

Registration Number: 1159R

RADSTOCK CO-OPERATIVE SOCIETY LIMITED

Report and Financial Statements

52 week period ended 27 February 2010

RADSTOCK CO-OPERATIVE SOCIETY

REPORT AND FINANCIAL STATEMENTS 2010

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RADSTOCK CO-OPERATIVE SOCIETY

REPORT AND FINANCIAL STATEMENTS 2010

DIRECTORS, OFFICERS & PROFESSIONAL ADVISERS

DIRECTORS

President	George Donkin
Vice-President	Jeremy Fricker ¹
	Albert Moulder
	Angela Wilson ¹
	Allan Curtis ¹
	Grahame Pickford
	Sally Heiron ¹
	David Penney
	Martin Collins

¹ Audit Committee

OFFICERS

Don Morris MIIA ACCA	Chief Executive \ Secretary
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REGISTERED OFFICE

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BANKERS

The Co-operative Bank
16 St. Stephen's Street
Bristol
BS1 1JR

AUDITORS

PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

**BOARD'S REPORT TO MEMBERS FOR THE 52 WEEKS ENDED
27 FEBRUARY 2010**

Introduction

The Board of Directors is pleased to present to members the Report and Financial Statements for the 52 weeks ended 27 February 2010.

Principal Activities

The Society's principal activities continue to be food and non-food retailing. In addition the Society has farming and travel agency operations and also manages a portfolio of investment properties and receives rental income in relation to these commercial and residential properties.

Review of the business and future developments

Despite the challenges caused by the economic downturn the Society has continued to build on the successes of previous years and enjoyed a very successful year with turnover showing growth of 10%. It is particularly pleasing to report a trading surplus for the year of £320k, a substantial increase on the previous year and testimony to the hard work and commitment of our retail and support colleagues. Whilst earnings from investments were significantly lower in 2009 than the previous year, the Society was able to record a pre-tax surplus of £378k.

The acquisition of new retail sites remains a central theme of our strategy and during the year the Society opened Glastonbury bringing our store total to nine. The Glastonbury store has traded well since the acquisition part way through the year and has made a positive financial contribution. The Society intends further openings in the coming years.

The Society continued to invest in its retail estate most notably with the introduction of additional ladies fashions, footwear and accessories to the Radstock store. Further investment is planned in the future including a full refit of our Glastonbury store.

The Farm experienced a difficult trading year with downward pressure on the selling price of organic milk due to over supply and against a backdrop of steadily increasing feed and other input costs. The underlying dairy operation remains profitable however the strategy to diversify has been revisited with the emphasis being the need to concentrate on core competencies.

As a responsible business the Society is keen to monitor its environmental footprint and during the year work began on a carbon survey of all sites. The objectives of this work will be to share best practise, to reduce carbon emissions and to identify areas of potential saving.

Being a membership organisation our success rests on our ability to meet members' needs and expectations. During the year we increased our communication to members and for 2010 we have secured exclusive benefits for our members with The Phone Co-op and Thatcher and Hallam, local legal experts.

In a year of change, 2009 was very successful due to the support of our members along with the dedication of our colleagues. Although the economic outlook for 2010 is one of sluggish growth until the end of the year, with continued strong trading performance the Society is well placed to negotiate this obstacle and to take advantage of opportunities.

This business review is also produced in the Annual Report booklet which is available on request from our stores, from the Secretary at the Society's registered office and from our website www.radstockcoop.co.uk.

**BOARD'S REPORT TO MEMBERS FOR THE 52 WEEKS ENDED
27 FEBRUARY 2010 (continued)**

Principal Risks and Uncertainties

The threat from other major food retailers continues and the competition is tireless in seeking new premises to encroach on the main retail core. The Board recognises this risk and has committed to a strategy of investment aimed at protecting the core business.

Financial risk management

The Board considers the liquidity and credit risk not to be material given the healthy current asset position of the business. However the level of cash balances does give exposure to risks in movements in the interest rates. Management has treasury management policies in place to review the rate of return achieved on cash investments.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. It is the policy of the Society that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels with the aim of ensuring that their views are taken into consideration when decisions are made that are likely to affect their interests. Communication with all employees continues through the newsletter and distribution of the annual report.

The Society is an Equal Opportunities Employer.

Creditor Payment Policy

For trade creditors, it is the Society's policy to:

- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of the terms of payment; and
- pay in accordance with its contractual and other legal obligations.

The Society does not follow a standard or code which deals specifically with the payment of suppliers.

RADSTOCK CO-OPERATIVE SOCIETY

STATEMENT OF CORPORATE GOVERNANCE

Board of Directors

George Donkin
Jeremy Fricker
Albert Moulder
Angela Wilson
Allan Curtis
Grahame Pickford
Sally Heiron
David Penney
Martin Collins

Senior Management Team

Don Morris Chief Executive \ Secretary
Albert Moulder Head of Operations
Vicki Przytockki Head of Human Resources
Clare Timbrell Financial Controller

Audit Committee

Jeremy Fricker
Angela Wilson
Allan Curtis
Sally Heiron

Corporate Governance is the system by which an organisation is directed and controlled at the most senior levels in order to achieve its objectives and meet the necessary standards of accountability and probity.

Guidance on achieving the highest possible standards of governance is contained in the Combined Code on Corporate Governance issued by the Financial Reporting Council in 2006. As an Industrial and Provident Society, Radstock Co-operative Society Limited is not required to adhere to the provisions of the revised Combined Code. However Co-operatives^{UK}, the apex body for co-operative enterprises in the UK has issued a Code of Best Practice ('the Code') for consumer co-operatives to which it requests voluntary compliance. This Code is based on the principles contained in the Combined Code but is tailored to the particular governance characteristics found in consumer co-operative societies.

It is the Board's objective to comply with Co-operative^{UK}'s Corporate Governance Code of Best Practice as far as practicable in the Society's particular circumstances. The Board recognises that work needs to be completed before full compliance with the code is completed. However, a significant start has been made.

Areas of non-compliance are the establishment of a Search Committee, Interim Report, refreshing the Board, a written Board diversity policy and co-option of professional external Directors. The Society has not complied with the Code in these areas as it believes they are currently not appropriate for the size or complexity of the Society's business.

The summary that follows highlights the main features of the corporate governance arrangements in the Society that the Directors believe are most appropriate for the organisation at this time.

RADSTOCK CO-OPERATIVE SOCIETY

STATEMENT OF CORPORATE GOVERNANCE (continued)

OUR MEMBERS

Co-operatives are member-owned democratic organisations and the Board has sought to encourage members to play their part in the governance of the business and improve membership participation. The Board considers membership issues on a regular basis and reviews the Society's performance in this area.

The Board welcomes contested elections and encourages the participation of the membership in the electoral process. It is recognised that the involvement of a participatory membership is central to our co-operative identity and the Board is keen to attract potential future directors.

Elections to determine who will serve on the Board are held ahead of the Annual General Meeting each year. All members are entitled to vote in such elections. Members vote in person at any of the Society's retail stores on a specified election polling day. Election results are announced at the Society's Annual General Meeting which is publicised to members in all retail stores.

The Society ensures that all notified amendments to the membership register are promptly updated.

THE BOARD

The Board of Directors consists of up to nine members who are directly elected from, and by, the membership. All directors are non-executive. Directors are elected for a maximum of 3 years in line with the recommendations of the Corporate Governance Code of Best Practice. The Board appoints, or re-appoints, the President and Vice-President on an annual basis.

The Board has undertaken a Skills and Performance Evaluation and is currently working with the Co-operative College to develop a training programme to meet individual and collective training needs. The Board has not yet developed a formal Board and director appraisal process.

The Board is responsible for ensuring that business is conducted in the best interests of the Society and its members and in accordance with co-operative values and principles. In particular, the Board determines the vision and strategies of the Society and ensures that policies and organisational structures are in place to deliver the long term objectives.

The Board also ensures that the Society's actions comply with the Society's rules, relevant laws and regulations. The Board meets at least monthly, with additional sub-committee meetings on a regular scheduled basis.

The Board as whole assumes responsibility for membership engagement and also remuneration and benefits.

It reviews existing member activity, member research and feedback and develops proposals for membership engagement and development programmes which it monitors and reviews. The Board is responsible for plans for membership communication and membership benefits and for the strategic direction of community support.

The Board is also responsible for determining the remuneration of the Society's Chief Executive, the Society's Secretary and other members of the executive team. In doing so it takes into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the management executive of the Society are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Society.

The Society maintains appropriate directors' and officers' liability cover in respect of legal action against its directors. The arrangements are reviewed periodically.

RADSTOCK CO-OPERATIVE SOCIETY

The Board has established an Audit Committee details of which are given below. The Board determines the powers delegated to this sub-committee and receives regular reports from it.

Detailed Board and Committee papers are distributed in advance of the meetings to provide the opportunity for directors to fully prepare for meetings. The Minutes of all Board meetings are circulated to all directors. The Board receives regular presentations from management at its meetings to increase directors' understanding of the business. Where directors require clarification and advice outside of the expertise of management the Society's rules provide that they may take independent professional advice at the Society's expense in furtherance of their duties.

The Society's directors have attended the following Board and Committee meetings during the period:

Director	Main Board	Audit Committee
Neil Adams	5 (5)	
George Donkin	17 (18)	2 (2)
Jeremy Fricker	15 (18)	4 (5)
Albert Moulder	18 (18)	-
Angela Wilson	11 (13)	3 (3)
Allan Curtis	17 (18)	5 (5)
Sally Heiron	11 (13)	3 (3)
David Penney	10 (13)	-
Grahame Pickford	18 (18)	-
Martin Collins	15 (18)	-

The number in brackets indicates the total number of meetings the director was eligible to attend during the period.

The changes in directors during the period are as follows:

N Adams	-	term expired 24 June 2009
A Wilson	-	appointed 24 June 2009
A Curtis	-	appointed 24 June 2009
S Heiron	-	appointed 24 June 2009
G Pickford	-	appointed 24 June 2009
D Penney	-	appointed 24 June 2009

The Audit Committee

The Committee comprises four directors. The Chairman of the Committee is Jeremy Fricker. In accordance with the Code neither the Chairman of the Board nor the Chief Executive Officer sit on this committee and employee directors are barred from membership.

The principal role of the Audit Committee is to help the Board fulfill its obligations in respect of financial reporting. Under its terms of reference, the Audit Committee:

- monitors the integrity of the Society's financial statements, including its annual reports;
- reviews the consistency of, and any changes to, accounting policies and methods on a year on year basis;
- reviews the effectiveness of the Society's internal controls and risk management system;
- monitors and reviews the effectiveness of the internal audit function outsourced to Mutual One Limited, in the context of the Society's overall risk management system. It is responsible for approving their remit, their appointment and removal, and management's responsiveness to the findings and recommendations of the internal auditor;

STATEMENT OF CORPORATE GOVERNANCE (continued)

The Audit Committee (continued)

- reviews the Society's whistle blowing procedures, ensuring that appropriate arrangements are in place for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters;
- monitors the effectiveness of the external audit process and makes recommendations to the Board in relation to the appointment, reappointment and remuneration of the external auditor; and
- ensures that an appropriate relationship between the Society and the external auditors is maintained, including reviewing non-audit services and fees.

During the year, the Audit Committee discharged its responsibilities by considering the above issues during the five meetings held. The Committee met both the external auditors (PricewaterhouseCoopers LLP) and the internal auditors (Mutual One Limited). Both the external and internal auditors have direct access to the President and the Chairman of the Committee at all times and the Committee meets with the Society's external auditors at least once each year. The Chair of the Audit Committee presents the minutes of the Committee's meeting to the Board after each meeting. Committee minutes are also circulated to all directors.

Internal control

The Society continues to operate under the Co-operative^{UK}'s Corporate Governance Code of Best Practice, under which the Board of Directors have the ultimate responsibility for the system of internal control and for reviewing its effectiveness.

In order to assist the Board in discharging its duties in monitoring and assessing risks to the business it has an Audit Committee. The Audit committee's responsibilities include receiving reports from the internal and external auditors, in addition to meeting with internal and external auditors and such external advisors as deemed necessary.

Systems are designed to manage and minimise risks to the business but can provide only reasonable not absolute assurance against material misstatement or loss.

Control Environment

The Society is committed to the highest standards of business conduct and seeks to maintain the standards throughout the Society. The Society has developed an appropriate management and organisation structure with defined lines of responsibility and delegation of authority for planning, controlling and monitoring the business operations.

Risk Monitoring and Management

The Board and Executive Management have responsibility for identifying the key business risks facing the Society and for the development of appropriate policies and procedures to manage these risks. During the period under report a business risk register was developed which identifies risks across the Society. Those risks have been scored in terms of both impact and the likelihood of each risk crystallising.

Information and Communication

The Society undertakes periodic strategic reviews, including the evaluation of business alternatives. Executive management prepare annual budgets, and performance budget is actively monitored at store and cost centre level. Results are presented to the Board on a regular basis, and consequently the Society's performance is continually monitored and remedial action taken where required.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Control Procedures

Society control procedures are designed to produce complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud.

Capital projects and asset acquisitions and disposals require Board approval. The Board receives reports regularly on capital asset movements. Commitments, which require the use of the Society's seal, are authorised by the Board.

Monitoring

During the period under report the Society retained Mutual One Limited as its internal audit provider. The Audit Committee has received the results of an internal review and will approve internal audit plans for the forthcoming year. Management continue to monitor the internal control environment.

RADSTOCK CO-OPERATIVE SOCIETY

KEY CO-OPERATIVE, ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

As a responsible retailer the Society is keen to monitor its environmental and corporate social responsibility. One such measurement framework is the Co-operative Movement's Key Social and Co-operative Performance Indices. The Society is working toward being able to report against all of the following areas:

NO	AREA	MEASUREMENT	OUTCOME
1	Member economic involvement	Trade (£) conducted with members as a proportion of turnover (%)	There was no practical mechanism to apply this measurement during 2009/10.
2	Member democratic participation	Number of members voting in elections and as a % of total membership	In 2009/10 all eligible members of the Society were written to advising that they could stand for election. Nominations from six candidates for five vacancies on the Board were received. An election was held during which 80 ballot papers were issued.
3	Participation of employees and members in training and education schemes	All types of training	316 employees participated in recorded education and training opportunities during 2009/10, ranging from training topics to long term study.
4	Staff injury and absentee rates	Staff injury rates/number of accidents/number reportable. Total absentee rate	During 2009/10, there were 51 accidents involving our employees, of which 2 were reportable. The total employee absence rate for 2009/10 was 3.42%.
5	Staff profile - gender and ethnicity %	% male/female and non-white British employees	Of our employees, 67% are female and 33% are male. Employees with ethnic origin other than White British are 1%.
6	Customer satisfaction %	Number of customers satisfied as a %	We aspire to 100% customer satisfaction. We record customer feedback (including complaints) and employ "mystery shoppers". This information helps to direct us to those areas that need improvement.
7	Considerations of ethical issues in procurement and investment decisions	Qualitative description of how these factors are considered in the course of business	The Society is a member of the Co-operative Retail Trading Group and shares the procurement policy of that body. The ethical trading policy and procedures in CRTG address the issues of sound sourcing, animal welfare, food integrity and health and ecological sustainability. On the Society's own organic dairy farm in Hardington, livestock are treated in accordance with the highest standards of animal welfare and the farm complies with The Organic Growers' Association organic standards.

RADSTOCK CO-OPERATIVE SOCIETY

KEY CO-OPERATIVE, ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

NO	AREA	MEASUREMENT	OUTCOME
8	Investment in community and co-operative initiatives	Annual proportion of pre-tax investment in community initiatives as a proportion of surplus before tax (%)	A total of £8,921 (2008/09: £3,603) including proceeds from charitable fundraising events of £5,972 was donated in support of our community relations strategy. The total represents 2.4% (2008/09: 0.65%) of pre-tax surplus. In addition, the involvement of colleagues within stores in community initiatives and fund raising is significant but incalculable.
9	Net carbon dioxide (CO ₂) emissions arising from operations	Annual CO ₂ emissions associated with energy used for all on-site operations, i.e. offices/shops	During 2009/10, we purchased 100% green energy from our electrical supply contract, which resulted in 2,251 tonnes of CO ₂ . The basis of measurement was taken from the Carbon Trust. For Natural Gas, the total usage for the year amounted to 2.27 tonnes of CO ₂ . We have 39 hectares of forest on our farm estate at Hardington. This equates to 390 tonnes of CO ₂ captured each year according to Forestry Commission guidelines.
10	Waste recycled/reused as % of waste arising	% of recycled/reused	During 2009/10 our total waste amounted to 1,656 cubic metres. There was no practical mechanism to measure our recycling performance during 2009/10.

RADSTOCK CO-OPERATIVE SOCIETY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Industrial and Provident Society Law requires the Directors to ensure that the financial statements give a true and fair view of the state of affairs of the Society at the end of the financial period, and of the surplus or deficit for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

Under applicable law the Directors are also responsible for preparing a Directors' Report that complies with those Acts. The Directors are responsible for the maintenance and integrity of the Society's website.

The directors confirm they have complied with the above requirements in preparing the financial statements.

STATEMENT OF GOING CONCERN

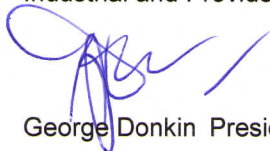
After taking into account the trading period, the strength of the Balance Sheet, and the cash balances held by the Society, the Directors have a reasonable expectation that the Society has adequate resources to continue in existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Society's accounts.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information of which the Society's auditors are unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

BOARD CERTIFICATION

The Board's Report to Members and the Statement of Corporate Governance are hereby signed on behalf of the Board and the Financial Statements and notes on pages 14 to 29 are hereby signed on behalf of the Board of Directors pursuant to Section 3(5)(c) of the Friendly and Industrial and Provident Societies Act 1968.



George Donkin President

Jeremy Fricker Vice-President



Don Morris Chief Executive / Secretary
13 May 2010



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADSTOCK
CO-OPERATIVE SOCIETY LIMITED**

We have audited the financial statements of Radstock Co-operative Society Limited for the 52 weeks ended 27 February 2010 which comprise the Revenue Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Statement of Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the society's members as a body in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002. We also report to you whether in our opinion the information given in the Board's Report to Members is consistent with the financial statements.

In addition we report to you if, in our opinion, the society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the statements on pages 4 to 8 reflect the society's compliance with paragraphs D1.1 (paragraph 5), D2.1, D2.4, D3.1 (paragraph 3) and D3.2 of the Co-operatives UK Limited's Corporate Governance Code of Best Practice issued in May 2005, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or forms an opinion on the effectiveness of the society's corporate governance procedures of its risk and control procedures.

We read other information contained in the Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Board's Report to Members, the Statement of Corporate Governance, the Key Co-operative, Environmental and Social Performance Indicators, the Five Year Comparative Statement (unaudited) and the list of Directors, Officers and Professional Advisers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the society's circumstances, consistently applied and adequately disclosed.

RADSTOCK CO-OPERATIVE SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADSTOCK CO-OPERATIVE SOCIETY LIMITED (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the society's affairs as at 27 February 2010 and of its surplus and cash flows for the period then ended;
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002; and
- the information given in the Board's Report to Members is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
14 May 2010

STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements have been prepared on the going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain fixed assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. There have been no changes in accounting policies during the year.

Accounting Date

The financial statements are made up for the 52 weeks to 27 February 2010 (2009: 53 weeks ended 28 February 2009).

Turnover

Turnover relates to retail trade only and includes cash sales and goods sold on credit. Turnover excludes VAT.

Revenue is recognised in turnover when substantially all the risks and rewards of ownership have passed to the customer. Revenue from trade relationships, where the Society acts as an agent and receives commissions from the principal are shown as other operating income.

Farm and Property Income

Farm income is recognised in accordance with the Society's revenue recognition policy as defined above.

Non-trade property income is shown net of related expenditure. Rental income is recognised on an accruals basis.

Operating leases

Costs in respect of operating leases are charged to the revenue account on a straight line basis over the lease term.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet 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 balance sheet date. Deferred tax is measured on an undiscounted basis.

Pension costs

The Society operates a pension scheme providing benefits based on a final pensionable pay. The assets of the scheme are held separately from those of the Society in independently administered funds. The current service cost is charged to the revenue account.

Assets are measured using bid market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

RADSTOCK CO-OPERATIVE SOCIETY

STATEMENT OF ACCOUNTING POLICIES (continued)

Pension costs (continued)

The change in the present value of the liabilities of the defined benefit scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time are included in other finance income/ (charge).

Changes in the value of the fund arising due to the changes in assumptions are credited / charged to the statement of total recognised gains and losses.

Intangible assets

Milk quotas are capitalised at purchase cost and are amortised on a straight line basis at a rate of 20% per annum. During the year the milk quotas were fully amortised.

Goodwill is the amount by which the purchase consideration for businesses acquired exceeds the fair value of net assets acquired at the date of acquisition. Goodwill is capitalised as an intangible asset and is amortised over the estimate of its useful economic life as follows:

Acquisition of trade and assets	15 years
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Tangible fixed assets and depreciation

Fixed assets are stated at their purchase cost, together with any incidental costs of acquisition. Cost includes all expenditure incurred in delivery to its current location and condition. Depreciation is charged over the expected useful economic lives of the assets concerned on a straight line basis at the following rates:

Freehold buildings	2.5 - 10 per cent per annum
Building improvements	14.3 per cent per annum
Fixtures and Fittings	10 - 20 per cent per annum
Machinery and Plant	10 - 25 per cent per annum
Motor vehicles	25 per cent per annum
Computers	25 -50 per cent per annum

No depreciation is provided on freehold land.

Non Trade properties

Non-trade investment properties were revalued by a qualified external valuer in February 2009. The aggregate surplus on revaluation was transferred to the revaluation reserve. No charge in respect of depreciation is made on these properties. The portfolio will be revalued by a qualified external valuer on a five yearly basis, unless, in the opinion of the directors, matters come to light which would suggest a material change in value, when an intermediate valuation will be undertaken.

The requirement of the Industrial and Provident Societies Acts 1965 to 2002 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

Fixed asset investments

Fixed asset investments are held at cost less provision for impairment.

Stocks

Retail stocks are valued at the lower of cost and net realisable value. The Society has taken appropriate professional advice and has valued farm dairy cattle stocks on a herd basis. Young cattle, grain and sundries are stated at market valuation. Provision is made to reduce stock to its estimated recoverable value.

Liquid resources

Current asset investments are short-term bank deposits that do not meet the definition of cash.

RADSTOCK CO-OPERATIVE SOCIETY

revenue account

52 weeks ended 27 February

	Note	(52 weeks) 2010 £	(53 weeks) 2009 £
Gross sales (including VAT)		19,551,590	17,731,403
Value Added Tax		(1,367,851)	(1,244,210)
Turnover		18,183,739	16,487,193
Analysed as:			
Continuing		16,837,695	16,487,193
Acquisitions		1,346,044	-
Cost of sales		(13,011,000)	(11,914,564)
Gross profit		5,172,739	4,572,629
Other operating income		415,443	403,297
Expenses	1	(5,268,151)	(4,959,416)
Trading surplus		320,031	16,510
Farm (deficit) / surplus	3	(21,857)	157,678
Non-trade property net income		151,312	170,183
Operating surplus		449,486	344,371
Analysed as:			
Continuing		413,952	344,371
Acquisitions		35,534	-
Surplus on sale of fixed assets		-	67,055
Interest receivable		32,036	202,228
Other finance charge	20	(99,000)	(51,000)
Surplus before distributions		382,522	562,654
Share interest		(2,044)	(5,822)
Donations		(1,372)	(3,603)
Death benefits		(1,493)	(1,311)
Surplus before tax		377,613	551,918
Taxation	4	(144,975)	(110,463)
Surplus for the period	14	232,638	441,455

There is no difference between the surplus for the year before taxation and the retained surplus for the year, and their historical cost equivalents.

statement of total recognised gains and losses

52 weeks ended 27 February

	Note	(52 weeks) 2010 £	(53 weeks) 2009 £
Surplus for the period		232,638	441,455
Revaluation of investment properties	6	(124,800)	247,860
Actuarial loss on pension scheme	20	(238,000)	(234,000)
Movement on deferred tax relating to pension scheme		66,640	65,520
Total gains (losses) relating to the year		(63,522)	520,835

RADSTOCK CO-OPERATIVE SOCIETY

balance sheet

As at 27 February		2010	2009
	Note	£	£
Fixed assets			
Intangible assets	5	460,087	146
Tangible assets	6	6,468,680	6,593,610
Investments	7	191,132	66,494
		<u>7,119,899</u>	<u>6,660,250</u>
Current assets			
Stock	8	1,144,660	961,201
Debtors	9	704,527	391,970
Investments	7	3,255,292	3,893,650
Cash at bank and in hand		125,906	179,933
		<u>5,230,385</u>	<u>5,426,754</u>
Creditors: amounts due within one year	10	1,534,617	1,375,399
Net current assets		<u>3,695,768</u>	<u>4,051,355</u>
Total assets less current liabilities		10,815,667	10,711,605
Provision for deferred taxation	11	(100,074)	(83,869)
Net assets excluding pension deficit		<u>10,715,593</u>	10,627,736
Pension deficit	20	(1,466,114)	(1,311,840)
Net assets including pension deficit		<u>9,249,479</u>	<u>9,315,896</u>
Capital and reserves			
Share capital	12	240,910	243,805
Revenue reserve	13	6,983,040	6,921,762
Revaluation reserve	13	2,025,529	2,150,329
Members' funds	14	<u>9,249,479</u>	<u>9,315,896</u>

RADSTOCK CO-OPERATIVE SOCIETY

cash flow statement

52 weeks ended 27 February

	Note	(52 weeks) 2010	(53 weeks) 2009
		£	£
Net cash inflow from operating activities	15	701,990	505,224
Return on investments and servicing of finance			
Interest received		<u>32,036</u>	<u>202,228</u>
		32,036	202,228
Taxation			
UK Corporation tax paid		(206,021)	(87,210)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(607,841)	(867,289)
Sale of tangible fixed assets		-	77,360
Purchase of intangible fixed assets		(482,351)	-
(Increase) / Decrease in fixed asset investments		<u>(124,638)</u>	<u>240,901</u>
		(1,214,830)	(549,028)
Net cash (outflow) / inflow before management of liquid resources and financing		(686,825)	71,214
Management of liquid resources			
Cash withdrawn from / (placed on) short term deposit	17	638,358	(47,805)
Financing			
Decrease in members share capital		(2,895)	(10,061)
Decrease in other loans		<u>(2,665)</u>	<u>(260)</u>
		(5,560)	(10,321)
(Decrease) / increase in cash in the period	17	<u>(54,027)</u>	<u>13,088</u>

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

1. Expenses	2010	2009
	£	£
Personnel costs	2,913,742	2,876,400
Occupancy costs	590,528	609,326
Depreciation and amortisation	516,382	457,699
Services provided by the Society's Auditor		
Fees payable for the audit	29,500	35,000
Fees payable for other services	9,829	8,600
Directors' fees (excl. employee Directors)	10,507	10,184
Operating leases - land and buildings	75,057	38,399
Other Expenses	1,122,606	923,808
	<u>5,268,151</u>	<u>4,959,416</u>

Analysis of activities split between continuing operations and acquisitions:

Cost of sales - continuing	11,975,434	11,914,564
Cost of sales - acquisitions	1,035,566	-
Expenses - continuing	4,987,660	4,959,416
Expenses - acquisitions	280,491	-

2. Employees	2010	2009
	No.	No.
The average number employed was:		
Full-time	67	65
Part-time	254	235
	<u>321</u>	<u>300</u>

The costs incurred in respect of these employees were:

	£	£
Wages and salaries	2,863,631	2,805,623
Social security costs	192,282	181,300
Other pension costs (note 20)	96,000	117,000
	<u>3,151,913</u>	<u>3,103,923</u>

Directors

	2010	2009
	£	£
The total remuneration of the Directors was as follows:		
Fees	<u>82,271</u>	<u>81,411</u>

The figures include payroll costs for Albert Moulder and Martin Collins who were employed by the Society as well as acting as Directors. The amounts exclude directors' fees shown in note 1.

The number of Directors in office at 27 February 2010 whose remuneration fell in each £10,000 bracket were as follows:

	2010	2009
	No.	No.
£0 - £10,000	7	5
£10,001 - £20,000	-	1
£20,001 - £30,000	1	-
£40,001 - £50,000	-	-
£50,001 - £60,000	1	1

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

Management Executive

The total remuneration of the Management Executive was as follows:	2010	2009
	£	£
Salaries	304,482	234,030
Pension Contributions	17,131	11,358
	321,613	245,388

The number of members of the management executive whose remuneration, excluding pension contributions, fell in each £10,000 bracket was as follows:

	2010	2009
	No.	No.
£30,001 - £40,000	-	1
£40,001 - £50,000	2	1
£50,001 - £60,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1

Where an employee joins the society during the year the actual remuneration paid is illustrated.

Amounts paid to the previous Chief Executive Officer include £49,860 under a settlement agreement for loss of office.

3. Farm accounts	Note	2010	2009
		£	£
Sales		856,432	1,278,401
Cost of sales		(346,153)	(652,069)
Gross profit		510,279	626,332
Expenses	A	(532,136)	(468,654)
Farm (deficit) / surplus		(21,857)	157,678
A. Expenses			
Personnel costs		240,978	227,523
Occupancy costs		116,982	81,204
Depreciation		84,097	85,220
Amortisation of intangible assets		146	13,189
General repairs		37,426	32,673
Legal & professional		29,415	-
Other expenses		22,581	27,845
Valuation fee		511	1,000
		532,136	468,654
Employees			
The average number employed was:			
Full-time equivalent		5	5

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

	2010 £	2009 £
4. Taxation on surplus for period		
a) Analysis of charge in the period		
Current tax:		
UK corporation tax on the surplus for the period	123,915	207,887
Adjustments in respect of previous periods	<u>(1,866)</u>	<u>(22,004)</u>
Total current tax	<u>122,049</u>	<u>185,883</u>
Deferred tax:		
Adjustments in respect of previous periods	(344)	(49,886)
Origination and reversal of timing differences	16,550	(2,294)
Pension cost relief in excess of pension charge	<u>6,720</u>	<u>(23,240)</u>
Total deferred tax	<u>22,926</u>	<u>(75,420)</u>
Tax on surplus after ordinary activities	<u>144,975</u>	<u>110,463</u>
b) Factors affecting tax charge for the period		
Surplus before tax	<u>377,613</u>	<u>551,918</u>
Surplus before tax multiplied by the effective rate of corporation tax of 28.0% (2009: 28.2%)	105,732	155,909
Effects of:		
Expenses not deductible for tax purposes	58,870	30,614
Capital allowances in excess of depreciation	5,512	13,438
Other timing differences	(28,782)	12,281
Tax at marginal rates	(17,417)	(13,081)
Capital transaction	-	8,726
Adjustments to tax charge in respect of previous periods	<u>(1,866)</u>	<u>(22,004)</u>
Current tax Charge for Period	<u>122,049</u>	<u>185,883</u>

c) Factors affecting future tax charge

The standard rate of Corporation Tax in the UK changed to 28% with effect from 1 April 2008. In the current period, the company has taxed at the marginal rate of corporation tax and so the change in rate is unlikely to have a material effect on the future tax charge.

No provision has been made for deferred tax on gains on revaluing investment property to its market value. Such tax would become payable only if the property was sold.

Deferred tax liabilities are not discounted.

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

5. Intangible fixed assets	Goodwill £	Milk Quotas £	Total £		
Cost					
At 28 February 2009	-	488,228	488,228		
Additions	482,351	-	482,351		
At 27 February 2010	482,351	488,228	970,579		
Amortisation					
At 28 February 2009	-	488,082	488,082		
Charged in the period	22,264	146	22,410		
At 27 February 2010	22,264	488,228	510,492		
Net Book Value					
At 27 February 2010	460,087	-	460,087		
At 28 February 2009	-	146	146		
6. Tangible fixed assets	Land & buildings	Fixtures, machinery & transport	Farm land, buildings & machinery	Non-trade property	Total
	£	£	£	£	£
Cost or valuation					
At 28 February 2009	5,557,197	3,168,446	1,673,652	3,609,000	14,008,295
Additions	175,689	389,652	14,700	27,800	607,841
Diminution in value	-	-	-	(124,800)	(124,800)
Assets written off	(29,756)	-	-	-	(29,756)
Transfers	-	-	-	-	-
At 27 February 2010	5,703,130	3,558,098	1,688,352	3,512,000	14,461,580
Depreciation					
At 28 February 2009	4,359,840	2,024,450	1,030,395	-	7,414,685
Provided this period	136,180	357,938	84,097	-	578,215
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
At 27 February 2010	4,496,020	2,382,388	1,114,492	-	7,992,900
Net book value					
At 27 February 2010	1,207,110	1,175,710	573,860	3,512,000	6,468,680
At 28 February 2009	1,197,357	1,143,996	643,257	3,609,000	6,593,610

- Note: i) All Land and Buildings are freehold.
 ii) Properties classed as non-trade are leased to tenants under operating lease agreements.
 iii) Non-trade properties were independently valued by Nick James (FRICS) of County Properties in February 2009, based on market value.
 iv) The Society's defined benefit pension scheme holds security over the Hardington farm land to the value of £2,000,000.

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

7. Investments

	Fixed assets		Current assets	
	2010	2009	2010	2009
	£	£	£	£
Co-op Group Ltd shares	36,585	36,585	-	-
Co-op Group Corporate Investor Shares	140,064	15,739	-	-
Other shares	2,169	1,856	-	-
Unquoted companies	12,314	12,314	-	-
Short term bank deposits	-	-	3,255,292	3,893,650
	<u>191,132</u>	<u>66,494</u>	<u>3,255,292</u>	<u>3,893,650</u>

8. Stock

	2010	2009
	£	£
Retail stock	847,025	730,495
Farm stock	297,635	230,706
	<u>1,144,660</u>	<u>961,201</u>

9. Debtors

	2010	2009
	£	£
Retail debtors	466,649	114,685
Farm debtors	50,036	171,533
Sundry debtors	187,842	105,752
	<u>704,527</u>	<u>391,970</u>

10. Creditors:

amounts falling due within one year

	2010	2009
	£	£
Trade creditors	761,209	585,516
Accruals	204,887	280,647
Holiday pay and wages	205,538	133,493
Dividend points and stamps	75,703	65,999
Corporation tax	146,771	207,887
Sundry creditors	31,997	16,417
Value added tax	44,279	(208)
Social Security	49,940	68,690
Savings Bank (a)	4,504	4,504
Stamp Clubs (b)	9,789	12,454
	<u>1,534,617</u>	<u>1,375,399</u>

a) Repayable subject to scale restrictions

b) Repayable on demand

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

11. Provision for liabilities and charges

	2010	2009
	£	£
Provision for deferred tax		
Accelerated capital allowances	112,080	117,936
Other timing differences	(12,006)	(34,067)
Provision for deferred tax	<u>100,074</u>	<u>83,869</u>
Provision at the start of the period	83,869	136,049
Deferred tax charge / (credit) in Revenue account for the period	16,205	(52,180)
Provision at the end of the period	<u>100,074</u>	<u>83,869</u>

Deferred taxation asset relating to pension deficit

At start of the period	510,160	421,400
Credited/ (charged) to the Statement of total recognised gains and losses	66,640	65,520
Credit/ (charge) to the Revenue account	(6,720)	23,240
	<u>570,080</u>	<u>510,160</u>

12. Share Capital

	2010	2009
	£	£
Balance at 28 February 2009	243,805	248,044
Contributions	5,891	7,503
Interest	2,044	5,822
	<u>251,740</u>	<u>261,369</u>
Withdrawals	(10,830)	(17,564)
Balance at 27 February 2010	<u>240,910</u>	<u>243,805</u>

- (a) Share capital is composed of one type of share
- (b) Share capital comprises of 6,677 members with a minimum holding of £2.00 per member
Balances over £25 attracted interest at 1% p.a.
- (c) Shares may be withdrawn by members upon giving one weeks notice to the Society in accordance with Rule 25 of 1999 Rule Book
- (d) Each member is entitled to one vote
- (e) In the event of winding up, any balance remaining after meeting all liabilities would be distributed in a manner prescribed by the Industrial and Provident Societies Act ruling at the time of dissolution

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

13. Reserves	Revenue Reserve	Revaluation Reserve
	£	£
Balance at 28 February 2009	6,921,762	2,150,329
Retained Surplus for the year	232,638	-
Impairment of value on non-trade properties	(124,800)	-
Transfer between reserves	124,800	(124,800)
Actuarial loss on pension scheme	(238,000)	-
Movement on deferred taxation relating to pension deficit	66,640	-
Balance at 27 February 2010	6,983,040	2,025,529

14. Reconciliation of movements in Members' funds	2010	2009
	£	£
Retained surplus for the year	232,638	441,455
Net movement in Share capital	(2,895)	(4,239)
Surplus on revaluation of non-trade properties	-	247,860
Diminution in value of investment properties	(124,800)	-
Actuarial loss on pension scheme	(238,000)	(234,000)
Movement on deferred taxation relating to pension deficit	66,640	65,520
Net increase in Members' funds	(66,417)	516,596
Opening Members' funds	9,315,896	8,799,300
Closing Members' funds	9,249,479	9,315,896

15. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities	2010	2009
	£	£
Operating surplus	449,486	344,371
Assets written off	29,756	
Depreciation and amortisation	600,625	542,919
(Increase) / decrease in stock	(183,459)	33,538
(Increase) / decrease in debtors	(312,557)	50,122
(Increase) / decrease in creditors	241,139	(497,910)
Difference between pension charge and contributions	(123,000)	32,184
Net cash inflow from operating activities	701,990	505,224

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

16. Analysis of changes in financing during the year

	Share Capital 2010 £	Share Capital 2009 £
Balance at 28 February 2009	243,805	248,044
Cash Outflow from financing	(4,939)	(10,061)
Share Interest Charge	2,044	5,822
Balance at 27 February 2010	240,910	243,805

17. Analysis of Net Funds

	28 February 2009 £	Cash Flow £	28 February 2010 £
Cash at bank and in hand	179,933	(54,027)	125,906
Loans	(16,958)	2,665	(14,293)
Short Term Bank Deposits	3,893,650	(638,358)	3,255,292
	<u>4,056,625</u>	<u>(689,720)</u>	<u>3,366,905</u>

18. Capital Commitments

	2010 £	2009 £
Authorised by the Board and contracted for	180,116	2,476,932

19. Commitments under operating leases

	Land & Buildings 2010 £	Land & Buildings 2009 £
Commitments expiring		
Within 1 year	-	-
Between 2 - 5 years	-	-
Expiring thereafter	86,300	46,300
	<u>86,300</u>	<u>46,300</u>

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

20. Accounting for Pensions

Radstock Co-operative Society limited operates a defined benefit fund (the Radstock Co-operative Society Limited Employees' Superannuation Fund) in the UK. The assets of the fund are held in a separate fund administered by the trustees. A full actuarial valuation is carried out triennially. The last full valuation was carried out as at 27 February 2009 by a qualified independent actuary which revealed a deficit of £2.1m. The service cost has been calculated using the Projected Unit method. The Society expects to make contributions of £0.2m to the scheme in 2010/11.

Assumptions made by the actuary

	2010	2009
Discount rate	5.80%	6.30%
Rate of compensation increase	5.30%	4.70%
Rate of increase in pensions in payment (5% LP)	3.80%	3.20%
Rate of increase in pensions in payment (2.5% LP)	2.40%	2.40%
Rate of increase in pensions in deferment	3.80%	3.20%
Inflation	3.80%	3.20%

Weighted average life expectancy for mortality tables used to determine benefit obligations:

	2010 years	2009 years
Member age 65 (current life expectancy)		
- male	21.2	21.2
- female	24.0	24.0
Member age 45 (life expectancy at age 65)		
- male	22.2	22.2
- female	25.0	25.0

	2010 £000's	2009 £000's
Fair value of the scheme assets at the end of the year	4,172	2,980

Asset category

Equities	71%	70%
Bonds (including cash)	29%	30%
	<u>100%</u>	<u>100%</u>

To develop the expected long-term rate of return on assets assumption, the Society considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 6.7% assumption (2009: 6.9%).

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

20. Accounting for Pensions (continued)

	2010 £000's	2009 £000's
Change in plan assets		
Fair value of plan assets at beginning of year	2,980	3,972
Expected return on plan assets	203	272
Actuarial gains/(losses)	878	(1,234)
Employer contributions	219	85
Member contributions	92	85
Benefits paid	(200)	(200)
Fair value of plan assets at end of year	<u>4,172</u>	<u>2,980</u>

The actual return on scheme assets in the period was £1,081,000 (2009: £962,000 loss).

	2010 £000's	2009 £000's
Change in benefit obligation		
Benefit obligation at beginning of year	4,802	5,477
Current service costs	96	117
Interest costs	302	323
Plan participants' contributions	92	85
Past service costs	-	-
Actuarial (gains)/losses	1,116	(1,000)
Business combinations	-	-
Curtailments	-	-
Settlements	-	-
Benefits paid	(200)	(200)
Benefit obligation at end of year	<u>6,208</u>	<u>4,802</u>

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of the scheme liabilities to change in the principle assumptions used is set out below:

	Change in assumption	Impact on scheme liabilities £000's
Discount rate	Increase/ decrease by 1%	Decrease 1100/ increase 1400
Rate of inflation	Increase/ decrease by 1%	Increase 1300/ decrease 1100
Rate of salary increase	Increase/ decrease by 1%	Increase 290/ decrease 260
Mortality	Increase/ decrease by 1 year	Increase 190/ decrease 190

RADSTOCK CO-OPERATIVE SOCIETY

notes to the financial statements

20. Accounting for Pensions (continued)	2010 £000's	2009 £000's
Analysis of amounts charged to the Revenue Account		
Current service cost	(96)	(117)
Analysis of amount included in finance income		
Expected return on scheme assets	203	272
Interest on scheme liabilities	(302)	(323)
	<u>(99)</u>	<u>(51)</u>

Analysis of amounts charged to the Statement of Total Recognised Gains and Losses

Cumulative actuarial losses recognised in the STRGL	<u>1,822</u>	<u>1,584</u>
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Five year history

	2010 £000's	2009 £000's	2008 £000's	2007 £000's	2006 £000's
Benefit obligation at end of year	(6,208)	(4,802)	(5,477)	(5,590)	(5,119)
Fair value of plan assets at end of year	4,172	2,980	3,972	4,074	3,928
Wholly funded deficit	<u>(2,036)</u>	<u>(1,822)</u>	<u>(1,505)</u>	<u>(1,516)</u>	<u>(1,191)</u>
Related deferred tax asset	570	510	421	455	357
Pension deficit net of deferred tax	<u>(1,466)</u>	<u>(1,312)</u>	<u>(1,084)</u>	<u>(1,061)</u>	<u>(834)</u>

Difference between actual and expected return on scheme assets

Amount (£ 000)	878	(1,234)	255	(14)	(546)
Percentage of scheme assets	21.0%	(41.4%)	6.4%	(0.3%)	(13.9%)

Experience gains and (losses) on scheme liabilities

Amount (£ 000)	-	384	-	24	(113)
Percentage of scheme liabilities	0.0%	8.0%	0.0%	0.4%	-2.2%

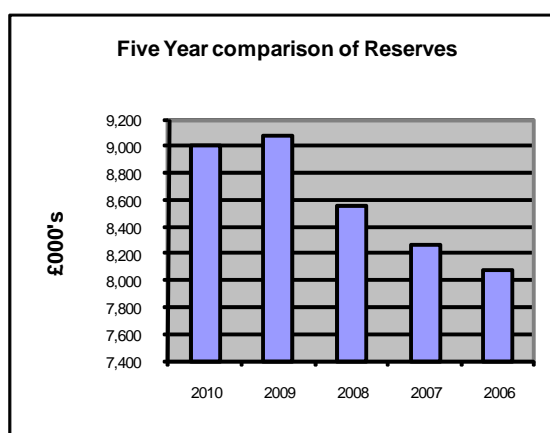
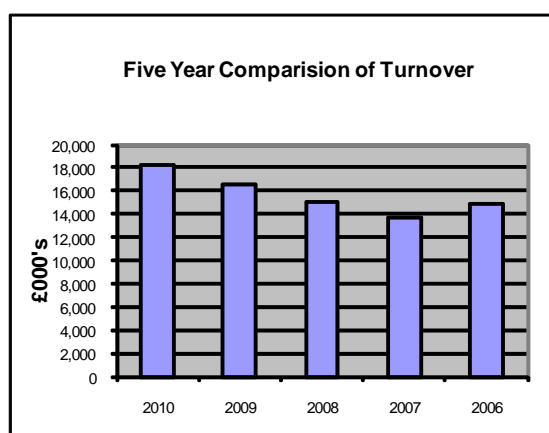
Total amount recognised in the STRGL

Amount (£ 000)	(238)	(234)	81	292	(492)
Percentage of scheme liabilities	3.8%	5.0%	1.5%	5.2%	9.6%

RADSTOCK CO-OPERATIVE SOCIETY

five year comparative statement

	2010	2009	2008	2007	2006
Membership	6,677	6,612	7,580	7,499	7,329
Revenue Account					
	£000's	£000's	£000's	£000's	£000's
Turnover	18,184	16,487	15,051	13,615	14,834
Trading result	320	17	(128)	135	184
Farm result	(22)	158	(2)	32	102
Surplus before distributions	383	563	327	528	573
Surplus for period	233	441	230	387	449
Depreciation and amortisation	601	543	444	381	415
Fixed assets	7,120	6,660	6,344	5,833	5,987
Net current assets	3,696	4,051	3,675	3,880	3,318
Total assets less current liabilities	10,816	10,712	6,037	9,713	9,305
less					
Long term liabilities	1,566	1,396	1,220	1,185	959
NET ASSETS	9,250	9,316	8,799	8,528	8,346
Share capital	241	244	248	263	264
Reserves	9,009	9,072	8,551	8,265	8,082
MEMBERS' FUNDS	9,250	9,316	8,799	8,528	8,346



RADSTOCK CO-OPERATIVE SOCIETY

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Society will be held on:

Wednesday 23rd June 2010 at 7.00pm

at the Radstock Working Men's Club, **RADSTOCK**

Agenda

1. To confirm the Minutes of the last meeting.
2. To receive the Directors' Report and audited Financial Accounts for the 52 week period ended 27 February 2010
3. To appoint the Society's Auditors.
4. To declare the results of the election to the Directors to the Board.

Admission to Shareholders Meetings

Members must present their Share Account Statement to attend Shareholders Meetings.

STANDING ORDERS

1. Order of Business

The order of business at every ordinary or special meeting of the Society shall be in accordance with the printed Agenda of business issued with the notice of the meeting.

2. Speaking

a) The mover of a motion or amendment shall be allowed 10 minutes in which to state the case. The mover of the motion shall also have the right to reply at the end of the discussion, and in replying shall be confined to answering previous speakers and shall not be permitted to introduce new matters into the debate. Five minutes shall be allowed for this right of reply after which the motion or amendment shall be put to the vote.

b) In regard to any motion amendment no other speaker shall be allowed more than five minutes.

c) Every member who speaks shall address the Chair and confine their speech to the subject under discussion.

d) Whenever the Chairman rises during a debate any member then speaking or attempting to speak must resume their seat.

e) No member shall address the meeting more than once on the same subject except as *provided in 2 (a)*.

f) The Chairman may invite an officer or professional advisor of the Society present at the meeting to give a report and/or to respond to any comments or questions raised by a member.

g) In response to any question or comment raised by a member. The Chairman reserves the right to arrange for a written response to be forwarded to the member in due course.

3. Closure of Debate

a) "That the question be now put" may be moved on any motion or amendment before the meeting and if seconded, shall at once be put to the vote without discussion. If this is carried, the question before the meeting shall then be put to the vote and decided upon without further delay.

b) All meetings shall terminate not later than two-and-a-half hours after the commencement time specified in the notice of the meeting.

4. Chairman of Meetings

a) The Chairman may call attention to continued irrelevance, repetition, unbecoming language or any breach of order on the part of a member and may direct such member to discontinue their speech.

b) If the Chairman considers that a motion or amendment has been discussed sufficiently he/she may move that the question be now put, and the motion or amendment shall at once be put to the vote without further discussion.

c) The decision of the Chairman on any point shall be final.