



2022/23
Half Year
Report

Who we are, what we do

The Midcounties Co-operative is a thriving co-operative with 689,000 members and businesses in Food, Travel, Healthcare, Childcare, Energy, Telecoms, Post Offices and Flexible Benefits. The profits we make allow us to support the communities we serve.

Our heartlands are in Oxfordshire, Gloucestershire, Buckinghamshire, Shropshire, Staffordshire, the West Midlands, Wiltshire and Worcestershire. However, we also trade in the surrounding counties and our Energy, Childcare,

Travel, Telecoms and Flexible Benefits businesses trade across the UK.

We have four core values that guide the way we work - Democracy, Openness, Equality and Social Responsibility. These are derived from the values and principles of the co-operative movement. We believe they demonstrate the strength of co-operation and set us apart from our competitors.

Society highlights



100,000

100,000 members have now downloaded the Your Co-op app

Up almost

4%



Member trade is up from 20.8% to 24.6%

200



Younity has just signed its 200th community energy power purchase agreement

Cut by

30%



We have cut energy use in 38 food stores by 30%

11,300



11,300 volunteering hours given by colleagues (7,900 last year)

President's introduction



At Midcounties we have continued to focus on our core activities and strategic purpose.

Helen Wiseman

It gives me great pleasure to present this Half Year Report.

It is never easy to summarise the half-year activities in a short introduction, and this year is certainly no exception.

At the start of the year, it felt like the upheaval from the Covid pandemic was beginning to recede as the world began to open up. However, late February saw the Russian invasion of Ukraine, with the impact of this unfolding human tragedy causing political and economic uncertainty once more.

We have all felt the consequences as we experience the rising costs of food, energy and everyday consumables, and it is clear that the projected inflation rates for the foreseeable future will only bring further challenges.

At Midcounties we have continued to focus on our core activities and strategic purpose.

In May we held our first in-person AGM since 2019, with 439 members and guests joining us in person or online. It was a genuine pleasure to meet with members and welcome our visitors from co-operatives in Brazil, alongside our guest speakers Rosie Ginday, founder of Miss Macaroon, and Adam Henson, farmer and TV presenter. We have also continued with our ongoing programme of online 'co-op conversations', allowing us to engage with members on a more personal basis. I have greatly enjoyed the opportunities these create.

Our fantastic colleagues have shown remarkable resilience throughout the difficulties of the last two years. This year, they have continued to bring their co-operative community spirit to the fore with a renewed emphasis on working with our community partners, and it has been good to be in a position to restart our regular litter pick events, where we have been joined by a growing band of members willing to support these.

This summer we have experienced the hottest temperature on record in the UK, and with heatwaves across Europe and Asia, we have all been reminded about the impact of climate change. We know that at Midcounties we can and must do more within our trading operations to support our customers who wish to reduce their impact on the environment. We are rising to that challenge, as we look to increase our use of technologies to help reduce energy use in our sites and offices and make commitments to invest in renewable energy projects.

There is no doubt that the second half of the year will bring more challenges to individuals, families and businesses as we face into increasing economic uncertainty alongside a rising cost base. But, as part of the co-operative family, I am certain that the Board of Directors, the Executive and our colleagues, with the continued support of our members, can help build a fairer future for all.

A handwritten signature in black ink, appearing to read 'Helen Wiseman'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Helen Wiseman
President

Group Chief Executive's overview



We know members are feeling the pinch and we are doing everything possible to make things more affordable by absorbing as many of the cost increases we are seeing as possible

Phil Ponsonby

It is my pleasure to update members on the Society's position at the half-year stage.

I mentioned in my report to members at the AGM that while the level of government intervention to control the coronavirus pandemic had been relaxed, the economic implications from this shock to our lives, our work and our communities was growing ever more challenging and would shape the approach to how we run our businesses for a considerable time to come. As the year has unfolded this view has only been compounded by the war in Ukraine and the ramifications this has had around the world.

You will be as aware as I am that the first half of the year has brought with it a sharp increase in inflation and soaring energy costs. These have significantly impacted the Society's expected profitability and we are forecasting the second half of the year to bring yet further challenges with the cost of living crisis predicted to bear down more over the winter months. We know members are feeling the pinch and we are doing everything possible to make things more affordable by absorbing as many of the cost increases we are seeing as possible and by continuing to invest in membership through the provision of exclusive member prices.

Financial overview

For the half year, the business has recorded gross sales of £677.4m which is 62% up on the same period last year. Operating profit (before significant items) was £3.9m. While it is pleasing that this is ahead of the £3.1m achieved at the same point last year, it is important to recognise the extent to which the pandemic affected performance last year.

The Board and Executive management welcome this growth in profitability and are grateful to our colleagues

for their continued efforts and commitment during the first half of the year. However, the results fall short of our expectations due to the very marked increase in energy costs we have experienced through the year coupled with, more recently, some reduction in the value of consumer spending in Food, our largest business.

You will see that operating profit after significant items is reported at £9.4m against £2.4m last year. This is mostly accounted for by the release of a one-off provision relating to the transfer of our Energy business to Octopus in 2019.

Trading group update

Our Food sales are down slightly (0.6%) on this time last year. Comparisons are difficult due to the lockdown in the first half of 2021, which resulted in increased spending in food stores as pubs and restaurants were closed or subject to trading restrictions. Further, price inflation has triggered a change in shopping habits with customers visiting more frequently, spending less and switching to own brand products. We are giving members more reason to buy Fairtrade by offering 10% off all Fairtrade products in store – an offer 53,000 members have already taken up.

To focus more investment on our core Food Markets and Convenience formats, we have exited three stores that no longer fit our business model, including selling our large Cinderford store to Tesco. But with 15 store upgrades and five new stores added, we remain focused on growing this key trading group. We have invested in making our stores both safer and simpler during the first half of the year, installing 240 new CCTV cameras and launching a new standard operating procedure to drive process efficiencies.

Travel has had a strong first half of the year as we have pulled out of the pandemic, with sales significantly up against last year (462%) as Covid restrictions have eased and customers are keen to travel again. Overall, like-for-like performance is up on 2019, despite the warmer than usual weather, which is reassuring. However, cancellations by airlines and tour operators have been much higher than normal, resulting in extra administration for our colleagues as they have looked to rebook holidays for customers whose plans have been disrupted. We are also beginning to see cancellations due to the cost of living crisis, and expect this will continue over the coming months. To support the growth of our own tour operator, Co-op Holidays, we have invested in a new tour operator system that makes booking Co-op Holidays easier for our agents and consortium partners.

Childcare has also started the year showing good signs of recovery as pandemic restrictions have subsided, with occupancy up by 2% on last year. Half of our nurseries have surpassed their pre-Covid occupancy levels and the performance of our other nurseries generally remains consistent with last year. The sector continues to face workforce shortages, impacting the group's ability to operate normally at a number of sites. Additionally, inflation and cost of living concerns have affected demand patterns across many of our nurseries. It is pleasing to report that the two new nurseries opened just before the start of the year are performing extremely well.

Our Utilities group continues to support our sustainability agenda, with 200 power purchase agreements now in place with community energy suppliers, generating enough energy to power around 60,000 homes. We have seen an increase in Co-op Energy customer numbers, driven by consumer interest in green energy and concerns over the security of energy supply as a result of the Ukraine conflict.

Healthcare sales are down on last year, mainly as a result of a significant reduction in the sales of Covid-19 test kits, but NHS prescriptions have performed well (up 18% year-on-year), an area the group is keen to expand.

Steering Wheel developments

As a co-operative, the better our trading performance, the greater impact we can have on the communities we serve. We measure the broader support we provide in the key areas of co-operation, people, customers and delivery through our Steering Wheel and we have seen some encouraging progress in these areas so far this year.

We have continued to focus on increasing the value of membership and we are pleased to have seen a growth in member transactions, with almost a quarter of all transactions now made by members, up from just over 20% this time last year. This has been driven in part by the increasing popularity of our members' app, with over 100,000 members now using it. We have also had 48,000 members join the Society so far this year thanks to the efforts of colleagues continuing to promote the app and membership to customers.

This increase in member trade has meant we can have a bigger impact locally – from giving 400 young people facing hardship a break in partnership with Go Beyond, to delivering 12,100 meals to vulnerable families during the Easter holidays. I'm also pleased that our colleagues have been able to complete more volunteering this year, with volunteer hours rising from 7,900 this time last year to 11,300 at the half year.

We have continued to broaden our support for young people, with members of our Society playing key roles at the first National Co-operative Youth Summit in Manchester in July. We launched a Global Innovations competition for colleagues aged 16-30, driven by our Young Co-operators Network, in which we invited colleagues to share their ideas for ways we can improve our member products and services.

And we have been investing heavily in our colleagues, both through our wellbeing initiatives and through development opportunities. Following the success of our Food Retail LEAP training programmes, we have now launched an equivalent programme for Early Years Practitioners with plans to do the same in Travel later in the year.

It has been pleasing to see a significant increase in the number of colleagues saying they have the opportunity to develop within the Society, with the score in our colleague survey jumping from 64% to 70%. The number of colleagues responding positively to the statement 'I am satisfied with the way the Society communicates with me' has also risen from 69% to 75% thanks to the

Colleagues Connect website and improved trading group communications.

Sustainability remains high on our agenda and we have invested £5.5 million in upgrading the lighting and refrigeration in 38 food stores so far this year. The changes not only create a better shopping environment but have cut energy use at these sites by 30% – reducing our greenhouse gas emissions and helping offset the energy price increases that have come in this year. During the second half of the year, we plan to upgrade another 70 sites to help us work towards the pledge we made at the AGM to cut harmful greenhouse gas emissions by 50% within five years.

We will report on the Steering Wheel in full in the Annual Report & Accounts at year end.

Awards

It is good to report that our businesses are being recognised for the quality of the products they offer and services they run – Travel was pleased to be named Best Large Agency at the Travel Weekly Agent Achievement Awards for the Central Region – the ninth consecutive year they have achieved this. Childcare was in the Top 20 Large Nursery Groups in the UK 2022 listing on daynurseries.co.uk for the seventh year running, and our Little Pioneers Nursery & Pre-School at Hetton has also been named in the Top 20 nurseries in the North East.

Our sustainability work has also been recognised. We made the shortlist at The Business Green Leaders Awards for Renewable Energy Project of the Year, in recognition of our support for community energy, and we were shortlisted for two EDIE Sustainable Leaders Awards: Business of the Year and Social Sustainability & Community Development.

Looking to the future

Looking ahead, we will be opening three new convenience stores this autumn and working hard to establish our fantastic new Little Pioneers nursery in Warwick, which opened in early September. There is also the new High Fat Sugar and Salt (HFSS) legislation coming into force from October that will restrict the location of certain products in high footfall areas of our stores - remerchandising work has been underway for some months now to accommodate this.

As I mentioned at the beginning of this overview, we will continue to face rising prices and cost pressures that will bring significant challenges to us all. While it's going to be a tough time for everyone and some difficult decisions will have to be made, we will work with our members, colleagues and communities to ensure we continue to support one other. And, as I believe we demonstrated through the worst months of the pandemic, as a Society we will keep our co-operative values at the centre of all our decision making.



Phil Ponsonby
Group Chief Executive

Financial highlights

Gross Sales in continuing operations

£677.4m

2020/21: £418.8m



Revenue

£365.4m

2020/21: £325.4m



EBITDA

(Earnings before interest, taxes, depreciation and amortisation excluding significant items)

£14.2m

2020/21: £13.4m



Operating profit

Before significant items

£3.9m

2020/21: £3.1m



Net debt

£31.2m

2020/21: £49.1m



Food

Gross Sales

£327.3m

2020/21: £329.2m

Revenue

£292.9m

2020/21: £294.7m



Post Office

Gross Sales

£1.6m

2020/21: £1.9m

Revenue

£1.6m

2020/21: £1.9m



Travel

Gross Sales

£317.3m

2020/21: £56.5m

Revenue

£43.2m

2020/21: £2.0m



Healthcare

Gross Sales

£0.4m

2020/21: £2.8m

Revenue

£0.4m

2020/21: £2.7m



Utilities

Gross Sales

£8.3m

2020/21: £9.2m

Revenue

£5.0m

2020/21: £4.9m



Childcare

Gross Sales

£21.0m

2020/21: £18.5m

Revenue

£21.0m

2020/21: £18.4m



Member value

48,000 

48,000 new members joined



100,000

100,000 member app downloads

Up almost

4%



Member trade is up from 20.8% to 24.6%

Our members are at the heart of everything we do, guiding our investments, priorities and direction of travel. That's why we only do three things with the money we make – provide great value for our members, invest in our communities and re-invest it into our businesses.

Let's start by looking at member collaboration and the increased value we have offered our members this year.

Member involvement

Thank you for continuing to get involved with membership events and surveys, with 30,000 members taking part in co-operative activity so far this year.

The flagship event was our first hybrid AGM, which ran both in person and online concurrently. Welcoming 439 people, the AGM gave attendees the chance to find out more about our family of businesses, hear from special guests from other co-operative organisations and receive a performance update. Those attending in person also had the chance to sample local produce and explore a range of stalls.

Member value

Over the last year we have been working on ways to add value to support our members, starting with the launch of the members' app last autumn. It is pleasing that over 40,000 members downloaded the app during the first half of the year to access exclusive member offers and news. That brings the total number of users to 100,000.

Almost 160,000 members have redeemed a member offer so far this year (up from 40,000 in the same period last year when we were piloting our offers) saving a combined total of almost half a million pounds. Transactions with members were up by almost 4%, accounting for 24.6% of all transactions, compared with 20.8% at the same time last year.

Across our other trading groups, over half of Travel's trade is now with members (up from 27% this time last year) and over 93% of the families our Childcare business supports are now members (up from 87% this time last year).

A warm welcome also to the 48,000 new members who have joined the Society since the end of January. This is significantly up on the 17,000 who joined during the first half of 2021, as we continue to roll out our member-only offers and deliver them through the easy to use app.

Sharing the benefits

But our members aren't the only ones who've benefited from these offers. Members have told us they care about giving farmers a fair deal. That's why we launched a member-exclusive campaign at the end of June, giving 10% off all Fairtrade products. So far, 53,000 members have redeemed this offer.

Also, the money you spend with Your Co-op is invested into helping your local communities, the environment and other co-ops around the world. You can read more about this on the next page.



Member impact

11,300 

11,300 volunteer hours given

£100,000 

£100,000 donated to community groups

12,100 

12,100 meals provided to families

The more you shop with us and use our services, the greater impact we can make across our communities.

Plus, our members have told us what their sustainability priorities are and we have created a Sustainability Plan for the next five years based on your views. We have now started to deliver on this, guided by our Sustainability Steering Group, comprising colleagues, Board and Member Engagement Committee members.

Here are some of the ways we have made a difference in our communities and on sustainability activities so far this year.

Supporting our communities

Our colleagues have spent 11,300 hours volunteering in the local community (over 3,000 hours more than the same period in 2021, now that Covid restrictions have lifted), including taking part in our regular litter picks alongside members and young people. Since we launched these litter picks, we have collected over 1,000 bags of litter with 125 members, 877 colleagues and 133 young people taking part.

We have continued to help families in need, delivering over 12,100 meals during the Easter holidays, and have now provided valuable employability skills and social enterprise development experience to over 100 people at our Cowley Centre Food Store in conjunction with the charity, Aspire.

Your Society has distributed more than £100,000 to support over 200 community groups. This includes small grants worth £150 each given to 100 community groups to help them celebrate the Queen's Platinum Jubilee.

Supporting young people

Money donated by members and our Travel business to Go Beyond has provided over 400 young people from difficult backgrounds with a short break. We will continue to work with the charity for another year to maximise the benefits of this partnership.

Through our regional community charity partnerships, we have continued to support Walsall Young Carers and Gloucestershire Young Carers. To mark Young Carers Action Day, we hosted a mental health session day together with Springfield Mind, ran a community litter pick and social event in Walsall, and arranged a trip to Warwick Castle for Walsall Young Carers.

Supporting the environment

At the AGM, we pledged to remove all remaining single use plastics from our food stores. Alongside existing initiatives, we switched to plastic-free Easter eggs this year through Federal Retail Trading Services (FRTS), selling more than 10,000 and saving 12 tonnes of plastic. We also pledged to cut our direct greenhouse gas emissions in half over the next five years. You can read more about how we are cutting energy use in food stores and supporting community energy on the following page.

Supporting other co-ops

We continue to play an active role in the co-operative movement and have pledged to support the creation of 50 new co-ops in the next five years, working with organisations including the Plunkett Foundation, Co-operative Futures and Co-operatives UK.

Through our work with the International Co-operative Working Group, we raised funds for the people of Ukraine, as well as exploring ways to provide refugees with employment. We have added to the donation we gave to SEWA (Self-Employed Women's Association) at the height of the pandemic joining other UK co-ops to provide an additional £30,000 to help young women in India form co-operatives and develop skills in digital communications and research. We have also continued to support the Bright Future Co-operative, providing survivors of modern slavery with work placements and, as one of its founding members, guiding its progress at Board level.



Member investment

Nearly
23,000



Nearly 23,000 trees planted through carbon offset

200



200 community power purchase agreements

Cut by
30%



Store revamps cut emissions by 30%

We reinvest a percentage of the profits we make back into our family of businesses to make sure we continue to serve our members in the best possible way. We also work hard on initiatives that help protect the planet for future generations.

Here are just some of the ways the money you have spent with us has been invested in the first half of the year.

Cutting carbon emissions

To reach our target of reducing our direct greenhouse gas emissions by 50% over the next five years, we have focused on cutting energy consumption in our food stores. We have invested £5.5 million in energy efficiency projects this year, including switching to LED lighting and installing more efficient fridges.

The 38 completed stores have cut their energy use by 30% already, saving over 150 tonnes of CO₂ (equivalent to £166,000 in energy costs). Influencing changes in colleague behaviour has also resulted in a further saving of 100 tonnes of CO₂.

Our Utilities business continues to focus on sustainability, with Younity (our joint venture with Octopus Energy) having just signed its 200th Power Purchase Agreement. This cements us as the leading supporter of renewable community energy in the UK. Our suppliers provide enough community energy to power around 60,000 homes. We have also seen an uplift in new Community Energy customers.

Utilities continues to work with Ecologi to carbon offset its mobile and broadband offerings, and Your Co-op Holidays has also launched a carbon offsetting partnership with Ecologi. The Your Co-op forest contains 22,974 trees, offsetting 894 tonnes of CO₂e.

Meanwhile, Your Co-op Business Solutions is enabling co-op colleagues, other societies and socially responsible businesses to cut their carbon emissions. Green offerings include delivering salary sacrifice schemes for electric vehicles and e-mopeds, and an improved Cycle to Work scheme that includes e-bikes.

Investing in Your Co-op businesses

We have welcomed six new sites so far this year: five new food stores and a Little Pioneers nursery in Warwick which opened its doors in early September. The signs are promising for the purpose-built nursery, with 80 children joining already. Six existing nurseries have also been refurbished and rebranded as Little Pioneers, continuing our commitment to instilling co-operative values in our children.

Travel and Healthcare are both looking to grow in key areas. Travel has pledged to increase the number of Co-op Holidays it sells to 50% of total Travel sales in the next five years, giving us more control over the holidays we sell. While Healthcare has recently launched a series of new products, including home monitoring aids, GP-issued prescriptions and home testing kits. It is also beginning to establish itself as a provider of prescriptions for care homes, with three in the West Midlands secured so far.

To help protect our colleagues, we have invested in more CCTV cameras and 50 panic watches for the most at-risk food stores. Food has also introduced new standard operating procedures to drive consistency across sites, and outsourced its stocktaking to give more time to colleagues to provide the best possible service to members. Travel has invested in a new tour operator system for Co-op Holidays, delivering better functionality for agents and creating a better customer experience for our members.



Colleagues



Our LEAP programme is expanding to more of our business groups



The Society has recently become a signatory to the Mental Health at Work Commitment



Our EmbRACE and Co-op Pride groups continue to inform colleagues

Our colleagues' continued commitment to the Society has helped us achieve everything in this report. We are committed to their wellbeing and development and continue to look for new ways to help them feel fulfilled and supported in their roles.

Wellbeing

The Society has recently become a signatory to the Mental Health at Work Commitment, a UK initiative outlining actions organisations can take to improve and support the mental health of their people. The actions include promoting an open culture around mental health, providing tools and support, and reporting for transparency.

To support this, during Mental Health Awareness Week in May, our Mental Health Champions visited trading sites and hosted Teams chats with colleagues to raise awareness of the wellbeing support available to them through GroceryAid and the EveryMind app, as well as giving colleagues the chance to talk about their mental health concerns.

Our Mental Health Champions also spent a morning with our Environmental Ambassador Cal Major, learning how nature can support good mental health, and shared these practices across the Society to help support other colleagues.

Diversity and inclusion

Later this year we will publish our second ethnicity pay gap report alongside our gender pay gap report, to give a broader understanding of diversity within the Society. Reporting this data highlights areas for focus and enables us to track our progress.

Our EmbRACE group ran reverse mentoring sessions with members of our Executive Team, providing insights into the experiences of our colleagues and giving our leaders the chance to reflect on their own leadership and inclusivity. Meanwhile, our Co-op Pride group has continued to inform colleagues about LGBTQIA+ issues and took part in a Disrupting Gender workshop to explore the use of pronouns, why they matter and how everyday behaviours can create beneficial cultural changes.

As part of our ongoing Women in Retail programme, we ran two career roadshows, highlighting the opportunities available in the sector. We have also introduced a number of job shares, enabling colleagues to balance caring responsibilities with their careers. We now advertise flexible

working arrangements for all our Store Manager positions and have a gender balanced interview panel when recruiting for those positions.

Colleague engagement

We have rolled out our LEAP colleague development programmes to Childcare following positive feedback within Food, receiving 24 applications for the Early Years Practitioners programme and a further 77 for our Food Retail programme. We have also secured a training provider for Travel and will be offering both Travel Consultant and Travel Team Leader LEAP programmes later this year.

To help line managers respond more effectively to colleague feedback, we have partnered with a new survey provider, Medallia. The new self-service platform invites colleagues to provide regular feedback which can be viewed monthly by managers, helping them create action plans to tackle issues or concerns swiftly.



Consolidated Statement of Comprehensive Income

For the period ended 23 July 2022

	Note	26 weeks to 23 July 2022 (Unaudited)	26 weeks to 24 July 2021 (Unaudited)	52 weeks to 22 January 2022 (Audited)
		£'000	£'000	£'000
Revenue	2	365,398	325,435	676,459
Cost of sales		(259,239)	(226,041)	(479,951)
Gross profit		106,159	99,394	196,508
Operating Income		170	139	356
Operating expenses		(102,426)	(96,445)	(189,491)
Operating profit before significant items		3,903	3,088	7,373
Significant items	3	5,486	(675)	(3,640)
Operating profit		9,389	2,413	3,733
Finance costs		(4,182)	(4,905)	(9,866)
Profit/(loss) before payments to and on behalf of members		5,207	(2,492)	(6,133)
Payments to and on behalf of members		(1,498)	(1,382)	(1,895)
Profit/(loss) before tax		3,709	(3,874)	(8,028)
Income tax		(823)	1,793	(180)
Profit/(loss) for the period from continuing operations		2,886	(2,081)	(8,208)
Profit/(loss) from discontinued operations	4	-	(223)	3,463
Profit/(loss) for the period		2,886	(2,304)	(4,745)

The Group has disclosed a single amount of post-tax profit or loss of discontinued operations in the statement of comprehensive income. Details of the discontinued operation are presented fully in the Society's full Annual Report for the period ended 22 January 2022.

Consolidated Statement of Financial Position

As at 23 July 2022

	26 weeks to 23 July 2022 (Unaudited)	26 weeks to 24 July 2021 (Unaudited)	52 weeks to 22 January 2022 (Audited)
	£'000	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	150,857	166,026	147,799
Intangible assets	71,735	70,905	71,980
Investment property	12,834	13,068	12,834
Right of use assets	108,392	105,548	108,025
Other investments	3,763	82,173	3,792
Other debtors	4,766	5,570	7,310
Deferred tax assets	12,081	16,378	12,700
Total non-current assets	364,428	459,668	364,440
Current assets			
Other investments	-	7,232	-
Stocks	24,492	23,196	25,695
Trade and other receivables	92,470	86,553	77,868
Cash and cash equivalents	12,684	6,140	9,492
Assets held for sale	13,028	11,069	19,087
Total current assets	142,674	134,190	132,142
TOTAL ASSETS	507,102	593,858	496,582
LIABILITIES			
Current liabilities			
Loans and borrowings	6,436	8,741	13,126
Trade and other payables	198,288	182,300	172,571
Lease Liabilities	7,619	13,660	11,736
Current tax payable	-	124	11
Liabilities held for sale	-	-	3,297
Total current liabilities	212,343	204,825	200,741
Non-current liabilities			
Loans and borrowings	37,479	46,467	36,832
Other payables	909	78,588	896
Lease Liabilities	109,865	112,856	111,028
Provisions	756	755	756
Pension obligations	31,956	44,688	34,917
Total non current liabilities	180,965	283,354	184,429
TOTAL LIABILITIES	393,308	488,179	385,170
NET ASSETS	113,794	105,679	111,412
EQUITY			
Share capital	85,567	85,647	85,198
Other reserves	38,890	39,016	41,553
Retained earnings	(10,663)	(18,984)	(15,339)
TOTAL EQUITY	113,794	105,679	111,412

Notes to the Financial Statements

1. Accounting Policies

The Midcounties Co-operative Limited is a Co-operative Society domiciled in the United Kingdom. These interim financial statements for the 26 week period ended 23 July 2022 have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Co-operative and Community Benefit Societies Act 2014.

This financial information should be read in conjunction with the Society's Annual Report and Accounts for 2021-22 and has been prepared using the accounting policies set out in that report.

The Society's Financial Statements for 2022-23 will be prepared in accordance with International Accounting Standards in conformity with the requirements of the Co-operative and Community Society Act 2014.

	26 weeks to 23 July 2022 (Unaudited)	26 weeks to 23 July 2022 (Unaudited)	26 weeks to 24 July 2021 (Unaudited)	26 weeks to 24 July 2021 (Unaudited)
2. Revenue	Gross sales £'000	Revenue £'000	Gross sales £'000	Revenue £'000
Food	327,318	292,897	329,193	294,727
Healthcare	429	407	2,757	2,729
Travel	317,341	43,203	56,451	2,044
Childcare	21,041	20,927	18,458	18,352
Post Offices	1,580	1,567	1,917	1,895
Utilities	8,307	5,032	9,185	4,864
Other	798	794	36	36
Property rentals	1,365	1,356	1,317	1,310
	678,179	366,183	419,314	325,957
Members share of profits	(785)	(785)	(522)	(522)
Revenue from continuing operations	677,394	365,398	418,792	325,435
Discontinued operations	-	-	15,128	14,872

3. Significant Items

Significant items are non-underlying items of income and expenditure that are one-off in nature, of significant magnitude and/or their volatility would otherwise distort the underlying financial performance of the Society.

	26 weeks to 23 July 2022 (Unaudited)	26 weeks to 24 July 2021 (Unaudited)	52 weeks to 22 January 2022 (Audited)
	£000	£000	£000
Analysis of significant items:			
Items included within operating expenses:			
Net gain on disposal of property, plant, equipment, investment properties and assets held for sale	(242)	1,026	(335)
Change in fair value of trading properties	-	-	(838)
Change in fair value of investment properties	-	-	690
Acquisition, start up and professional fees	(180)	(382)	(458)
Reorganisation costs	(895)	(1,059)	(1,329)
Right of use asset impairment	-	11	11
Banking arrangements	-	-	(516)
Refinancing	-	(271)	-
Release of obligation fulfilment provision*	7,847	-	-
Opening investment in new distribution capacity	(649)	-	-
Restructuring	(395)	-	(865)
Significant items	5,486	(675)	(3,640)

*Agreements have been reached with trade creditors over fulfilling performance obligations that related to obligations due whilst the energy business was trading. Included in trade creditors at 22 January 2022 were provisions which were the expected costs to complete the performance obligations. Agreements have been made to settle these performance obligations in full and this has resulted in an over provision of £7.847m.

4. Discontinued operations

In November 2021 the Society transferred its Funeral business to Central England Co-operative Limited. The Society has presented the results of the discontinued operation for the period to 24 July 2021 as a single line in the Income Statement, showing a post-tax loss of £0.223m. The Society's Annual Report and Accounts for the year to 22 January 2022 carries further detail on this transaction.



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