

**The Midcounties Co-operative Limited
Minutes of the Half Year Meetings of Members
held in person and online on
18 October 2023 at 6.30pm
Co-operative House, Warwick, CV34 6DA**

Directors present:

**Helen Wiseman, President
Vivian Woodell, Vice-President
Heather Richardson, Vice-President
Bernadette Connor
Vicky Green
Paul Mather
Nick Milton
Barbara Rainford
Fiona Ravenscroft
Stephen Hawksworth
Harvey Griffiths**

Apologies from directors:

**Matt Lane
Evelyne Godfrey
Olivia Birch
Ellie Boyle
Irene Kirkman**

Society Officers present:

**Phil Ponsonby, Group Chief Executive
Peter Kelly, Chief Finance Officer
Peter Westall, Chief Values Officer
Edward Parker, Secretary & Head of Governance
The Executive Team**

In total 158 members attended; 35 attended in person and 123 members attended online

23/19 Welcome and introductions

The Chair welcomed members to the meeting and ran through the agenda.

23/20 Half Year report

Phil Ponsonby welcomed members and acknowledged the hard work and commitment of the Society's colleagues through the first half of the year. A short video highlighting key elements of the Society's performance in the first six months of the year was shown.

Peter Kelly presented an overview of the Society's results and performance for the first six months of the year. He noted that gross sales from continuing operations in the first half of the year had increased to £773.2m compared to £667m last year; revenue from continuing operations had also increased to £426.1m compared to £365m last year. Strong growth in Food, Travel and Childcare underpinned the improved performance. EBITDA at £14.5m had reduced slightly compared to last year; operating profit had fallen to £3.7m, compared to £4.3m last year; net debt had increased to £37m from £31.8m last year, reflecting the Society's investment in capital and sustainability projects.

Food gross sales had increased to £341.7m compared to £327.3m last year; Travel gross sales had increased to £399.9m compared to £317.3m last year, with revenue more than doubling to £91.7m from £43.2m last year; Childcare gross sales had increased to £22.5m compared to £21m last year; Post Office saw a slight reduction in gross sales to £1.5m; and in Utilities revenue fell to £4.5m from £5m partly due to the flexible benefits element of the business having reduced.

Pete Westall highlighted the Society's non-financial performance. He presented the Society's 16 steering wheel measures and highlighted movements compared to last year under the headings of co-operation; people; customers; and delivery.

23/21 Minutes & matters arising

The minutes of the Half Year Meetings held in October 2022 and the special meetings held on 27 January, 15 February, 16 June and 4 July 2022 were presented. Members would be asked to vote on the approval of the minutes later in the meeting.

The minutes of the AGM held on 13 May 2023 were noted; formal approval of these minutes would be sought at the AGM in May 2024.

There were no matters arising.

23/22 Looking ahead

Phil Ponsonby presented on the second half of the financial year. He noted that although performance had been strong in the first half of the year, caution was warranted for the second half due to external factors. Macro-economic challenges including a fragile geopolitical landscape with the conflicts in Ukraine and Israel/Gaza had created uncertainty; inflation and interest rates remained high which could impact consumer spending over the Christmas period and spending on holidays in 2024. Although new government childcare funding would commence in April 2024, occupancy rates remained challenging as parents wanted greater flexibility. The Society's Food business had seen an increase in shoplifting and, although various initiatives and investments were being put in place, performance had been impacted by stock loss.

He highlighted continued investment in new sites, including in Childcare at Lanesfield and the Warwick Head Office. Energy cost reduction remained a focus with investment in LED lighting and improved refrigeration. In Food Member engagement had improved and member transactions now equated to one in every three transactions. Members had asked the Society for better value and to support their communities, in response the Society had reshaped the Share of the Profits offering with more in-store member offers and increased funding for local community causes. Despite a challenging outlook, the Society remained resilient and excited about the future.

23/23 Questions

- Member investments – there had been an outflow of member investments over the last two years; interest rates had been increased on member bonds and share capital to ensure they remained an attractive investment
- Shoplifting – unfortunately increased incidents of theft had been seen across the retail sector; the Society had invested in a range of initiatives including improved CCTV, cameras on self-service checkouts, improved tagging, and roaming guards; the Society had also worked with the National Bureau of Crime Statistics, ACS and

other co-operatives to raise awareness of the issue and campaign for improved protection for shop workers

- Shortage occupation list – the Society continued to campaign for Childcare workers to be recognised on the shortage occupation list
- Co-op Travel website – the website for agents and Co-op Holidays had recently been upgraded; work continued on further improvements including the ability to make bookings via the site
- Real Living Wage – the Society continued to pay above National Living Wage; due to affordability constraints basic pay was below the higher Real Living Wage, although colleagues received a range of benefits including paid breaks in Food and discounts on the Society’s goods and services
- Member trade – member trade in Food was in the region of 34%; greater engagement and discounts were part of the strategy for converting customers to members
- Colleague discount – to support colleagues the 20% colleague discount in the Society’s Food stores had been extended to the end of January 2024; the Society recognised the importance of the discount to colleagues and would keep it under review
- Domain names – the Society had found a co-operative solution to the migration of little used domain names which affected approximately 6,500 members following the decision to cease offering these domain names as the cost to the Society was more than £100k per year making it an unsustainable offering; it was acknowledged that a number of members had complained about the change and that the Society’s communications to those affected could have been better
- Share Bonds – the Society’s share bonds fell outside of the Financial Services Compensation Scheme.

23/24 Voting

A test vote was taken.

.1 Half Year Report

The Half Year Report for the period ended 29 July 2023 was adopted.

	For	Against	Abstain
In person	34	0	1
Online	121	0	2
TOTAL	155	0	3

.2 Minutes

The minutes of the Half Year Meetings held in October 2022 and the special meetings held on 27 January, 15 February, 16 June and 4 July 2022 were approved:

	For	Against	Abstain
In person	35	0	0
online	114	0	9
TOTAL	149	0	9

23/25 Election Results

The Secretary advised the provisional results for the recent elections to the Board of Directors and Member Engagement Committee. He was not in a position to declare the results formally as it was possible that a Board candidate might not be able to take up their position on the Board. This would be confirmed on 23 October. The final, declared results would be published online and in store thereafter.

The final results as declared subsequent to the meeting are recorded in these minutes.

It was noted that votes had been cast by 25,161 members, representing a turnout of 5.47%.

The Chair thanked Olivia Birch and Chas Townley who had stood down from Board and MEC respectively for their contributions to the Society.

Board of Directors – 6 positions available, 16 candidates

RESULT		6 to elect
RICHARDSON, Heather	14,834	ELECTED
EDWARDS, Sarah	12,632	Unable to take up position
KIRKMAN, Irene	12,349	ELECTED
DAVIS, Amanda	10,317	ELECTED
WOODELL, Vivian	9,403	ELECTED
CONNOR, Bernadette	8,520	ELECTED
MATHER, Paul	8,317	ELECTED
WOODALL, Janson	7,610	
GRANGER, Tony	7,097	
JONES, Jeevan	6,946	
MORRISON, Donald	6,464	
RODGERS, Kevin	5,773	
LUDHRA, Subash	5,574	
HART, Adrian	5,319	
HANCOCK, Dorian	5,186	
BRETT, Henri	5,041	

Member Engagement Committee – 7 positions available, 10 candidates

The results were as follows:

RESULT		7 to elect
MOY, Toby	15,441	ELECTED
DI'ANGELO, Ayesha	15,253	ELECTED
NETTING, Henry	14,310	ELECTED
GRAY, Patrick	12,738	ELECTED
BRETT, Henri	12,402	ELECTED
LEEL, Reece	12,139	
PEARSON, Jon	11,625	
SMITH, Geoff	11,321	ELECTED
CONCHIE, George	10,966	ELECTED
BRANNAN, Peter	4,501	

23/26 Any Other Business

.1 President

Vivian Woodell noted that Helen Wiseman's term as President of the Society was ending and she was to step down from the role. Helen had been president for six years overseeing

a challenging period for the Society. The Board, Executive team and members present gave a round of applause in recognition of her considerable contribution to the Society over the period.

Phil Ponsonby added his thanks on behalf of all colleagues in the Society for her time and commitment to the role.

23/27 Meeting close

The Chair thanked members for attending.

The meeting closed at 7.30pm.

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Date:

President

Dates of next meetings

- **Annual General Meeting:** 11 May 2024
- **Half Year Meeting:** 9 October 2024