)
Costs relating to defined benefit plans included in the income statement	(7)	26
Remeasurements:		
Effects of changes in assumptions	606	(1,058)
Effects of experience adjustments	(61)	187
(Return)/loss on plan assets (excluding interest income)	(690)	313
Total remeasurements included in other comprehensive income	(145)	(558)
Total cost related to defined benefit plans recognised in the income statement and other comprehensive income	(152)	(532)

	24-Jan-26 £'000	14-Sep-25 £'000
Defined benefit obligations by participant status		
Actives	2,665	2,473
Vested deferreds	4,113	3,872
Retirees	6,751	6,688
Total	13,529	13,033

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

19. Employee benefits continued

	24-Jan-26	14-Sep-25
Plan assets	£'000	£'000
Cash and cash equivalents	226	133
Equity instruments	3,630	3,462
Debt instruments	6,500	6,512
Other	4,858	4,439
	15,214	14,546

	24-Jan-26	14-Sep-25
	£'000	£'000
Actual return on plan assets	997	191

Significant actuarial assumptions

Weighted average assumptions to determine defined benefit obligation:

	24-Jan-26	14-Sep-25
Financial assumptions	£'000	£'000
Discount rate	5.70%	5.90%
Duration used to set discount rate (in years)	11.00	12.00
Pensions in payment increase rate	3.30%	2.85%
Deferred pension increase rate	3.30%	3.00%
Price inflation rate	3.30%	3.00%
Assumed life expectancy on retirement at age 65		
Male retiring today (member age 65)	22.0	22.0
Male retiring in 20 years (member age 45 today)	23.4	23.3
Female retiring today (member age 65)	24.0	23.9
Female retiring in 20 years (member age 45 today)	25.4	25.4

Weighted average assumptions to costs relating to defined benefit plans:

	24-Jan-26	14-Sep-25
Financial assumptions	£'000	£'000
Discount rate	5.90%	5.40%
Pensions in payment increase rate	2.85%	3.10%
Deferred pension increase rate	3.00%	3.30%
Price inflation rate	3.00%	3.30%
Assumed life expectancy on retirement at age 65		
Male retiring today (member age 65)	22.0	21.8
Male retiring in 20 years (member age 45 today)	23.3	23.1
Female retiring today (member age 65)	23.9	23.9
Female retiring in 20 years (member age 45 today)	25.4	25.4

19. Employee benefits continued

The principal assumptions used to calculate the Scheme's liabilities include:

Financial assumptions	24-Jan-26 £'000	14-Sep-25 £'000
Discount rate - per annum	5.70%	5.70%
RPI Inflation	3.30%	3.50%
Deferred pension revaluation – RPI max 5%	3.30%	3.00%
Pension increases – RPI max 5%	3.10%	3.35%
Pension increases – RPI max 2.5%	2.10%	2.30%

Mortality assumptions

The mortality assumptions used are based on 95% of the S4PMA tables for males, no age rating. 95% of S4PFA_M tables for females, no age rating.

CMI 2024 model based on underlying rates (i.e. without the overlay) with core parameters and a long term improvement rate of 1.25% p.a. for males and females.

A potentially landmark judgement in the High Court case of Virgin Media vs NTL Trustees was handed down on 16 June 2023. The Court of Appeal dismissed an appeal to this judgement on 25 July 2024. On 1 September 2025 draft legislation was published by the UK Government to allow for retrospective validation of any issues arising from this case which is expected to result in no increase to the pension liabilities. In order to ascertain whether there is an impact on the Society's scheme, it would be necessary to undertake a legal review of historic changes to the Trust Deed and Rules. Such a review will take significant time and incur significant cost and therefore whilst initial enquiries have been made the approach currently being taken is to await the introduction of the legislation allowing retrospective validation of any relevant issues. In the absence of further information at this time, the disclosures have been calculated assuming that this ruling will not affect the Scheme's benefits.

Defined Contribution Scheme

The Group also operates a defined contribution scheme.

The contributions payable to the defined contribution scheme in respect of the accounting period are charged to the income statement, which amounted to £5,919,000 (2025: £6,381,000).

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

20. Share Capital

This section contains information about share capital which is money invested by Members into their share accounts.

	2026 52 weeks £'000	2025 52 weeks £'000
Contributions	247	249
Withdrawals	(2,362)	(679)
	(2,115)	(430)
Interest	426	391
Transfer of Engagement (note 25)	7,852	–
Movement in period	6,163	(39)
Opening balance	22,108	22,147
Closing balance	28,271	22,108

At 24 January 2026, the Society had a total of 2,225,929 (2025:1,942,982) Members each entitled to one vote. The total number of Members, including those who are not eligible to vote, at the reporting date was 2,559,639 (2025: 2,278,023). At the reporting date the whole of the share capital comprises non-equity shares of £1 each, attracting interest at rates between 0.0% and 4.0% (2025: between 0.0% and 4.0%).

On transfer of engagement Chelmsford Star Society Limited became Members of the Central England Society Limited.

Share capital is generally withdrawable on demand; however, in accordance with the Society rules, the Board may suspend the right of withdrawal for a limited time and may impose a notice period for withdrawals should they consider it to be in the best interests of the Society. The Society rules for the distribution of the final surplus in the event of winding-up after repayment of the paid-up, share capital state that such assets shall not be paid to or distributed among the Members of the Society but shall be:

- a. transferred to one or more other societies in membership of the Co-operatives UK Limited having the same or similar rule provisions as regards to a surplus distribution, as may be determined by the Members at an ordinary or special meeting; or
- b. if not so transferred shall be paid or transferred to the Co-operatives UK Limited.

Dividends to Members are paid by way of e-dividend redeemable against purchases.

The Group operates a Share Incentive Plan (SIP) to benefit colleagues. Colleagues can invest a proportion of their salary which may not exceed the lower of £1,800 or 10% of a colleague's pay, on which they earn a return of 2.25% in that period. Interest earned is recognised in the share capital note. Shares withdrawn after a five-year period are paid free of income tax and national insurance.

The Society is allowed to allocate matching shares under rules governed by HMRC. As an incentive to colleagues to join and remain in the SIP, the Society will match the first £10 paid in by each colleague for the purchase of partnership shares in the first year of the scheme

20. Share Capital continued

by awarding £10 in matching shares. Each year colleagues who continue to contribute will receive a further £10 in matching shares for the first £10 of partnership shares acquired in later years. A year for the purposes of matching shares will be the Society's financial year.

As long as the matching shares are held for at least five years, they can be redeemed with the Society free of income tax and national insurance contributions. If they are redeemed before this date, income tax and national insurance contributions will normally be payable. The issue of matching shares is discretionary. The Society therefore reserves the right to amend or withdraw the issuing of matching shares at its discretion.

21. Cash Flow Statement

This is the analysis of the total cash flow earned from the Group's operating activities.

	2026 52 weeks £'000	2025 52 weeks £'000
(Loss)/profit for the financial period	(21,037)	9,509
Adjustments for:		
Loss on financial assets at fair value	–	469
Fair value movement on trading properties	20,125	–
Net interest expense	11,053	10,788
Payments to and on behalf of stakeholders	1,735	1,976
Taxation	(7,417)	945
Operating profit	4,459	23,687
Adjustments for:		
Profit on revaluation of investment properties	(4,576)	(397)
Profit on disposal of fixed assets and businesses	(3,176)	(6,002)
Depreciation and impairments	20,989	22,190
Amortisation and impairment of goodwill	2,855	3,283
Payments to and on behalf of stakeholders	(2,124)	(2,229)
Fair value movements	–	(469)
Net movement on funeral plan asset and liability	(7,400)	(12,088)
Taxation	–	(1)
Decrease in debtors	1,665	2,874
Increase/(decrease) in creditors	3,110	(3,333)
Decrease in stocks	663	5,232
Decrease in provisions	(22)	(8,818)
Other non-cash movements	(569)	(177)
Net cash generated from operating activities before pension deficit funding	15,874	23,752
Pension deficit funding	(11,977)	(14,213)
Net cash generated from operating activities after pension deficit funding	3,897	9,539

As at 24 January 2026, the Group had a net debt position of £36,116,000 (2025: £30,779,000).

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

21. Cash Flow Statement continued

	2026 £'000	2025 £'000
Cash at bank and in hand	5,337	6,599
Debt due within one year	(39,000)	–
Debt due after one year	–	(35,000)
Net debt excluding lease liabilities	(33,663)	(28,401)
Lease liabilities	(2,453)	(2,378)
Net debt	(36,116)	(30,779)

Analysis of changes in net debt

	Cash at bank and in hand £'000	Debt due within one year £'000	Lease liabilities £'000	Total £'000
At 26 January 2025	6,599	(35,000)	(2,378)	(30,779)
Cashflows	(1,560)	(4,000)	474	(5,086)
Transfer of Engagements (note 25)	298	–	(549)	(251)
At 24 January 2026	5,337	(39,000)	(2,453)	(36,116)

22. Financial Commitments

Finance Leases

A finance lease is where the Group will either own the asset at the end of the lease payments or that the lease is substantially for the whole of the life of the asset.

The minimum finance lease payments to which the Society is committed in future years are:

	2026 £'000	2025 £'000
Within one year	602	446
In the second to fifth year inclusive	1,851	1,702
Over five years	–	230
	2,453	2,378

Obligations under finance leases are shown as part of borrowings in note 17.

22. Financial Commitments continued

Operating Leases – Receivable

These leases are termed as operating since they generally have shorter terms and the Group does not lease the asset for the whole of its life.

The future minimum operating lease payments to the Group under non-cancellable leases are:

	Land & Building 2026 £'000	Land & Building 2025 £'000
Operating leases expiring:		
Within one year	7,500	7,597
In the second to fifth year inclusive	14,672	14,978
Over five years	10,759	8,943
	32,931	31,518

Operating Leases – Payable

This is where rent is paid by the Group to use an asset it does not own such as a property or equipment.

The minimum operating lease payments to which the Group is committed in future years are:

	Land & Building 2026 £'000	Land & Building 2025 £'000	Other 2026 £'000	Other 2025 £'000
Operating leases expiring:				
Within one year	8,947	8,098	3,787	3,629
In the second to fifth year inclusive	26,273	24,211	9,253	11,181
Over five years	28,745	27,587	1,604	2,508
	63,965	59,896	14,644	17,318

Included within the minimum operating lease payments are onerous lease and discontinued operation commitments of £6,620,000 (2025: £6,057,000) which are fully provided for as described in note 18.

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

22. Financial Commitments continued

Capital Commitments

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

Amounts contracted for but not provided for in the annual report were £21,084,000 (2025: £18,152,000).

23. Deferred Taxation

Deferred tax liability	2026	2025
	£'000	£'000
Accelerated capital allowances	(2,570)	543
Capital gains	5,537	1,484
Pensions	2,510	1,150
Unutilised losses	(1,556)	(1,563)
Other timing differences	(439)	276
	3,482	1,890

All deferred tax losses are expected to be reversed within five years.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group has applied the exception allowed by an amendment to IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

24. Subsidiaries and Associates

These are separate legal entities that are wholly owned, managed and controlled by the Society.

Entity	% of equity owned	Principal activity
Central Midlands Estates Limited	100	Property Management
Terry Smith Limited	100	Coffin Manufacturer
Oakwell Stores Society Limited	100	Corporate Trustee
Midlands Co-op Scottish Limited Partnership	77	Investment in Corporate Bonds
Midlands Co-op General Partner Limited	100	Partnership Administration
Advantage Motor Group Limited	100	Non-Trading
Metro Discount Stores (Midlands) Limited	100	Non-Trading
Anglia Co-operative Properties Limited	100	Property Management
Central England Co-op Pension Trustee Limited	100	Dormant
CEC Optical Limited (formerly Westgate Optical Limited)	100	Non-Trading
Yaxley Farm Limited ¹	100	Non-Trading
Central England Dersingham Limited ¹	100	Non-Trading
James Retail Holdings Limited	100	Non-Trading
More Thought For Food Limited	100	Non-Trading
Central England Co-operative Funeral Plans Limited	100	Funeral plan provider
Chelmsford Star Holdings Limited	100	Dormant

1 Held wholly or partly by subsidiary undertaking.

All subsidiaries are registered within the United Kingdom. The registered address for the above entities with the exception of Midlands Co-op Scottish Limited Partnership and Midlands Co-op General Partner Limited is Central Co-op Support Centre, Queen Street, Lichfield, Staffordshire WS13 6QS. The registered address for Midlands Co-op Scottish Limited Partnership and Midlands Co-op General Partner Limited is Citypoint, 65 Haymarket Terrace, Edinburgh EH12 5HD.

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

24. Subsidiaries and Associates continued

Subsidiary Audit Exemptions

Central England Co-operative Limited has issued guarantees over the liabilities of the following companies at 24 January 2026 under section 479 of Companies Act 2006 and these entities are exempt from the requirements of the Act relating to the audit of individual annual reports by virtue of section 479A of the Act.

Company name	Company number
Terry Smith Limited	02095147
Midlands Co-op General Partner Limited	SC410710
Advantage Motor Group Limited	05800376
CEC Optical Limited (formerly Westgate Optical Limited)	07526437
Yaxley Farm Limited	02553217
Central England Dersingham Limited	04827499
James Retail Holdings Limited	09613820
More Thought For Food Limited	06029567
Chelmsford Star Holdings Limited	IP29614R

25. Transfer of Engagement and Business Combinations

When another Society transfers its engagements to Central England Co-operative, it transfers all of its assets and liabilities at the date of transfer and these are detailed in this section.

On 15 September 2025, Chelmsford Star Co-operative Society Limited transferred its engagements to Central England Co-operative Limited. The fair value of the total consideration was £nil.

25. Transfer of Engagement and Business Combinations continued

The following table sets out the book value and fair value of identifiable assets and liabilities:

	Book value £'000	Fair value adjustments £'000	Total £'000
Fixed assets			
Tangible assets	13,778	(3,003)	10,775
Intangibles	54	(44)	10
Investments	100	–	100
Current assets			
Stocks	2,712	(543)	2,169
Debtors	4,290	(5)	4,285
Cash at bank and in hand	298	–	298
Creditors			
Amounts falling due within one year:			
Creditors	(9,609)	261	(9,348)
Borrowings	(1,266)	–	(1,266)
Amounts falling due after one year:			
Creditors	(39)	–	(39)
Borrowings	(313)	–	(313)
Provisions	(121)	(2,990)	(3,111)
Net pension surplus	1,512	(1,512)	–
Net Assets	11,396	(7,836)	3,560
Capital and Reserves			
Share Capital	7,852	–	7,852
Revenue reserve	3,544	(7,836)	(4,292)
Members' fund acquired	11,396	(7,836)	3,560

Book values have been aligned to estimated fair value at the date of transfer. The trading and investment properties transferred were subject to independent valuation by a suitably qualified valuer and are recognised at open market value (see note 12). The pension scheme asset has been derecognised for the reasons set out on note 19.

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

26. Related Party Transactions

These are transactions between the Society and individuals, organisations or other parties who are connected to the Society.

There have been no related party transactions requiring disclosure identified in the current or prior period.

27. Financial Instruments

This section details the value of the Group's financial assets and liabilities recorded in the annual report. This is either cost (i.e. the transaction value) or fair value (i.e. its value in the market) at the balance sheet date.

The carrying value of the Group's financial assets and liabilities are summarised by category below:

	2026 £'000	2025 £'000
Financial assets measured at fair value through profit or loss		
Unquoted investments	7	7
Interest rate swap	–	1
Funeral plans	264,550	257,167
Financial assets measured at amortised cost		
Trade debtors and other debtors	24,997	23,547
Equity instruments measured at cost less impairment		
Fixed asset investments	2,787	2,687
Total financial assets	292,341	283,409

Credit Risk

Funeral plans are invested in whole-of-life insurance policies which pay out a lump sum when the insured person dies. The provider of these policies to the Group must be authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

27. Financial Instruments continued

	2026 52 weeks £'000	Restated 2025 52 weeks £'000
Financial liabilities - Deferred income		
Funeral plans	228,024	228,660
Financial liabilities measured at amortised cost		
Finance lease payables	2,453	2,378
Bank loan	39,000	35,000
Trade creditors and other creditors	73,458	69,774
Total Financial Liabilities	342,935	335,812

The Group's income, expenses, gains and losses in respect of financial instruments are summarised below:

	2026 52 weeks £'000	2025 52 weeks £'000
Fair value loss	–	(469)
Interest expense	(3,175)	(3,062)

In the current year there is no year end swap in place (2025: SONIA floating rate).

Interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure, resulting from variable interest rates on borrowings. The hedge cash flows are expected to occur and to affect the profit or loss over the period to maturity of the interest rate swap.

28. Discontinued Operations

The Society closed the Distribution Centre operations on 12 April 2024 and joined the LIDIA distribution network. In the prior year the Society subsequently sold assets that were no longer required by the business. No such activity has occurred in the current year.

	2026 £'000	2025 £'000
Cash proceeds	–	5,093
Net assets disposed of:		
Tangible fixed assets	–	(1,056)
Vehicles	–	(67)
Stocks	–	(465)
	–	3,505
Less: Cost to dispose	–	(53)
Profit on disposal before tax	–	3,452

Notes to the Annual Report

For the 52 weeks ended 24 January 2026

28. Discontinued Operations continued

In the prior year, included in non-underlying operations the following relates to discontinued operations:

	2025
	£'000
Turnover	1,720
Cost of sales	(1,097)
Gross profit	623
Administrative expenses	(805)
Trading loss	(182)
Profit on disposal of fixed assets and businesses	3,452
Exceptional items	(2,334)
Operating profit	936
Taxation	(234)
Retained profit for the financial period	702

The net inflow of cash in respect to the disposal of assets related to Distribution Centre operations is as follows:

	2026	2025
	£'000	£'000
Cash consideration	–	5,093
Cost to dispose	–	(53)
Net inflow of cash	–	5,040

29. Prior year adjustment

During the year the Society identified a system legacy issue related to previous years and the opening reserves position has been adjusted as necessary.

Impact on financial year ended 25 January 2025

Income statement:

No impact as the issue was identified and sufficiently provided for within the year.

Balance sheet:

Creditors have increased and retained earnings have been reduced by £8,500,000.

Impact on opening position at 27 January 2024

Balance sheet:

Creditors have increased and retained earnings have been reduced by £8,500,000.

There is a degree of uncertainty in the aging of a small portion of the adjustment but management are comfortable that it is materially correct to recognise the entire amount as an adjustment to opening reserves at the beginning of the comparative period.

30. Post Balance Sheet Events

On the 26 January 2026 the Society entered into a transfer of engagement with The Midcounties Co-operative and together created a new Society that is built on shared values, purpose and co-operative principles.

This represents a combination of similar sized entities and the enlarged business will continue within this legal entity. Details of The Midcounties Co-operative financial information may be found on the website.

On 26 January 2026, the newly created Society entered into a new revolving credit facility for the next three and a half years. For more details please see Borrowings note 17.

Statutory financial accounts for The Midcounties Co-operative for its 2025 financial year are available online at the link below:

[Midcounties - Reports](#)



The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.

Our
COOP

Food **COOP**

Travel **COOP**

Funeral **COOP**

Broadband **COOP**

Energy **COOP**
powered by octopus energy

Mobile **COOP**

Little
Pioneers
nursery **COOP**



Registered Office:

Central House, Queen Street, Lichfield, Staffordshire, WS13 6QD

Registered Society under the Co-operative and Community
Benefit Societies Act 2014

Registered No 10143R

Scan the QR
code to find
out more about
our family of
businesses

