

**The Midcounties Co-operative Limited
Minutes of the Annual General Meeting of Members
held at Walsall Football Club, Bescot Stadium, WS1 4SA and online**

11 May 2024 at 10.00a.m.

Directors present:

**Heather Richardson, President
Vivian Woodell, Vice-President
Irene Kirkman, Vice-President
Ellie Boyle
Bernadette Connor
Amanda Davis
Evelyne Godfrey
Harvey Griffiths
Stephen Hawksworth
Matt Lane
Paul Mather
Nick Milton
Barbara Rainford
Fiona Ravenscroft
Helen Wiseman**

Apologies from directors:

Vicky Green

Society Officers present:

**Phil Ponsonby, Group Chief Executive Officer
Edward Parker, Secretary & Head of Governance
The Executive Team**

248 in person and 26 online members attending (including Directors and Officers) and 11 guests

24/01 Welcome and preliminaries

Heather Richardson welcomed members to the meeting. The AGM formed part of the Fairer Living Festival and those attending in person were encouraged to enjoy the events and activities scheduled through the day. She ran through the agenda of the meeting and introduced the Board, MEC and Executive Team members.

24/02 CEO Update – the year in review

Phil Ponsonby presented an overview of the Society's results and performance for the year under the five headings of the Society's strategic TRUST Pillars – Thriving Co-operative, Remarkable colleagues, Uniquely engaged members, Sustainable impact, and Thought-leading pioneers.

Thriving Co-operative – key highlights included operating profit before significant items had more than doubled; food sales had increased by 7.1%; member trade had increased by 37%; and Travel revenue was up by 15%. The Society had strong commercial partnerships and over 170 local suppliers in Food.

Peter Kelly, Chief Finance Officer, presented the financial results for the 2023/24 year. The Society's gross sales for the year had increased to £1.47bn; operating profit had also increased; net debt had increased but remained within existing loan arrangements; operating profit before significant items had increased to £9.5m. He highlighted continued investment across the Society's businesses and capital investment for the year had been £15.4m, including £2.2m on new sites in Childcare; £3m on five new stores in Food; £3.6m on investment to reduce energy spend; and £1.1m on technology in stores including electronic shelf edge labels.

Pete Westall, Chief Values Officer, presented the Society's non-financial performance for the 2023/24 year. The presentation set out the 16 steering wheel measures under the headings of co-operation, people, customers, and delivery. He highlighted that ten measures had improved, two remained the same, three were new measures, and one measure, employer of choice, had worsened slightly due to changes that had impacted some colleagues.

Phil Ponsonby recapped on the five new Food stores and two Childcare nurseries built in 2023 and the further planned investment in additional sites and continued investment in digital and innovation, including the new Coop Holidays transactional website offering sustainable holidays; electronic shelf edge labelling would be in place across all Food stores by the end of July; the new “play now, pay later” funding option to parents in Childcare; and sales of the Fairphone 5 handset.

Remarkable colleagues – highlights included the appointment of Michelle Cemm, Chief People Officer; 38 apprenticeship colleagues had graduated in 2023; the launch of the Thrive future leaders group; the new inclusion allies network; colleague satisfaction had reached 79%; colleague volunteer hours had increased to 21,000 hours; 159 colleagues had reached 20 years’ service or more; colleague discounts totaled £3.7m up from £2.4m last year.

Phil Ponsonby was joined by Michelle Whitehead, Food retail colleague, to discuss her campaigning on behalf of the Society and Usdaw to help secure a change in legislation to tackle retail crime and the Society’s investments in safer stores to help protect colleagues.

Uniquely engaged members – highlights included campaigning on matters that members care about, including increased retail crime and violent incidents; 13,000 signatures had been received to support a change in the law; there had been increased engagement with young members; member research had identified that members wanted to help their local communities; member offers had increased with £2.8m being saved by members in Food since September 2023; and member trade had increased to 37%.

Sustainable impact – highlights included the inclusion of sustainability targets in banking arrangements which had been met; the investment of £8m in energy efficiency programme, reduced energy usage by 11%; and reducing plastic usage in Food stores.

The new community share of the profits arrangements under which the first 1,000 points accrued by each member would go towards a new ‘doing good together’ fund, from which grants could be accessed by local communities was presented.

A short video highlighting how the Society had been ‘doing good together’ with local communities in 2023 was shown.

Thought leading pioneers – highlights included celebrating 180 years of co-operation and 30

years of fair trade; partnerships with other business including Bright Future Co-operative, the Plunkett foundation, and fair tax accreditation; the Society's work as part of the Fairer Futures programme had helped 18 to 30 year olds, who had faced barriers, into work with 90% of the prior year's cohort having found employment.

24/03 Member Engagement Committee – update

A short video update from the Member Engagement Committee was shown. The Chair thanked the Committee for their work over the year.

24/04 Minutes & matters arising

The minutes of the AGM and Special meeting held on 13 May 2023 were noted. There were no matters arising.

The minutes of the Half Year Meetings held on 18 October 2023 were noted. Formal approval for these would be sought at the next Half Year Meeting.

24/05 Adoption of Annual Report & Accounts

It was noted that the Annual Report and Accounts had been made available to members in advance of the meeting. Members would have an opportunity to raise any questions in respect of the report later in the meeting and would be invited to vote on its approval.

24/06 Re-appointment of Auditors

Members would be asked to vote to ratify the re-appointment of BDO later in the meeting. It was noted that the Society's auditor from BDO, Daniel Allen, was available in person to answer any audit related questions.

24/07 Distributions

Peter Kelly presented the proposed distributions to be made to the Society's stakeholders.

The following distributions were to be proposed. Voting was to take place at the end of the meeting.

	£'000
Membership development	1,045
Young Co-operators and Community Network support	280
Co-operative development Grants	288
Campaigns fund	60
Colleague dividend	450
Community Share of profits	439
Member share of profits	738
Total	3,300

Members would be asked to vote on the proposed distributions later in the meeting.

24/08 Remuneration Report

Ellie Boyle presented the Society's Remuneration Report for the year ended 27 January 2024. The following was highlighted:

- the report followed best practice disclosure requirements; this was felt to be the right approach to openness and transparency on what was acknowledged to be a sensitive subject
- a key role of the Remuneration Committee was to ensure the Society's remuneration policy for the Executive was fair and equitable and took account of co-operative values and principles. In practice, this meant that while salaries for members of the Executive were set at around the median, incentive pay was set c. 40-60% lower than for executives in comparable PLCs. As a result, total pay for members of the Executive was significantly below that found in PLCs
- the Committee also had a broader high-level oversight role of the reward strategy

for colleagues across the Society.

24/09 Questions

Comments and questions were invited and responded to:

- Distributions working group – a subcommittee of the Board met annually to approve the sums to be distributed; factors in setting the amount of distributions included the Society’s profitability
- Post office and Horizon scandal – no colleagues employed in the Society’s Post Offices had been dismissed as a result of errors in the Horizon system; similarly, the Society had not identified any financial losses attributable to faults in the Horizon system
- Food offers – member offers aimed to provide savings to members and would be kept under review to minimise food waste on perishable goods
- Animal welfare – the Society’s own brand products sourced meat from the UK only; chicken welfare remained a priority
- Phone Coop – a resolution to the existing issue whereby mobile customers were unable to make donations via text would continue to be explored with the Phone Coop’s suppliers
- Black Country and West Midlands store closures – the Society remained committed to the Black Country and West Midlands regions and would continue to identify and develop Food store opportunities in the area.

24/10 Voting

A test vote was taken.

.1 Meeting minutes

The minutes of the AGM and Special meeting held on 13 May 2023 were approved:

For	Against	Abstain
194	1	16

.2 Adoption of the Annual Report & Accounts

The Annual Report & Accounts for the year ended 27 January 2024 were adopted.

For	Against	Abstain
202	1	7

.3 Re-appointment of Auditors

The re-appointment of BDO as the Society's auditor was ratified.

For	Against	Abstain
203	3	5

.4 Distributions

The distributions in respect of Membership Development, Young Co-operators & Community Network Support, and Co-operative Development in the total amount of £1.613m was approved:

For	Against	Abstain
198	9	4

.5 Campaigns Fund

The distribution in the amount of £60,000 was approved:

For	Against	Abstain
189	18	4

.6 Colleague Dividend

The distribution in the amount of £450,000 was approved:

For	Against	Abstain
201	6	3

.7 Community Share of Profits

The distribution in the amount of £450,000 was approved:

For	Against	Abstain
200	9	2

.8 Members Share of Profits

The distribution in the amount of £738,000 was approved:

For	Against	Abstain
196	12	2

.9 Remuneration Report

An advisory vote on the Remuneration Report was taken. The report was endorsed by members:

For	Against	Abstain
179	9	20

24/11 Any Other Business

Cheryl Tree, Continuous Performance Manager, read out a poem that she had written called “Doing good together it matters!”. The poem championed the Society and wider Co-operative movement. It was well received by members.

No other items were raised.

24/12 Meeting close

Heather Richardson thanked members for attending.

The meeting closed at 12.00pm.

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Date:

President

Dates of next meetings

- **Half Year Meetings:** 9 October 2024
- **Annual General Meeting:** 10 May 2025