



Annual Report 2024



Channel Islands
Co-op

Contents

Welcome	03
Our board	04
Our executive leadership team	06
Our year at a glance	08
Chief executive's overview	09
Our colleagues	12
Community updates	18
Pharmacy update	24
Property and sustainability update	25
Strategic report	28
Governance reports	36
Financial statements	44

Welcome



Last year I closed my report by saying that we could look forward with expectation and optimism for 2023, and the opportunities ahead for what we, at CI Coop, could do to serve our community and make a real difference throughout the year ahead.

When I reflect upon this closing remark, 2023 was very much a year that presented opportunities. However, the global impacts that we saw in 2022 remained, resulting in an increasingly challenging trading environment. The continuing war in Ukraine, significant adverse weather events across the globe and locally, the Israel-Hamas conflict and latterly, the Red Sea issues have all impacted our business through increased inflationary pressures, higher interest rates and supply chain disruption.

Despite these conditions, our colleagues continued to perform at their best throughout the year to deliver excellent service to you our members and customers. We have recognised the real challenge and impact that the cost-of-living crisis has had on our valued members and customers, working hard to deliver value for money for essentials, including offering member only discount events throughout the year and introducing our new price drop campaign on essentials. We have also managed to absorb some of the cost increases we have been exposed to, avoiding passing all increases seen to our customers.

Despite these challenges we have purposefully invested in opportunities that ensure we create value for our members. We saw the opening of our new Phillips Street store, the roll out of our new retail system, VME, began in earnest, the acquisition of the COOK franchise in the Channel Islands and store in Guernsey and the acquisition of seven new pharmacies from Lloyds Pharmacy. All of these opportunities are forecast to deliver results, long term, to the growth of CI Coop and benefit our members.

Clearly, the challenges of global events and the cost-of-living crisis have had an impact upon CI Coop which are reflected in our results this year. Whilst our colleagues have worked hard delivering a positive result from our trading operations, CI Coop is no different to other businesses where cost price increases have presented a real challenge. This along with the increase in interest paid to members who have chosen to invest in the future growth of the business has adversely impacted our overall results and meant we have had to take some difficult decisions. However, I believe that the investment decisions taken during the financial year build on the solid foundation of our core operating business. As a result CI Coop is well placed to be able to return positive member value in the future.

We continue to recognise the significant challenges that remain for members managing the increases in cost of living. We have also had to make some difficult decisions in the best interest of the long-term success of CI Coop. Whilst balancing the needs of the business and giving back to our members has presented challenging decisions, the board and executive team have undertaken these challenges with a focus on ensuring the long-term value creation for members, who are at the core of our CI Coop.

Ultimately it is you, our members, who make the difference, who trust us to invest to grow and meet our core co-operative values in a sustainable way, both financially and how we deliver member value.

Jon Bond
Chair of the board

Our board



Jon Bond
Chair of the board

Jon was elected to the board in June 2021. He has a background in finance and is the founder of an accounting firm based in Guernsey.

Through his work with local businesses, he has considerable experience across a range of sectors and volunteers for several charities and non-profits based in Guernsey. He also serves as a parish douzenier.

Jon is focused on strategic development and brings a strong appreciation of board governance and effectiveness. He is focused on the future development of CI Coop's portfolio of business and property, whilst maintaining the grassroots offering.



Jennifer Carnegie
Non-executive director and chair of the recruitment and remuneration committee

Jennifer was appointed to the board in March 2018 and stood down from the board at the end of her tenure with effect from 28 February 2024. Jennifer is the director and co-founder of Amicus Limited, a leadership consultancy which helps businesses get the best from their people.

Prior to that Jennifer was the chief people officer for Digicel, the global telecommunications and entertainment provider. She has managed manufacturing facilities with large numbers of people, is an accomplished industrial engineer and was instrumental in creating and running a successful global corporate university for Mars Incorporated.



Michael McNally
Non-executive director, chair of the audit committee and member of the risk committee

Michael was re-elected to the board in June 2023. Michael has been directly involved with international cross-border e-commerce since 2002 and has a vast knowledge of the global cross-border logistics and supply chain industries.

Michael has practical experience in warehousing, fulfilment and distribution including consolidation, and achieving efficiency by working closely with the whole supply chain. Michael's focus is to ensure the business is ever evolving whilst being true to CI Coop values and maximising member and stakeholder value in all areas of business operation.



Graeme Smith
Non-executive director, chair of the risk committee and member of the audit committee

Graeme was elected to the board in June 2021. He is a director and until recently was the chief executive of Jersey Business, the local enterprise agency providing support to local businesses to deliver sustainable growth.

Prior to this, Graeme led the Jersey and Gibraltar business and institutional division of NatWest/ RBS International, providing banking and financial services to the local economy with dedicated sector teams such as retail, construction, trust, funds, and real estate. He is also a main board director for a local media group and private equity business.

Graeme's focus is on effective risk management which supports sustainable growth as well as building on the broader community role that CI Coop plays across the Channel Islands for members, colleagues, customers, and local suppliers.



Mark Cox
Director and chief executive officer (CEO)

Mark was appointed as CEO and director in July 2020 having successfully led all trading operations across food, non-food, travel, and care as chief operating officer for 10 years.

With over thirty years of extensive knowledge in the retail industry and a thorough understanding of the challenges which can face pan-island business, Mark's expertise makes him an invaluable asset.

Mark continues to drive our future strategy and growth to maximise value for members, customers and local partners, as well as investing in the development of colleagues, all of which will help CI Coop fulfil its mission to develop and protect long-term member value.



Jill Clark
Non-executive director and member of the recruitment and remuneration committee

Jill was elected to the board in May 2019. Jill has over 20 years of experience in retail, her former role being the director of customer services at Specsavers.

Jill now runs her own customer experience consultancy as well as delivering lectures on customer experience, retail, and leadership management. Jill was elected as a Jurat of the Royal Court of Guernsey in January 2023. She has an MBA, a certificate in education and an IoD certificate in company direction.

On CI Coop's board Jill's focus is to make sure members and colleagues are at the forefront of all governance decisions made by CI Coop so that our members receive the best experience possible.



Simon Todd
Non-executive director and member of the audit committee and the risk committee

Simon was appointed to the board in October 2021. He has over 35 years of experience in senior management and real estate developed in the property, banking and financial service sectors.

A chartered surveyor, his focus is to bring a supportive challenge to the executive leadership team, with an emphasis on the performance and quality of CI Coop's real estate, operational and investment assets. He is a strong supporter of the adoption of environmental, social and governance principles and aims to bring this experience to support all elements of supply and performance.



Jennifer Bridge MBE
Non-executive director and member of the recruitment and remuneration committee

Jennifer was elected to the board in May 2022. She is the co-founder of the Jersey Literary Festival Association.

In addition to serving at board level as a chairman for the third sector, Jennifer is a former parish Deputy for St Helier and has worked previously in change management. She is particularly interested in strategic data-driven decision making, enabling CI Coop to be the best possible employer and retailer that it can be - while remaining true to its values.

Jennifer seeks to be a 'members' voice' in the boardroom with a focus on returning the best value to members.

Our executive leadership team



Mark Cox
Chief executive officer (CEO)

Mark was appointed as CEO and director in July 2020 having successfully led all trading operations across food, non-food, travel, and care as chief operating officer for 10 years.

Mark joined CI Coop in 2010 and was appointed as CEO and director in July 2020. Mark's career in the retail industry started over three decades ago so his knowledge and expertise in this field, combined with a thorough understanding of our pan-island business' needs and requirements are an invaluable asset.

He is a proven leader who is dedicated to developing our future strategy and growth, as well as investing in the development of our colleagues and protecting long-term member value. His passion for CI Coop is nothing short of infectious



Natalie Clare
Chief people officer (CPO)

Natalie joined CI Coop in May 2022.

As well as founding and running her own consultancy business, Natalie has a wealth of strategic and operational HR experience which she has gained over 20 years working within finance, retail, consulting, and construction sectors.

Natalie's vision is to focus on developing our people strategies to ensure that we can continue to make a real difference through our great colleagues.



Simon Matthews
Chief property & sustainability officer (CPSO)

Simon joined CI Coop in February 2023 and is responsible for all property, vehicles and sustainability activity across the organisation, including the implementation of CI Coop's sustainability strategy.

Prior to his current role, Simon established the Channel Islands' largest pan-island quantity surveying, project management and carbon consultancy organisation. He worked on a range of projects in the Channel Islands and the UK, including the London 2012 Olympic Games, the Palaces of Westminster Restoration, the 2021 Census, High Speed Two, and the Government of Jersey's new office headquarters building.

Simon is a chartered quantity surveyor, is the present chair of the Building Housing and Environment Committee of the Jersey Chamber of Commerce, and the honorary secretary of The United Club of Jersey. Simon is also a past chair and one of the founding directors of the Jersey Construction Council.



Dr Kevin Kelly
Chief governance officer and society secretary (CGO)

Kevin joined CI Coop in 2023 following a 20-year career in corporate governance during which time he also completed a PhD which focused on corporate social responsibility, corporate governance and compliance.

Kevin acts as a strategic liaison between the board and management, ensuring the effective delivery of strategic governance, legal and regulatory compliance, record management and the public relations of CI Coop.



Gerald Augustine
Chief technology officer (CTO)

Gerald has over 20 years of technology and innovation experience in the FinTech industry. With a profound understanding of the transformative power of technology, he has a successful history of propelling multi-jurisdictional organisations forward through cutting-edge technology solutions.

As our CTO, he is committed to enhancing our member-centric innovation. Gerald leads our technology initiatives, ensuring robust cybersecurity, enhancing data utilisation and empowering our colleagues to spearhead innovation, all aimed at delivering our members the finest technology-enabled services. With Gerald as part of our executive team, we're excited to revolutionise how we serve our members through innovative technology solutions.



Kenny McDonald
Chief retail operations officer (CROO)

Kenny joined CI Coop in 2012 as retail operations manager, and over the last 11 years he has been instrumental in transforming retail operations within the business.

Tasked with managing our fulfilment and distribution, Kenny has achieved efficiency by working with the whole supply chain, further strengthening our position as the Channel Island's biggest local retailer. Kenny brings more than 30 years of experience in the retail sector.



Kevin Mowatt
Chief retail commercial officer (CRCO)

Kevin already had seven years' experience working for the Cooperative Group in Manchester, before he joined CI Coop in 2016.

His experience spans over 20 years, at several UK food retailers, including Kwik Save and Somerfield, playing a major part in the integration of both Kwik Save into Somerfield and later Somerfield into Coop Group. He has successfully delivered complex multi-million-pound projects, programmes and change initiatives, and driven commercial and operational team performances within the retail sector.

Kevin is also an active member of the Institute of Directors and a passionate champion of local producers with a keen interest in store formats and stores of the future.



David McGrath
Chief marketing and membership officer (CMMO)

David joined CI Coop in November 2023, bringing with him over 25 years' experience in marketing, communications, and public relations.

An accomplished chartered marketer with an impressive track record, he has held senior positions in various sectors, most recently at Jersey Post, consistently delivering clear and strategic solutions that embrace creativity and digital innovation, leading to business-enhancing results.

David oversees the development of integrated marketing campaigns and leads on consumer experiences and membership relations at CI Coop.



Stephanie Hutton
Interim chief financial officer

Stephanie has joined CI Coop on an interim basis, having worked as a consultant across various consumer organisations.

She previously held a senior finance position locally with Sandpiper CI and spent over seven years working in retail for Boots in the UK. Stephanie is a fellow of the Association of Chartered Certified Accountants having trained at Ernst & Young.

Our year at a glance



Finance:	2024	2023
Turnover	£208.5m	£192.4m
Trading profit (73% (PY 93%) paid as a dividend)	£7.5m	£5.8m
Net (deficit)/surplus	£(1.8m)	£0.7m
Cash	£4.0m	£24.7m
Members' funds	£150.6m	£164.1m
Investment property income	£2.5m	£2.4m



Membership:		
New members	1,375	1,261
Total members	122,394	128,269
Dividend, loyalty bonuses and interest	£8.3m	£7.7m



Community:	2024	2023
Groups supported by Community Fund	66	74
Amounts donated through Community Fund	£67.7k	£80.0k
Spent with local producers	£8.3m	£8.2m
Fairtrade sales	£2.5m	£1.5m
Total colleague volunteering hours	525	-



People:		
No. of colleagues	1,169	1,088
No. of years experience	7,862	7,778
Colleague engagement	76%	81%



Chief executive's overview

Entering 2023, we hoped for a period of stability after enduring significant challenges and changes in the broader macro environment over the past couple of years. Like many businesses, both locally and across the UK, CI Coop faced substantial hurdles due to unprecedented levels of inflation, placing significant pressure on our operations.

Despite these challenges, there is much for us to take pride in, particularly our commitment to our vision of making a real difference to the communities we serve. Our annual report showcases the work and support we've provided to our communities over the past year. This, coupled with the progress we've made on our blueprint for a better future, distinguishes us and highlights our uniqueness as a member-owned and led business within the islands. I extend my gratitude to all my colleagues for their exceptional efforts throughout the year.

While we acknowledge that living in these beautiful islands does not shield us from the external challenges confronting all consumer-led businesses, such as the rising cost of living and inflation-linked expenses, we are acutely aware of how these factors impact our members as well as our own financial results. Being local, we intimately understand and experience these issues firsthand daily. In our efforts to shield our members from these challenges we've proactively absorbed increased costs, we further invested in our price drop campaign despite the strain on our margins and organised member discount weekends to offer immediate benefits. However, despite our concerted efforts and ongoing operational adjustments to combat inflation, we've faced a significant loss this year. Consequently we've had to make some tough decisions, including reducing dividend, suspending bonus payments, and investing margin to enhance the value we provide to our members.

It's crucial to emphasise that despite this year's challenges, CI Coop remains in a robust financial position, boasting a very strong balance sheet and significant property asset base. Furthermore, we have upheld our commitment to providing competitive interest rates on member capital throughout. Our strategic focus remains on investing in value for our members, our workforce, infrastructure, technology, and the communities we serve, thereby reaffirming our position as the leading food retailer in the Channel Islands. Our steadfast mission persists: to create meaningful impacts in the communities we serve while safeguarding long-term member value.

As the largest locally owned retailer in the Channel Islands, giving back to our community holds immense significance for us. Throughout the year, we donated 41,000kg of food, equivalent to 85,000 meals, and provided complimentary fruit for children at our supermarkets, along with offering free diabetes checks in our pharmacies. Moreover, we distributed £148,000 to charitable and community organisations.

Looking forward, our strategy includes providing exclusive member pricing and promotions across popular brands, ensuring value for our members daily. Our primary goal is to regain stronger financial performance, enabling us to appropriately reward our loyal members and customers. I eagerly anticipate our colleagues, members, and customers joining us on this journey toward a brighter future.

Chief executive's overview

cont.

Our financial performance

The following report outlines the key figures and results for 2024. Our 2024 financial year ran for 53 weeks, ending 14 January 2024.

This year has been strongly influenced by external factors which have determined the course of CI Coop; namely, inflation, and the cost-of-living crisis. This has increased our cost base and the cost of some of our products to our members and customers.

These are challenges that are affecting many business sectors, not just our own, but we are confident we can now increase our investment in creating better value for our members every day as inflation stabilises.

Dividend

£5.5m

In 2023, we distributed £5.5 million in dividend to our members. However, in 2024, amidst challenging economic conditions and despite facing an overall net deficit for the year, we are proposing to reduce dividends to £3.0 million, equivalent to a 2% dividend. This reduction will be subject to approval at the AMM, a demonstration of our commitment to rewarding our loyal members even in difficult times.

These economic circumstances have prompted us to accelerate our member proposition. We recognise the need for an updated, dynamic, and more rewarding loyalty program that adds value to our members' lives on a daily basis. Exciting plans are in place to introduce technology-driven enhancements, catering to members who seek innovative engagement methods.

This marks just the beginning of numerous new developments aimed at making CI Coop membership more relevant and impactful. We eagerly anticipate our members' involvement as we embark on this journey together, shaping the future of CI Coop.

Members' funds

£150.6m

Members' share capital decreased by 11.7% year on year to £100.7 million.

Anecdotally, we understand that these funds had a much greater importance to our members during the last few years than ever before. Members have reported using their funds for support during the cost-of-living crisis.

We continue to monitor interest rates to ensure that we provide an appropriate reward to members for investing in CI Coop. As such, we were able to offer higher interest rates for our members with an increased return for their investment. Investments in CI Coop earned members £2.9 million in interest last year.

Finally, total member funds also reflect our reserves of £49.9 million including the loss for the year of £1.8 million.

Turnover

£208.5m

We achieved a turnover of £208.5 million in the year an increase of £16.1 million, 8.4% on 2023.

Food and fuel sales

£191.5m

Turnover from the food and fuel business, which represents 91.9% of our total turnover increased by 7.3% to £191.5 million.

It is not to be ignored that inflation in food costs, with consequent increases in some prices, have contributed to this turnover figure. However, this increase has also been driven by other elements of the organisation including our successful member reward weekends, the opening of a new store on Phillips Street in Jersey and the annualisation of the store which opened at Five Oaks in Jersey last year. In addition, we continued our work with COOK to extend the selection of premium frozen foods across our stores.

Our online grocery shopping platform continues to show modest growth and we now provide one of the largest online ranges in the Channel Islands.

Care

£17.0m

Our chain of pharmacies delivered a robust performance, achieving sales of £14.8 million, a 25% increase over the year. Throughout the year, our pharmacies dispensed 650,879 items, reflecting a notable year-on-year growth of 9.8%. We take pride in continuing to offer sought-after services such as flu vaccines, diabetes checks, Help2Quit stop smoking service, and the trusted advice and guidance of our expert pharmacist team.

In the latter part of the year, we expanded our footprint by acquiring seven pharmacies previously under the Lloyds Pharmacy chain. Since this acquisition, the stores have contributed £0.9 million to our turnover. This strategic expansion presents a significant opportunity for us to lead community pharmacy services across Jersey and Guernsey, ensuring accessible healthcare options for our members.

Turning to our funeral businesses, De Gruchy's Funeral Care in Jersey and Argent Funeral Care in Guernsey delivered commendable performances, providing a total of 439 (2023 447) services throughout the year, generating a turnover of £2.2 million.

Investment property including revaluations

We have a large investment property portfolio across the Channel Islands. As well as the numerous commercial units (of which many contain residential units), we also include the Premier Inn at Charing Cross and Dunelm sites in Jersey within our portfolio, along with the Leale's Yard site in Guernsey. We saw a net decrease in the value of the investment property portfolio of £1.1 million. This was primarily due to the value of the Leale's Yard site as plans evolve with our development partner.

Rental income from our investment property portfolio was £2.5 million for 2023.

Trading surplus

£7.5m

The trading surplus increased on the prior year. However, this was primarily due to the non-payment of bonuses to our colleagues for the year.

Trading surplus allowed us to pay a dividend in 2023 of £5.5 million, with a further £2.9 million back to our members by way of interest.

Profitability

CI Coop generated a net loss for the year of £1.8 million, following payments for dividend, member interest and revaluation of investment properties.

Cash

£4.0m

CI Coop's cash balance has reduced by £20.7 million year-on-year primarily through returning member's money previously invested.

CI Coop assets

CI Coop continues to have a strong balance sheet with member's funds of £150.6 million.

Looking ahead

We are committed to improving the lives of our members and making a real difference to the communities we serve. Our strategic investments in new stores, pharmacies, and advancements in technology position us favourably for sustainable long-term growth.

Central to our mission is the embodiment of our core values and principles, which set us apart from our competitors. We take pride in our unique approach to business, one that champions fairness and prioritises the needs of our members above all else.

Looking ahead, we are excited to unveil a modern and engaging membership proposition that promises to deliver even greater value to our members. We deeply appreciate the unwavering support of our 122,394 members and acknowledge that our success is inherently due to their support and trust in us as a cooperative.

As we chart our course for the future, we do so with optimism and confidence. By fostering cooperation and wholeheartedly supporting this extraordinary enterprise, we will collectively reap the rewards of its success, thereby contributing to the prosperity of our members, islands, and its economy. Together, we embrace the promise of a bright and prosperous future.

Thank you

A huge thank you goes out to every member and customer who has supported and placed their trust in us over the past year. I extend my deepest gratitude to our 1,169 colleagues whose dedication and commitment make CI Coop a truly exceptional place to work. Their hard work and support in navigating the challenges and obstacles we've encountered have been nothing short of remarkable.

I am also immensely thankful to my board colleagues and leadership team. They have embraced every challenge with determination, never wavering in their commitment to making tough decisions and striving for the best outcomes for CI Coop and its members. Their dedication has been instrumental in our collective journey towards a positive future.

Mark Cox

Chief executive officer

Our colleagues

Belonging is everything

At CI Coop, belonging means everything to us. Investing in our colleagues and supporting them in their roles is very important. This is as well as providing value for our members everyday and supporting our communities.

New colleagues

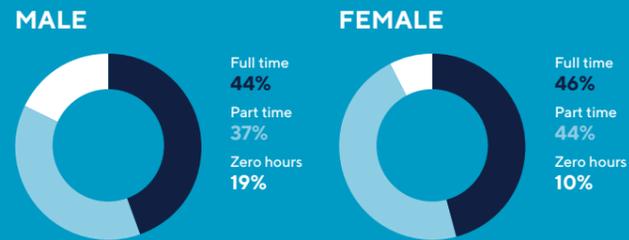
We welcomed **425** new colleagues in 2023. This figure includes colleagues from COOK and Lloyds Pharmacy. We also welcomed 38 work experience students across the islands.



Gender split



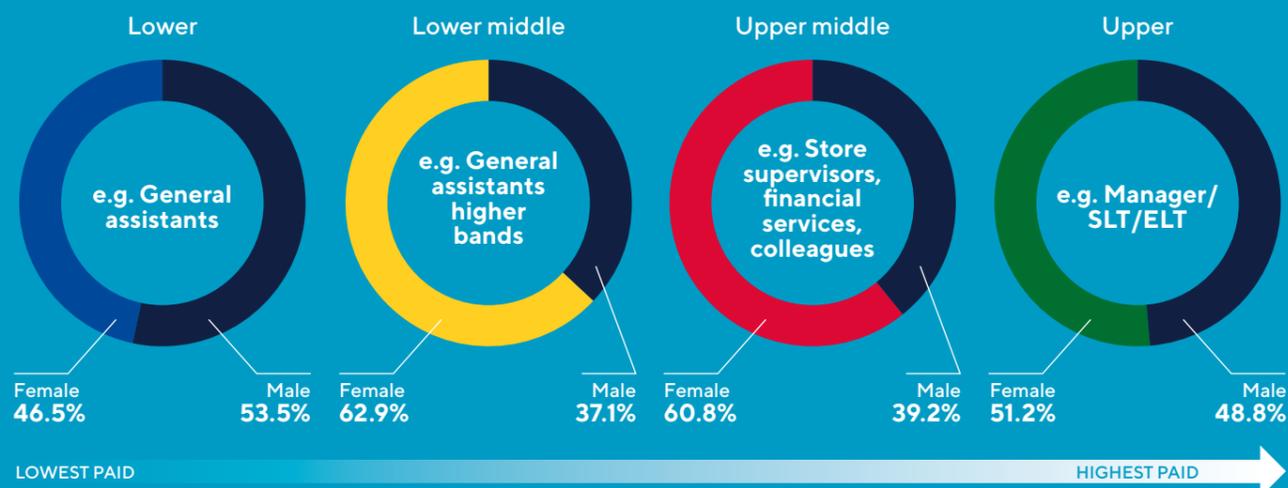
Gender split and working hours



Our median (the middle) hourly pay gap
0%
Which is better than the UK national average of 7.7%*

Our mean (the average) hourly pay gap
8.8%
Which is better than the UK national average of 13.4%*

Pay quartiles - the % split of female and male colleagues in each quartile.



*Based on estimate from the Annual Survey of Hours and Earnings 2023, Office for National Statistics (ONS) PwC has calculated the gender pay gap in Jersey as 11% and in Guernsey 16% for 2023 which is compared to the OECD average of 14%. women-in-work-channel-islands-2023.pdf (pwc.com).



CI Coop with people and purpose at its core

‘Our **commitment** to prioritising the **wellness** and **wellbeing** of our workforce underpins our vision’

In the fast-paced world of retail, change is a constant. As we reflect on growth in 2023 and post-pandemic adaption our core focus remains on our people who have been instrumental in our success. With over 1,169 dedicated individuals, their tireless efforts define the values and heart of our business. Our commitment to prioritising the wellness and wellbeing of our workforce underpins our vision of making a meaningful difference every day.

Wellbeing in the workplace

Even prior to the global pandemic's impact on our islands, the effect our colleagues had in shaping CI Coop was evident. The pandemic reinforced the importance of wellbeing, prompting us to launch our wellbeing in the workplace policy in 2022, equipping colleagues with tools to understand and appreciate their mental health.

As the wellbeing in the workplace policy becomes embedded, we aspire to remind every colleague of our shared vision and goal to make a genuine difference in the communities we serve.

Belonging is everything

In 2023, all colleagues that passed probation received the living wage. This, together with our flexible working arrangements acknowledges the diverse ways people wish to work and has improved our recruitment efforts.

Diversity and inclusion is integral to our ethos. We champion the belief that our colleagues should be free to be themselves, seen, supported, and, most importantly, to belong regardless of race, beliefs, faith, gender, or more.

‘We champion the belief that our colleagues should be free to be **themselves**, seen, **supported**, and, most importantly, **to belong**.’

We actively foster inclusivity through open conversations about working practices and environments, consistently striving for improvement.



A word from our colleagues

A career at CI Coop: from shop floor to store manager

Tiago Antunes talks to us about why a career at CI Coop was a brilliant choice for him when he arrived in Jersey, what it takes to work in the fast-paced world of retail, and how he landed the role of store manager at one of our busiest stores in St Helier.

Can you tell us a little bit about yourself and your career before CI Coop?

I'm from Lisbon and after I left school, I worked in retail in Portugal for over 14 years. That's where my passion for retail began.

What was your first role at CI Coop?

In April 2019 I was employed at Maufant Coop a supervisor and, within a year, I was promoted to senior supervisor. Since then I've been presented with many opportunities to expand my knowledge and grow; as fresh food manager at Millenium Park Coop; as a member of the project team implementing new till systems across our stores; as an assistant manager; then store manager of the new Phillips Street Coop. I am now based at Don Street Coop.

Now you're store manager, tell us what an average day looks like?

My day-to-day looks busy! Which is good because I like it busy. The opening of Phillips Street Coop was a great experience for me, I was a new store manager with 14 new colleagues who I trained. My day-to-day varies from guiding my colleagues, monitoring stock availability and replenishment, date rotation and making sure the store looks the very best it can. You will mainly find me on the shop floor either stocking shelves or chatting to our members and customers - I like them to know that we're here to help and support them.

What's the best thing about working at CI Coop?

For me, the best thing about working at CI Coop are the cooperative values; helping the local community and being there for our colleagues, members, and customers - CI Coop really practices what they preach.

I feel valued too. We have regular store visits from Kenny McDonald (CROO) who really shows interest in me and my colleagues. He's a manager who truly makes you feel welcomed and valued. The same goes for our cluster managers Ilidio Fernandes and Maurice Nobrega - they have both supported and encouraged me throughout my career. I wouldn't want to work anywhere else!



What are the things you most enjoy about your role?

I really enjoy managing my own store and treating it as if it were my own, welcoming, and chatting with our different members and customers each day. From a management point of view, it's great to be able to transfer my passion for retail on to my colleagues too; it's incredibly rewarding to see our younger colleagues inspired and giving it their all!

If you could give one piece of advice to someone just starting out in a career in retail, what would it be?

I would say give it a go. It's a fun and enjoyable career and as soon as you start to understand what retail involves you will immediately find a passion for it. My career progressed quickly because of my passion. No two days are the same and it's certainly never boring.

What goals are you now working towards in your career?

For now, I'm very happy with my position as a store manager and there is scope to grow in this role. With the support of my managers, who I look to for inspiration, in a few years' time maybe I could work towards becoming a cluster manager, or, who knows, even head of retail operations some day! I will continue to take every opportunity that comes my way and I know that CI Coop is the best place to be to reach my goals.

Carving out a niche at CI Coop: how I became a subject matter expert

Keaton Corr discusses the range of career opportunities he's found at CI Coop, including becoming a key player on the VME project in 2023.

Can you tell us a bit about your career journey at CI Coop?

In October 2014, I joined CI Coop as a general assistant at L'Aumone Coop. After a few years I was offered the opportunity to progress my career through several internal and external courses all the while gaining practical knowledge within different store formats; a supervisor at L'Aumone, senior supervisor at Longstore to deputy assistant manager at St Andrews and Halfway. Further to this I joined the VME project team where I assisted in the development of our new till system, I've since become a subject matter expert for VME so I'm currently providing training and advice to colleagues across our Jersey and Guernsey stores.

What do you feel you've gained from your career at CI Coop?

I have been offered numerous training opportunities from one-to-one sessions to professionally recognised certifications such as the GCFE Level 2 in Retail Skills and the GCFE Level 3 in Leadership and Management. My knowledge has grown in areas such as retail skills, mentoring and how to lead and manage a team. This in turn has helped to boost my own confidence as a person and I now feel comfortable dealing with many different situations. In addition, being part of the VME project team implementing the new till system into our store has been a great insight into technology.

What goals are you working towards in your career?

My current goal is to help support and develop my colleagues with our new till system. Overall I try to make a difference by giving my colleagues the opportunity and confidence to go that extra mile - who knows they may become the next assistant manager. As for me, I am currently happy in my job role but I might look towards becoming a manager one day.

How did you become such an expert on the VME project?

It's really about teamwork. When I joined the VME project team my mentor was Tiago and we worked together to understand and test the system. Shortly afterwards my colleague Joao joined us to oversee learning and training. Sharing knowledge is invaluable and implementing a new till system into every store is no mean feat - we've had to adapt quickly, find any issues, and provide solutions, ultimately leading to a more refined system.

How has CI Coop supported you to get to where you are today?

CI Coop has given me many opportunities to enhance my skillset and advance my career. Throughout this my managers and teams have supported me, shared their knowledge and experiences, and motivated me to reach my goals. Even though I have moved on, I know I can rely on them to provide guidance and support when I need it.

Do you have any advice for someone starting out in their career in retail?

Although retail may not be your first career choice, it's a great choice. My advice for those seeking a career in retail would be to take every opportunity that comes along. Show your interest and work hard to gain the knowledge and experience needed to advance your career. Most of the store managers you see today have worked their way up on the shop floor too, listen to them as their knowledge and experience could be invaluable to your own success. Build on what they have accomplished and maybe, it will be you influencing someone's career someday.



The Skills Jersey Traineeship Programme

We continue to support the Skills Jersey Traineeship Programme. This is for 16 to 19+ year olds and provides an opportunity for personal development before embarking into the world of employment through work experience, one-to-one coaching, life, and vocational development sessions.



Leah De Rosa left school and was deciding what sort of career would be right for her when she went to Skills Jersey looking for guidance. It was then that Leah joined De Gruchy Funeral Care as a trainee funeral director and has now been working with us for the past two years.

Can you describe your role?

Being a funeral director, we work very closely with families who are grieving. It is very important we meet their expectations and provide compassionate support for what is going to be the hardest day of someone's life. We assist with burials and cremations and organise families coming to see their loved ones in our chapel. We also organise floral arrangements and notices to go in the newspaper.

As the youngest funeral director in the Channel Islands, what was the most challenging part of getting to where you are today?

I would say the most challenging part would be coming into the role not knowing much about the role. No one ever talks about death and what actually happens afterwards. There's so much to know and learn - but that's one of the reasons why I love my job.

How can we encourage more young women to pursue roles like yours?

I think it's important to educate people and speak about taboo subjects. People tend to think my job is depressing but it's the complete opposite. You're helping vulnerable people every day and you never stop learning. It's such a caring job and it would be amazing to see more women in similar roles.

Based on your experience, what advice would you give to young women pursuing a career as a funeral director?

Don't be afraid to ask questions! You come across so many different situations, and no day is the same, so you will have questions to ask and that's expected.

Job evaluation

A full review of pay and benefits is taking place across CI Coop. We are committed to being an employer of choice and believe that providing competitive pay and benefits that are fair, transparent which enables us to attract, motivate and retain our colleagues, whilst still respecting our responsibilities as a cooperative and protecting our long-term sustainability is essential to achieving this goal.

Working with Employment Trusts

Jersey Employment Trust (JET) provides a comprehensive and bespoke employment and vocational training service to assist people with disabilities and long-term health conditions to achieve their employment goals. We have several work placements that have come through JET in store and recently into the support office.

We also support the Guernsey Employment Trust (GET) which offers employment opportunities for disabled and disadvantaged people. They help disabled job seekers to find and retain paid and work with business and the people they place to offer advice, training and long-term support. Currently we have 11 permanent colleagues from GET, and several work placements.

CI Coop Voice

This year, our overall engagement score through CI Coop Voice survey was **76%**, with a **90.5%** response rate.

The table below shows our CI Coop Voice scores for 2024 and the previous year:

	2024	2023
Engagement score	76%	81%
Response rate	90.5%	91%
Colleagues understand the importance of acknowledging, being friendly and helpful with all our colleagues, members, and customers	98%	94%
Colleagues are clear about what is expected from them within the roles	97%	90%
Colleagues understand our values: Cooperation, Openness, Passion, Empowerment and Recognition	91%	88%

As part of our ongoing commitment to enhancing the colleague experience, we have launched a quarterly Pulse survey, alongside our annual Voice survey. This enables us to take regular CI Coop Pulse surveys against the Voice metrics and therefore adapt to the feedback on a regular basis. The engagement score of the first Pulse survey was an impressive **88%**.

Learning and development

Internal training

We have continued to improve our internal learning and education during 2023.

Throughout the year, many more internal courses were run across the business. We are grateful to all colleagues who actively engaged in and attended. There was a total of 285 training events, accumulating 5,770 learning hours. The commitment to completing this crucial training not only demonstrates dedication but also plays a pivotal role in fostering a more compassionate, empowering, and secure working environment at CI Coop.

We also held several learn and lunch sessions on key employee relations topics throughout the year, which were attended by 107 colleagues.

The Prevention of Discrimination (Guernsey) Ordinance, 2022 came into force in October 2023 in Guernsey and all people managers received training.

We have also invested in senior leadership training this year, and all our senior leadership team have gone through this programme and continue to develop on this path.

We were also proud to launch a new set of e-learning modules which include planning and organising, recruitment, coaching and performance management and wellbeing, all of which are intended to help and guide managers in their roles.

It is always promising to see new talent joining our CI Coop team. In 2023, we were delighted to welcome 425 new colleagues to our business and put them through our new induction programme.

External training

First aid training is an incredibly useful and rewarding course. You never know when the skills you learn are needed to help save a life.

This year 59 colleagues completed essential first aid course, 58 colleagues completed fire marshal training and four colleagues completed mental health first aid training.

Long service awards



Microsoft Office training

We always encourage our colleagues to learn new skills.

Our Microsoft training classes are always well-attended. A total of eight classes were hosted this year with 52 colleagues making the most of the training to improve their MS Office skills. We also worked alongside an external provider to deliver three change management sessions for our team managers with 35 attending.

Change happens in any business, and we can now feel more prepared for whatever may come along.

Professional study

A total of three colleagues completed GCFE Retail Level 3 Apprenticeship schemes, whilst being mentored and supported by their managers.

2023 also saw two managers enrol on a CMI Level 3 business management qualification, with two more continuing into 2024 on CMI Level 3 and 5. One colleague completed their CIPD Level 3.

GEM Awards

The Going the Extra Mile (GEM) awards continue to celebrate colleagues who go above and beyond in their work and display our values; co-operation, openness, empowerment, passion, and recognition. 134 colleagues were nominated for a GEM award in 2023.

'We are always **encouraging** our colleagues to take the time to study and learn the **skills** that will help them to achieve their goals at work more **efficiently**.'

Community updates

Whilst 2023 has been a challenging year, CI Coop has continued to deliver on its community focussed values, contributing to local charities and causes, whether that's through donations and funding, time or our expertise.

Check out our 2023 activities below.

January 2023

- Participated in a loneliness awareness event.
- Relunched our acts of kindness initiative.
- Relunched our food donation boxes in selected stores to support food banks and charities across our islands.



February 2023

- Supported Fairtrade Fortnight by campaigning and highlighted the importance of choosing Fairtrade.
- Colleagues took part in the Big CI Beach Cleans.
- Launched our community beach clean boxes in conjunction with Plastic Free Jersey.
- Family meals for a fiver launched to support food waste and cost of living.
- Launched happy to chat benches outside large stores in Jersey.
- Reintroduced free fruit for kids in our large stores in Jersey and Guernsey.

March 2023

- Generous CI Coop shoppers helped to raise £6,000 for 12 local charities across Jersey and Guernsey as part of our Easter appeal.
- The CI Coop community team delivered hot cross buns to various community groups over Easter holidays.



July 2023

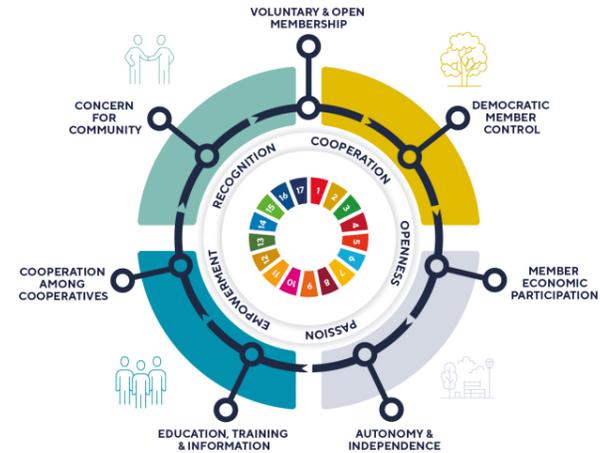
- We sponsored Le Viaer Marchi and our St Martin's Coop team supported with food tastings.
- We supported the Island Games with sponsorship and donations of healthy snacks for spectators and athletes.
- CI Coop store to store walk colleagues raised money for Jersey Cheshire Home.
- We introduced pet food donation boxes in Millenium Park and St Martins Coop in support of JSPCA and GSPCA.
- A green living wall was installed at Millenium Park Coop in conjunction with ROK Group.

August 2023

- Quiet time for shoppers is relaunched to extend the hours and improve the accessibility for our neurodiverse customers.
- We supported summer breakfast clubs via charities for children during the summer holidays.

September 2023

- Supported an awareness campaign for hidden disabilities and the sunflower lanyard scheme.
- Launched a reusable produce bag to support our aim to reduce plastic from our customers shopping experience.
- Continued to support Liberate and our diversity and inclusion commitments as founding sponsors of CI Pride.
- CI Coop colleagues raised £374 through a bake off for the Macmillan greatest ever coffee morning.
- Sponsored Grandparent of the Year at the Pride of Jersey awards.
- £5,500 raised for Jersey Cheshire Home Trek Balkans



April 2023

- Commenced a series of sustainability training workshops to introduce our sustainability strategy and ethical decision-making tool to colleagues which ran until September.



May 2023

- Paid out £21,149 from our Community Fund to 26 community projects.
- CI Coop colleagues volunteered at the Grow Project to help with garden maintenance and planting.
- Our new partnership with Olio commenced as we gradually introduced food stores to Olio collections to repurpose potential food waste.
- We supported local producers to showcase their products at our 2023 AMM.



October 2023

- Donated £41,559 from our Community Fund to 40 community projects.
- Launched our sustainability strategy: Our Blueprint for a sustainable future.
- CI Coop colleagues took part in a CSR day in support of Mencap.
- Sponsored Grandparent of the Year at the Pride of Guernsey awards.
- £1,000 raised for six local charities through our community pumpkin carve off competition.

November 2023

- Introduced the remaining stores to Olio, so that all our food stores now have daily food waste collections.

June 2023

- Round the Island Walk colleagues raised £330
- Attended the Guernsey charity event at Government House to help raise awareness of Fairtrade.
- Free diabetes testing in our CI Coop pharmacies.
- We co-sponsored the launch of Kitche, an app to help manage and reduce food waste in the home.
- Sponsored the Parish Clean Up and colleagues volunteered in the St Peter's Parish Clean Up in Jersey.
- We celebrated Coop Fortnight and how members contribute to the local community by shopping in our stores.

December 2023

- Free period products available from selected CI Coop pharmacies in conjunction with Jersey Government.
- Donated £7,500 to food banks and charities supporting food poverty at Christmas.
- 85 Christmas presents were gifted to islanders from our colleagues and customers.

Values in action: Our Community Fund in 2023

Nothing showcases the full circle of giving back more than our Community Fund.

For us, what makes our Community Fund so special is that it is thanks to you, our members, choosing to shop with us which means we can support hundreds of incredible causes and charities in our islands' communities.

2023 saw us donate £67,708 to 66 different community groups across our islands. Here's a small selection of what our recipients had to say:

“We used Coop’s donation to secure the use of our venue at the Vale Rec. Providing an excellent space in which to hold our fortnightly sessions.

Man Club Guernsey and Alderney

“The money from Coop Community Fund was used to provide a much-needed disability access door for our newly expanded BSK Print Works.

Beresford Street Kitchen

“The Coop Community Fund supplied the Jersey Beekeepers Association with money to buy a stock of 10 beekeeping suits that will be available for visiting students, children and guests.

Jersey Beekeepers Association

“The Coop Community Fund has been amazing as it gave us the funding to step out and try something new. Offering times of fun and connection for them with one another and of course nature connection.

Nature Base

“Helping mental health and really trying to alleviate isolation for some families.

Brighter Futures

“It provides so much support and information for everybody in the community, it benefits everyone.

Health Connections Guernsey Talking Café

“The CI Coop's donation really is very much appreciated and gratefully received by not only the staff, but all the residents to who this will make a difference now and in the future.

Safer Guernsey



Plastic Free Jersey

Big Channel Island Beach Clean

A huge shout out to everyone who came to the Big Channel Islands beach clean this morning with Plastic Free Jersey and Channel Islands Co-operative. We had a great turn out.



Like

Comment

Share



Guernsey Voluntary Service

Easter fun at our social clubs

Thanks to Channel Islands Co-operative for the delicious hot cross buns for our clients at their Easter meet - they were very much appreciated.



Like

Comment

Share



Andium Homes

Green living wall at Millenium Park Coop

We're pleased to reveal our Green Living Wall at Coop Grande Marche in St Helier. We hope you agree, it's a beautiful enhancement to the existing construction hoarding.



Like

Comment

Share

CI Coop Community 2023 at a glance



£2.5 million in sales
of Fairtrade certified products



66 community groups
benefited from the Community
Fund totalling £67,708



133 in-store awareness days
benefiting 66 different charities
and community groups



£7,500 donated
to food banks and charities
supporting food poverty at Christmas



5 CI Coop CSR Days
to support local community
groups and the environment



£165,000 total discount given
to the elderly via the
Sir David Kirch vouchers



85 presents
gifted to islanders
at Christmas



£8.3 million spent with local producers,
helping to reduce food miles whilst
supporting the local economy



Over 250 free diabetes checks carried
out by our Coop Pharmacy team



2,360 lunchtime meals
provided for school children
in Guernsey



4,210+ breakfasts provided
for school children in Jersey



93 colleagues volunteered
a total of 525 hours in 2023



£8,425 spent by our store colleagues
on Acts of Kindness



30 free eye tests
for colleagues



20 defibrillators
located across CI Coop stores



Food redistributed via Olio:
149,980 items donated,
equivalent to **85,007**
meals provided, feeding
951 individuals households



£148,000 the total amount
given back to the local community
groups and charities in 2023 via
donations and sponsorship



210,585 fewer carrier bags sold
in 2023 compared to 2022



£1.8 million discount given
to colleagues and members
via our colleague discount scheme
and member reward events

Expanding our community pharmacy network

We've expanded our community pharmacy business with the purchase of four stores in Jersey and three in Guernsey from Lloyds Pharmacy, marking a significant milestone in our expansion within the pharmacy sector.

The acquisition encompasses The Parade, Red Houses, Quennevais, and Gorey Village in Jersey and St Sampson's, L'Aumone, and Longfrie in Guernsey.

This provides members and customers across the Channel Islands with greater access to our pharmacy services.

As part of the move, we offered roles to all existing Lloyds colleagues, ensuring a smooth transition.

43

New care colleagues.

14

Coop pharmacies.



Property and Sustainability

Property

Our investment in our properties underpins your CI Coop and its strong financial position. Continuing this investment is an integral part of delivering on our future sustainability strategy. Here we set out some key highlights for 2023:

Leale's Yard

This remains our highest profile project across islands, with significant potential to deliver over 300 new homes, creating new jobs and helping target core sectors like key worker and affordable housing in Guernsey. The development will utilise modern housing solutions that will bring wider benefits to such large-scale developments across the islands. 2023 saw us focus on getting the site ready for development, progressing the planning consents. CI Coop remains firmly committed to working with our development partner to realise the enormous potential community value that this site has.

Retail stores

In November 2023, we welcomed Phillips Street Coop to our offering. This store serves an increasing number of new homes in St Helier North, and we are well set to meet the expected increased demand, whilst helping reduce the carbon cost of collecting groceries.

To ensure we have the same look and feel across CI Coop stores, we have progressed our external rebranding programme. The new Coop branding is eye-catching yet simple and no matter where our members and customers shop, they can feel that they are in a CI Coop store. The rebranding roll-out will continue through 2024.

Pharmacies

We acquired seven new pharmacies in 2023 and these stores will be rebranded to Coop Pharmacy during 2024. The acquisition has required renegotiation of existing and new extended leases. We are also progressing plans for two new pharmacies, replacing existing stores. We anticipate these will be delivered in 2024, helping consolidate our investment in this sector.

2024 and beyond

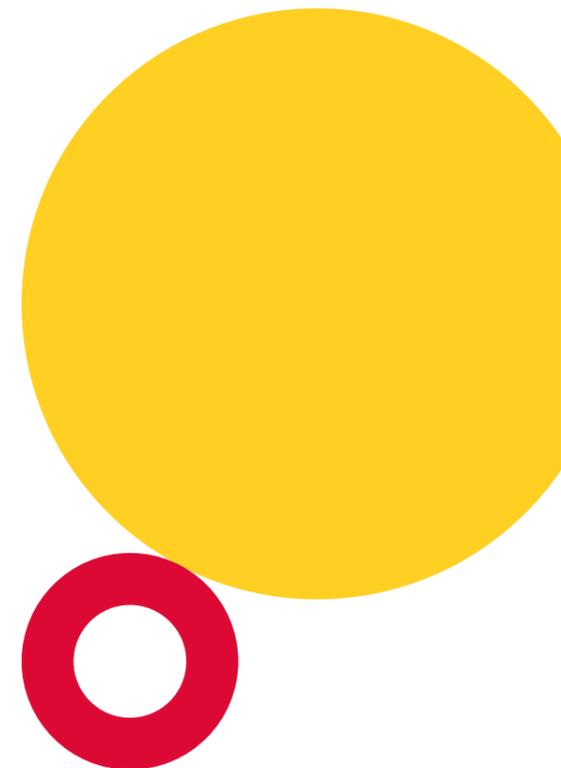
In 2023, we implemented our five-year property asset plan, focusing on generating both revenue gains and operational savings from the management of our property portfolio. As part of the plan, streamlining the process will see more impact in the coming years as we seek to revise many of the arrangements with our team of trusted property and sustainability suppliers.

Our core focuses for property and sustainability remain increasing revenue, reducing costs, and realising capital gains. We know that we will continue to face challenges through 2024 to deliver our plan, however, the continued excellent support we receive from our trusted suppliers and colleagues should mitigate these challenges and allow us to achieve our objectives.

Sustainability

In 2023, we launched our sustainability strategy, our blueprint towards a better, sustainable future as the Channel Islands' local retailer. Our purpose has always been to make a real difference to the communities we serve. Making a difference is about more than just providing the foods and services that islanders need, it's about doing so in an ethical way. Our very first sustainability strategy is more than just a guide, it is our ethical 'compass' to do the right thing, a reminder of who we are as a local organisation, our cooperative heritage, and what it means to be a part of it. We are delighted to say that our strategy has been enthusiastically supported by our colleagues and suppliers.

As part of our strategy, we have installed energy-monitoring technology in over 75% of our properties, which helps us better understand our energy consumption. Installations of low-energy lighting, passive and infra switch control technologies have also continued throughout the year, all helping to realise efficiencies and reduce the amount of energy consumed.





Reports

Strategic report	28
Governance report	36

Strategic report

Advisers

Registered auditor (the “auditor”)

Grant Thornton Limited
Grant Thornton Limited Kensington Chambers,
46/50 Kensington Place, St Helier, Jersey, JE11ET

Actuary

BWCI Group
Kingsgate House, 55 Esplanade, St Helier, Jersey, JE2 3QB

Bankers

The Royal Bank of Scotland International Limited
The Royal Bank House, 71 Bath Street, St Helier, Jersey, JE2 4SU

Property advisers

Maillard Co Ltd
31-33 New Street, St Helier, Jersey, JE2 3RA

Legal advisers

BCR Law (Advocates & Solicitors)
12 Hill Street, St Helier, Jersey, JE2 4UA

Mourant Ozannes (Advocates and Solicitors)

22 Grenville Street, St Helier, Jersey, JE4 8PX

Randell & Loveridge (Advocates)

1-6 Court Row, St Peter Port, Guernsey, GY1 2PD

Corporate information

Formation

The Channel Islands Co-operative Society Limited, registration number 14672R, (“CI Coop”) is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 with the Mutuals Public Register of the FCA and is governed by the Industrial and Provident Societies Act 1965 -1978 (Industrial and Provident Societies (Channel Islands) Order 1965-1978). Our registered office is at Co-operative House, 57 Don Street, St Helier, Jersey JE2 4TR.

Registered business names

Channel Islands Coop, Coop and CI Coop are registered business names of The Channel Islands Co-operative Society Limited.

Regulatory and supervised status

During 2023, CI Coop revoked its Class ‘T’ Money Services Business licence with the JFSC following cessation of this activity in 2022. Further, with the introduction of the Lending, Credit and Financing law in Guernsey, CI Coop was not required to register with the Guernsey Financial Services Commission under the new law and therefore its registration ceased with effect from 1 July 2023. The Channel Islands Co-operative Society Limited is now a financial services business supervised by the Jersey Financial Services Commission (“JFSC”) for the prevention and detection of money laundering, terrorist financing and proliferation financing.

Subsidiaries

CI Coop has four wholly owned subsidiaries:

- Offshore Leisure Limited, a Jersey registered company (number 77830) incorporated on 28 July 2000 and has its registered office in Jersey;
- F. Mallett & Son Limited, a Guernsey registered company (number 619) incorporated on 26 June 1962 and has its registered office in Guernsey;
- JFTU (Property) Limited, a Jersey registered company (number 101370) incorporated on 22 July 2008 and has its registered office in Jersey;
- Jersey Pharmacy Services Limited (JPSSL), a Jersey registered company (number 89296) and has its registered office in Jersey. JPSSL has two subsidiaries:
 - Edgar Holdings Limited, a Jersey registered company (number 48212) incorporated on 29 August 1990, is a wholly owned subsidiary of JPSSL; and
 - Lloyds (Chemists) Limited, a Guernsey registered company (number 1125) incorporated on 3 October 1967, is 95% owned by JPSSL and 5% owned by CI Coop.

Membership

As at 14 January 2024, CI Coop had a membership of 122,394.

The changes in membership during the period were as follows:

8 January 2023	128,269
New members	1,375
Accounts closed	(1,072)
Dormant accounts	(6,178)
At 14 January 2024	122,394
Of which:	
Guernsey members	43,518
Jersey members	78,876
At 14 January 2024	122,394

During the year the loss of contact provisions as set out Chapter 7 of the Member Rules, sections 12.5 to 12.9 were applied. This saw 6,178 dormant accounts closed. CI Coop shall use any balances held in the dormant accounts fund to support the community, local charitable causes, environmental or social initiatives as set out in Rule 12.9.

Key risks

Risk is an integral and unavoidable aspect of our business and can arise in many forms. Dealing with risk in the right way allows us to create long term value for our members and the communities we serve.

This section sets out our approach to risk management. It explains the risk management framework we have put in place to identify, evaluate, mitigate and monitor risks which is consistent with the voluntary guidelines contained in the Co-operative Corporate Governance Code. It also provides information on our most significant risks.

Our risk control and governance structure



Board of directors
The board sets CI Coop’s risk appetite, that is the type and degree of risk CI Coop is willing to take and ensures that risk is appropriately managed across the business. The board’s risk committee oversees the risk appetite and risk management framework and reports to the board which retains overall responsibility.

A summary of the current key risks is set out on the following pages.

Risk committee
The board risk committee is responsible for overseeing and advising the board on its risk appetite and risk management framework.

The committee meets at least three times a year and otherwise as required.

Executive leadership team
The executive leadership team takes day-to-day responsibility for risk management in line with the board’s risk appetite. It is accountable for the identification and assessment of key risks and the adequacy of mitigation activity including escalation to the risk committee and to the board.

The executive leadership team formally meets 13 times a year and considers risk and compliance at least once a quarter.

Our risk management framework

Policies and procedures

We have policies and procedures in place across CI Coop to guide colleagues and to ensure consistent standards for managing risk that are tailored to each business area.

Roles and responsibilities

We use the well-recognised ‘three lines of defence’ methodology to manage risk:

- First line: all colleagues across CI Coop, regardless of role or level of seniority, manage risk as part of their day-to-day activities, guided by policies, procedures and training as required.
- Second line: teams, mainly within the support functions, such as risk and compliance, provide guidance, oversight, and compliance activities to monitor compliance and to assist.
- Third line: audit, by external advisors with specialist skills and experience, providing independent assurance and challenge.

Risk management process



- Identify risk**
 - We identify risks that could impact our business by using our experience and judgement
 - We regularly update as risks change
- Assess risk**
 - We assess the likelihood and impact of the risks we identify
 - We consider the potential financial and reputational consequences
- Mitigate and manage risk**
 - We manage the risks by ensuring the appropriate mitigation and resources are in place
 - We regularly adapt as risks evolve
- Monitor and report risk**
 - We regularly monitor and update our risks and mitigation
 - We regularly report our risks for review and challenge

Strategic report cont.

How we managed risk in 2023/24

The trading businesses and support functions regularly review and update their risk registers as part of ongoing management procedures.

We regularly meet, at all levels across CI Coop to discuss risk, including our risk identification, monitoring, and reporting mechanisms to ensure risk is appropriately managed. Risks are rated using a probability and impact scoring matrix.

Key risks

The board has assessed the principal risks facing CI Coop and consider these as the most significant risks.

Competition and substitution				
Responsible executive: Chief retail commercial officer	Risk category: Strategic	Risk trend: Increased		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Ensure our member and customer offer remains attractive, viable and innovative given the competitive landscape 	<ul style="list-style-type: none"> Reliance on a key supplier, the Co-op Group Pricing pressures caused by cost price of goods for resale and increasing operating costs Cost price of goods for resale Increasing operating costs Constraints on economies of scale New entrants and market competition – particularly online Innovation and market dynamics 	<ul style="list-style-type: none"> Monitoring of products, sales and margins Regular market share and competitor analysis Responsive promotions and marketing Quarterly forecasting Strategic plans include competitor activity mitigations CI Coop is a member of Federal Retail and Trading Services Limited 	<ul style="list-style-type: none"> New store opened at Phillips Street Acquisition of seven Lloyd's Pharmacies across Jersey and Guernsey Acquisition of the COOK franchise for the Channel Islands Significant increase in input costs owing to continued global supply chain pressures Continued price monitoring Further developed relationship with Carrefour to enhance range and choice as well as to mitigate key supplier risk Continued supply chain challenges post Brexit, COVID and Ukraine situation 	<ul style="list-style-type: none"> Focus on delivering value to members at a time they need it most Continue to roll out store rebranding Progress Leale's Yard development Launch new membership loyalty proposition

Cost of living crisis				
Responsible executive: Chief retail operations officer	Risk category: Finance and operational	Risk trend: Increased		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Significant business interruption due to continuing global challenges including Brexit, Ukraine, Red Sea, Israel-Hamas and significant adverse weather events caused by climate change resulting in reduced profitability 	<ul style="list-style-type: none"> Uncertainty Availability of resources, particularly colleagues to manage disruption Pressure on supply chain in term of costs and availability Risk of 'knock on' consequences Costs of mitigation Increased recessionary pressures 	<ul style="list-style-type: none"> Adapting the food division's business model to reduce fixed cost base through use of zero hours contracts Monitoring supply chains, sourcing alternatives locally where possible and off-island where not Adapting care divisions (pharmacy and funerals) in line with changing government guidelines 	<ul style="list-style-type: none"> Alternative supply chains at a higher cost impacting margin Severe disruption caused by global challenges continued increasing recessionary pressures Cost of capital increased significantly to manage the inflationary price pressures 	<ul style="list-style-type: none"> Additional capacity in existing supply chain Continue to explore opportunities with new and existing suppliers such as growing offering through Carrefour Reviewing our financial model to ensure its sustainability for the future

Failure to deliver business plans				
Responsible executive: Chief executive officer	Risk category: Financial	Risk trend: Increased		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Risk of failure to deliver business plans including sales growth and profitability targets 	<ul style="list-style-type: none"> Reduced profitability or loss-making operations impact liquidity covenants and ability to pay dividend Reduced cash flow impacts on ability to invest in delivering long term value to members 	<ul style="list-style-type: none"> Periodic reviews give visibility of financial performance Quarterly strategic reviews and forecasting gives visibility of overall business plan delivery Weekly cashflow monitoring Robust capital expenditure allocation process Regular monitoring of the competitive landscape and market research to determine members' and customers' needs and preferences, shaping CI Coop's offering accordingly 	<ul style="list-style-type: none"> Continued to refine budgeting and forecasting Aligned performance reporting to business plans, rolling out to all colleagues to drive understanding and awareness 	<ul style="list-style-type: none"> Review strategy and develop overriding plan for next five years Continue aligning performance reporting with business plans ensuring effective communication to and engagement with all colleagues to drive understanding and awareness

Cyber risk				
Responsible executive: Chief technology officer	Risk category: Information governance	Risk trend: Stable		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Unauthorised access, modification or loss of data due to a successful cyber attack 	<ul style="list-style-type: none"> Risk of IT systems and services not being recovered on a timely basis Risk of permanent data loss Theft risk of valuable and / or private data Risk of ransomware and business interruption 	<ul style="list-style-type: none"> Following industry recognised Cyber security Capability Maturity Model ("C2M2") Employing colleagues who specialise in this area 	<ul style="list-style-type: none"> Introduction of new retail system reducing overall vulnerabilities Embedded third party supplier cyber risk monitoring tool Continued to reduce vulnerabilities in technology 	<ul style="list-style-type: none"> Continue focus on enhancing capabilities of cyber controls. Continue to replace and upgrade aging IT systems

Commercial contracts				
Responsible executive: Chief governance officer	Risk category: Regulation and compliance	Risk trend: Stable		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Inadequate / inappropriate contractual protection leads to risk of financial loss or reputational damage 	<ul style="list-style-type: none"> Management of contract process could lead to inadequate contractual protections for CI Coop and/or unqualified contractors being employed to carry out works 	<ul style="list-style-type: none"> Legal review of contracts Contract sign off process 	<ul style="list-style-type: none"> Revised contract templates rolled out in 2022 	<ul style="list-style-type: none"> Continue audit of contractual arrangements and processes throughout CI Coop to bring in line with contract templates

Strategic report cont.

Key risks cont.

The board has assessed the principal risks facing CI Coop and consider these as the most significant risks.

Anti-money laundering, countering the financing of terrorism and countering proliferation financing (AML/CFT/CPF)				
Responsible executive: Chief governance officer	Risk category: Reputational	Risk trend: Stable		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Failure to comply with AML/CFT/CPF regulations 	<ul style="list-style-type: none"> Risk that inadequate AML/ CFT/CPF system and controls leads to reputational damage, regulatory sanction, and significant costs, including fines from the Jersey Financial Services Commission ("JFSC") 	<ul style="list-style-type: none"> Detailed AML/CFT/ CPF framework, policies and procedures in place supported by independent experts Regular specialist AML/CFT/ CPF role specific training provided to director, officers and key persons as well as financial service colleagues The risk and compliance team comprises colleagues with significant and relevant AML/CFT/CPF regulatory experience Third party effectiveness assessments undertaken every two to three years 	<ul style="list-style-type: none"> Closed JFSC remediation plan Revoked money service business licence in Jersey with the JFSC Deregistered with the GFSC following cessation of foreign exchange business Continued to receive support from local regulatory compliance specialists including completion of third party compliance function effectiveness assessment Outsourced the AML/CFT/ CPF compliance monitoring program Continued review and update of AML/CFT/CPF Risk Appetite, Strategy and Risk Assessment as well as review and implementation of CI Coop's AML/CFT/CPF compliance framework and compliance monitoring plan 	<ul style="list-style-type: none"> Continue to enhance CI Coop's AML/CFT/CPF compliance framework including systems and controls and associated policies and procedures with appropriate review and oversight of changes To continue to raise awareness as to CI Coop's AML/CFT Framework including understanding through training and awareness for both financial services business colleagues and non-financial services business colleagues Continue to outsource the compliance monitoring program to an independent third party

Reputational risk				
Responsible executive: Chief executive officer	Risk category: Regulation and compliance	Risk trend: Increased		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2023/24
<ul style="list-style-type: none"> Risk of failure to meet stakeholder including member expectations as a result of any event, behaviour, action or inaction either by CI Coop itself, our colleagues, those we are associated with that may cause our members and other stakeholders to form a negative view of CI Coop 	<ul style="list-style-type: none"> Serious health and safety incident Other major operational issue e.g. personal or special category data is lost, damaged, misused or stolen Significant non-compliance with laws and regulations Changes to governance or rules that cause member uncertainty 	<ul style="list-style-type: none"> Executive leadership team oversee a broad suite of policies and procedures designed to protect CI Coop and ensure compliance with legal and regulatory requirements Legal and regulatory compliance reviewed quarterly by the board and executive leadership team 	<ul style="list-style-type: none"> Global supply chain issues raised perceived level of negative press locally by customers owing to pricing pressures caused by significant inflationary pressures. Impact of dealing with impacts of global events such as Brexit, Ukraine, and global recessionary pressures covered elsewhere Cost of living impact on Islanders Closure of JFSC remediation 	<ul style="list-style-type: none"> Continue the review and development of CI Coop's governance framework Continue to develop and embed CI Coop's enterprise risk management framework Continue to develop CI Coop's governance of key risk areas including financial crime Changes to rules to further enhance the governance and oversight

Data protection				
Responsible executive: Chief technology officer	Risk category: Information Governance	Risk trend: Stable		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Failure to comply with local data protection legislation 	<ul style="list-style-type: none"> Inadequate governance of data could lead to reputational damage and significant costs, including fines from Jersey's Office of the Information Commissioner or Guernsey's Data Protection Authority 	<ul style="list-style-type: none"> CI Coop has a data protection policy and data protection framework in place Appointment of a suitably qualified data protection officer 	<ul style="list-style-type: none"> In-house data protection officer position Reviewed and developed relevant data protection related policies and procedures Reviewed and developed CI Coop's data protection training and awareness programme 	<ul style="list-style-type: none"> Actions to further improve data governance Continue to train and raise awareness of obligations to all colleagues Continue to develop and enhance CI Coop's data governance systems and controls

IT capability				
Responsible executive: Chief technology officer	Risk category: Operational	Risk trend: Stable		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Failure to maintain IT infrastructure and stability Future data management strategy inconsistent with current systems 	<ul style="list-style-type: none"> Inability to continue trading with existing partners leading to financial losses and member / customer detriment Risk that inadequate IT impacts commercial capability to deliver an online platform leading to member / customer loss 	<ul style="list-style-type: none"> Robust IT resilience at all sites Advanced system monitoring protocols in place Manual processes as backup in case of failure 	<ul style="list-style-type: none"> Rolled out new EPOS system across CI Coop Appointed a new chief technology officer 	<ul style="list-style-type: none"> Continue to implement the technology strategy Complete implementation of new EPOS system across CI Coop

Health and safety (including food safety)				
Responsible executive: Chief governance officer	Risk category: Regulation and compliance	Risk trend: Stable		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Health and safety, or food safety, breach leading to major incident, injury, or fatalities 	<ul style="list-style-type: none"> Keeping colleagues, members, customers, and all visitors to our sites safe Channel Islands health and safety and food safety legislation Complexity of businesses and business operations 	<ul style="list-style-type: none"> Health and safety framework including policies, processes, and practices in place, including for food safety Monitoring compliance through regular programme of first, second- and third-line assurance Assessment of leading and lagging indicators annually to identify targets for the cycle of continual improvement 	<ul style="list-style-type: none"> Completion of an external health and safety framework review Planned and developed new health and safety incident investigation and reporting Adoption of revised food safety legislation in Jersey Developed hot hold / food safety awareness, including labelling allergen management following introduction of Natasha's Law 	<ul style="list-style-type: none"> Complete the actions arising from the recommendations from the external review Continue health and safety focus on slips, trips and falls, manual handling, and contractor competence Complete the development of the health and safety systems including audit and risk assessment Continue food safety focus on hot food, allergen awareness and labelling

Liquidity				
Responsible executive: Chief financial officer	Risk category: Financial	Risk trend: Increased ↑		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Risk that liquidity is insufficient to meet obligations as they fall due 	<ul style="list-style-type: none"> CI Coop issues withdrawable share capital to fund the business where members subscribe for additional share capital Outflows of withdrawable share capital by members exceeding purchases of withdrawable share capital over a sustained period can adversely impact liquidity Within the financial results, where a distributable surplus is not made or there are insufficient liquid funds, then the payment of a dividend may not be possible 	<ul style="list-style-type: none"> Monitoring liquidity through cashflow forecasting, and regular reviews of member withdrawals Annual audit of financial position including going concern assessment Quarterly reporting to Jersey Financial Services Commission as to liquidity position Applying the distribution of surplus rules Adjusting interest rates applicable to member capital to encourage members to continue investing in CI Coop 	<ul style="list-style-type: none"> Prevailing economic conditions has seen an increase in inflationary pressures with higher interest rates as a result increasing amounts payable on withdrawable share capital held to members Challenging trading conditions have reduced surplus meaning a distribution by way of dividend either suspended or reduced Implemented a revolving credit facility to support future development of Leale's Yard and operational needs 	<ul style="list-style-type: none"> Continued focus on cashflow forecasts and trends of levels of member withdrawals Review of financing facilities and options to ensure flexible and sustainable funding is available to CI Coop if required

Recruitment and retention challenge for colleagues				
Responsible executive: Chief people officer	Risk category: People	Risk trend: Stable →		
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2023/24	What we plan to do in 2024/25
<ul style="list-style-type: none"> Inability to recruit and retain the right people at the right time and the right cost including in here impact of cost of living 	<ul style="list-style-type: none"> Difficulty recruiting colleagues post Brexit and COVID-19 Immigration challenges Increasing cost of living in the islands Competition from all industries seeking to recruit and retain people 	<ul style="list-style-type: none"> Monitoring vacancy, staff turnover and absenteeism rates Recruitment initiatives Adoption of flexible working arrangements where appropriate Review of store opening hours Assessing compensation packages 	<ul style="list-style-type: none"> Monitored vacancy, staff turnover and absenteeism rates Began review of compensation packages, including revising competency and performance framework Implemented recruitment initiatives Embedded wellbeing programme 	<ul style="list-style-type: none"> Continue to develop recruitment initiatives Complete implementation of competency and performance framework Develop just culture supporting colleague mental wellbeing



Governance report

The board is pleased to present its governance report to its members for the year under review. Best co-operative governance practice underpins the operation of CI Coop which is run democratically with focus on the needs of its members and the communities it serves.

Governance code

CI Coop follows the Co-operative Corporate Governance Code 2019 (the Code) issued by Co-operatives UK, the co-operative federation for co-operative enterprises in the UK, on a voluntary basis where appropriate. The Code is based on the principles contained in the UK Corporate Governance Code and the Wates Corporate Governance Principles that apply to most organisations whilst acknowledging the governance characteristics of co-operatives. In addition, the board is committed to the International Co-operative Alliance (the ICA) Values and Principles and reaffirms its commitment to them annually.

We disclose here where we have not complied with the Code’s provisions and provide an explanation:

Culture – While CI Coop culture is assessed and monitored at least annually through interaction with its members, colleagues, and board members to ensure that practices and behaviours are aligned to our purpose, strategy, and values, we do not report on alignment, activities, and actions in relation to culture in the way intended by the Code.

The Code is organised into six sections setting out the principles that all co-operatives can reflect on. The ways in which CI Coop has applied the Code where practical and appropriate to do so, that are not covered elsewhere in Annual Report, are detailed opposite:

1. Member voice, participation, and engagement

CI Coop is a democratic organisation governed by rules that enshrine the equal voting rights of members and define those matters that are the exclusive preserve of the members. CI Coop’s members are encouraged to attend the Annual Meeting of Members (AMM) and exercise their democratic rights and elect directors to the board to represent their views. CI Coop actively promotes attendance at its AMM by publishing notices on its website, the local newspapers and on posters in stores exceeding the requirements set out in CI Coop’s rules. In 2023, CI Coop continued to provide members with the opportunity to attend and vote online by offering hybrid web and physical meetings in both Jersey and Guernsey. At the last two AMMs, no motions proposed by members have been voted on.

CI Coop holds member focus groups, surveys, and invites feedback from members through feedback forms and the members’ portal. Active engagement with our members is encouraged through our social media channels.

CI Coop is committed to respecting the rights and diversity of its members, colleagues and people dealing with CI Coop by treating them fairly and not discriminating on any grounds. These values and principles have been enshrined in CI Coop’s rules, directors’ code of conduct and colleague employment guidebook.

2. Co-operative leadership and purpose

Social responsibility and ‘making a real difference to the communities we serve’, whilst maintaining our position as the island’s leading responsible retailer, is the vision of CI Coop. CI Coop undertakes many initiatives to ensure it supports both local and global communities and the environment. Supporting local causes is core to CI Coop’s sustainability strategy, enabling members, colleagues, and community partners to connect, influence and co-operate in activities and solutions locally.

Our five values underpin CI Coop’s culture:

- Co-operation:** Embracing the ICA values and principles in everything we do
- Openness:** Honesty and trustworthiness in what we say and how we behave – being prepared to listen
- Passion:** Pride in our business, determination to succeed, radiating positive energy
- Empowerment:** Providing opportunity, encouraging contribution and involvement, believing in our people
- Recognition:** Ensuring our colleagues are appreciated, valued and rewarded for their achievements

CI Coop’s corporate strategic priorities include that CI Coop’s mission is to protect and develop long-term member value by:

1. Optimising and growing the core food business
2. Building member connections, making a bigger difference
3. Developing a new roadmap for our property portfolio
4. Being financially sustainable
5. Getting smarter about governance risk and compliance
6. Developing a future ready team

2023 saw significant challenges to our business caused in the main by wider global events that have meant the board has had to make difficult decisions that are in the best interests of our members. The cooperative financial model is built upon sustainability, where members benefit from surpluses but not when there are none.

The board has taken a range of steps to deliver our sustainable business model for the long-term success of CI Coop. A rigorous set of standards for appraising investment decisions to ensure that appropriate returns are achieved on CI Coop’s assets are in place, and decisions for distributing profits in the form of dividend are made only when CI Coop has sufficient distributable surplus profits to do so.

The goal remains to return a stable dividend on qualifying purchases each year, however only when prevailing trading conditions permit and there are sufficient net surplus profits to do so. Setting a specific target rate of dividend is itself not considered appropriate, where any profit can go towards interest to members, community projects and reinvestment to support CI Coop and its continued growth for the benefit of members.

The board has a code of conduct setting out the expectations for the way directors interact with one another and with others with whom they have business. The board also has an established whistleblowing procedure overseen by the board risk committee, allowing colleagues to raise any concerns in confidence. Every matter raised is investigated and follow up action is taken where required.

3. Roles and responsibilities

The board seeks to ensure that the ICA values and principles define everything that CI Coop does. Every year, the board reviews the ICA values and principles and re-affirms its commitment to them in their decision-making processes. In compliance with the Code, the directors have acted, in good faith, in a way that would be most likely to promote the success of CI Coop for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term;
- b) The interests of CI Coop’s employees (colleagues);
- c) The need to foster CI Coop’s business relationships with suppliers, customers, and others;
- d) The impact of CI Coop’s operations on the community and the environment;
- e) The desirability of CI Coop in maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between members of CI Coop.

The development of strong meaningful relationships with our stakeholders is vital to the long-term sustainability of CI Coop and the board is conscious of the impact that their decisions have on direct stakeholders and the wider community. Any key or principal decisions by the board will include discussion around our key stakeholders and the board seeks to understand the needs of each stakeholder group. We have set out below examples of the way we approach our engagement with our key stakeholders.

- Our members**
 - AMM
 - Annual report
 - Social media
- Our customers**
 - Customer feedback forms
 - IGR surveys
 - Loyalty survey
 - Social media
- Our colleagues and trade unions**
 - Townhalls
 - Wellbeing week
 - Voice feedback surveys
 - Internal communications
- Our suppliers**
 - Communication of revised terms and conditions
 - Supporting local suppliers
- Our community**
 - CI Coop Community Fund
 - Donations to local charities, community projects and environmental initiatives
 - Active participation and support of community and charity events
- Other coops**
 - Shareholder in FRTS
 - Member of Co-operatives UK
- Channel Island / UK Regulators**
 - Annual review meetings

Except for the chief executive officer, the board is comprised of non-executive directors who have delegated the day-to-day management of the business to the executive leadership team. It has established a clearly defined range of matters which are reserved only to the board and is ultimately responsible for effectiveness of CI Coop’s system of internal control and processes which are monitored through the board risk committee.

The board is chaired by the chair who is a member-elected director chosen by the board each year after the AMM. The role of chair is a crucial one as they work closely with the chief executive officer to set CI Coop’s strategy and achieve its objectives. They are also responsible for setting the tone and culture for CI Coop which flows from the board.

The directors’ occupations and interests are as follows:

Director	Organisation	Position
Jon Bond	Evans Bond Limited	Director
	Melius Consulting Limited	Director
	Guernsey Choral Workshop LBG	Director
	Guernsey Business Brokers Limited	Director
	Parish of The Vale	Douzenier
	Guernsey Salvation Army	Leadership team member
Jennifer Bridge MBE	The Guernsey Choral Festival	Treasurer
	Government of Jersey Jersey Literary Festival Association	Teacher Chair
Jennifer Carnegie	Amicus Limited	Executive director
	Jersey Business Limited	Chair
	Ivory Limited	Executive director
	Condor Ferries	Non-executive director
Mark Cox	Channel Islands Financial Ombudsman	Non-executive director
	Co-operative Federal Retail Trading Services	Director
Jill Clark	Community Savings Limited	Director
	Self-employed	Lecturer and consultant
	Changing Faces Channel Islands	Chair
	Face Equality International	Chair
	Island FM	Non-executive director
Michael McNally	Royal Court of Guernsey	Jurat
	Self-employed	Self employed business consultant
	RNLI – Jersey	Management board honorary position
	The Jersey Cancer Trust	Director & trustee honorary position

Governance report cont.

Graeme Smith	Skipton International Limited	Non-executive officer
	Triton Private Equity	Non-executive director
	Glins Property Investment Limited	Director
	Channel 103	Non-executive director
Simon Todd	Crestbridge Limited	Director and group head of real estate – until 31 May 2023 contracted consultant to date
	RNLI – Jersey	Volunteer member
	ST 360	Founder
Wayne Bulpitt	Aspida Group Limited	Executive chair

The board has at least six scheduled meetings in the year where it considers strategy, receives reports from the executive leadership team on trading and other matters, reviews CI Coop's financial performance for both the period and cumulatively for the year, and considers papers presented for decision or information.

The board has delegated specific parts of its remit to committees. During the year under review, the board had three committees being i) the audit committee; ii) risk committee; and iii) recruitment and remuneration committee. Each committee has clear terms of reference which define their roles and the limits of their authority and are wholly accountable to the board in line with the directors' collective responsibility for the discharge of their duties.

The table below lists the attendance record of directors at board and committee meetings for the year under review. The figures show the number of meetings each director attended against the number of meetings they were eligible to attend (in brackets).

	Last elected / appointed	Term ends	Board	Ad hoc	Audit committee	Risk committee	Recruitment and remuneration committee
Jon Bond	Jun 21	Jun 24	6 (6)	4 (4)	-	-	-
Jennifer Bridge	May 22	May 25	6 (6)	2 (4)	-	-	4 (4)
Wayne Bulpitt ²	Nov 22	May 23	2 (2)	1 (1)	-	-	-
Jennifer Carnegie ³	Feb 21	Feb 24	5 (6)	2 (4)	-	-	4 (4)
Jill Clark	May 22	May 25	6 (6)	4 (4)	-	-	3 (4)
Mark Cox			5 (6)	4 (4)	-	-	-
Michael McNally ¹	Jun 23	Jun 26	6 (6)	4 (4)	2 (2)	7(7)	-
Graeme Smith	Jun 21	Jun 24	6 (6)	3 (4)	2 (2)	7(7)	-
Simon Todd	Oct 21	Oct 24	5 (6)	3 (4)	2 (2)	5(7)	-

¹Originally appointed in June 2020 and reappointed by election June 2023, ²Appointed to fill a casual vacancy arising from Guernsey elected director and did not stand for election at the AMM 2023 ³Stood down at end of tenure with effect from 28 February 2024

4. Board composition, succession and evaluation

The board currently comprises of eight (nine in 2023) directors. The board believes in upholding member control and the democratic process. As required by CI Coop's rules, board elections are held annually through democratic elections conducted with the support of UK Engage, an organisation that administers local and national government elections in the UK, and the society secretary presides over these elections as the returning officer. During 2023 no director election took place and a casual vacancy arising from a Guernsey elected director remains. One uncontested election took place in Jersey, where Michael McNally was elected unopposed.

CI Coop has continued to support the board apprenticeship scheme run by GTA University as a partner, where Susan Watson continued her appointment under the scheme's NED development programme.

New directors are provided with a full induction and the process involves meetings with chief governance officer and society secretary, the executive leadership team and other relevant business stakeholders. Site visits are encouraged to apprise the directors of the scope of CI Coop's operations within the co-operative context. Directors wishing to update their skills, may access training at CI Coop's expense. In the last year, the board attended annual regulatory refresher training.

The chief executive officer and the society secretary keep the board advised of matters affecting CI Coop at each board meeting and more frequently if required. Regular presentations from each of CI Coop's trading businesses and departments are made by the executive leadership team covering strategic issues, risks and future areas for discussion and decision. To ensure that board meetings run efficiently and directors are equipped with full information to aid decision making, board papers are circulated one week prior to each board meeting.

The directors have access to the advice of the society secretary who is responsible for governance matters. The directors may obtain professional advice on matters within the scope of their remit at the expense of CI Coop.

During 2023, an independent evaluation of the board's effectiveness was conducted by Oben Regulatory Limited, the recommendations of which are being implemented by the chief governance officer. Certain recommendations have been included in the motions tabled to the special meeting of members held on 27 and 28 February 2024. Additional recommendations related to the board skill sets and succession planning which are being considered as part of the next director election process ahead of the annual members' meeting to be held in May 2024.

A special meeting of members was held on 27 and 28 February 2024 to consider rule changes which included aligning the terms of service for both elected and professionally appointed directors to three terms totalling nine years in line with best corporate governance and the Co-operative Code, changes to the appointment criteria of the chair of the board of directors and the eligibility criteria for serving as a director, as well as the means for voting by members. The motions tabled were not passed and therefore the rules remain unchanged.

5. Risk, financial management and internal controls

The board has an agreed risk management appetite and routinely reviews CI Coop's enterprise risk register. In addition, it has been monitoring and reviewing the risk management and internal control framework to identify and mitigate risk necessary to the attainment of CI Coop's objectives.

The board is responsible for CI Coop's internal control framework and for reviewing its effectiveness and to report formally on this review annually to members. The Code states that the review is expected to cover all material controls, including financial, operational, compliance, regulatory and risk management. The board is of the view that the controls and processes within CI Coop are appropriate for an organisation of its size and complexity.

The board risk committee reviewed the operation and effectiveness of CI Coop's internal control system during the period under review.

CI Coop outsources its internal audit function to professional third parties. The board risk committee agrees the scope of all such third-party assurance work and receives the reports arising therefrom.

CI Coop's Class A and B shares form withdrawable share capital, as defined by Section 2.2.2 of the Community Shares Handbook. The board is satisfied that CI Coop's withdrawable share capital is operated in accordance with the Code and the Community Shares Handbook. CI Coop's Class A and B shares are operated in accordance with CI Coop's Rules, Member Terms and Conditions and published guidelines for their use. Appropriate notice is given in the event of any change in the rate of interest payable on withdrawable share capital and under Rule 7.18 (e) the members' right to sell back the Class A and/or Class B share withdrawable capital may be suspended either wholly or partly and either definitely or indefinitely by the board.

6. Remuneration of the board and executive leadership team

The board has a recruitment and remuneration committee to oversee CI Coop's remuneration strategy. The committee's primary role is to monitor and review CI Coop's arrangements regarding resourcing and talent management including: i) recruitment, retention, succession planning; ii) remuneration motivation, recognition, and reward; and iii) organisational design and all expense policies and taking external advice where necessary. A full report on the committees' activities is set out in the recruitment and remuneration report on page 40.

With consideration of the size, complexity and risk profile of CI Coop, the board has chosen not to set up a separate nominations committee.

The following table lists the fees paid to the directors of CI Coop who served during the year under review.

	Fees 2023/24 £	Fees 2022/23 £
Jon Bond Chair	20,464	18,990
Jennifer Bridge ¹	13,551	8,305
Wayne Bulpitt ²	4,834	2,602
Jennifer Carnegie ³ Chair - recruitment and remuneration committee	16,551	16,365
Jill Clark	13,640	13,455
Mark Cox	-	-
Michael McNally Chair - audit committee	16,551	17,996
Graeme Smith Risk committee	16,551	16,365
Simon Todd	13,551	13,411

¹Elected 18 May 2022, ²Appointed by the board on 1 November 2022 and did not stand for re-election in May 2023, ³Stood down at end of tenure with effect from 28 February 2024.

Governance report cont.

Audit committee report

Michael McNally,
Chair of the audit committee

I am pleased to present the audit committee report for the year ending 14 January 2024. I was re-appointed to the board in June 2023 and appointed as the committee's chair in June 2023.

The audit committee is responsible for overseeing for the board: financial reporting, internal financial controls, anti-fraud measures and external audit functions.

The committee has three directors in its membership and met two times during the reporting period. The chair of the board is not permitted to be a member of the audit committee. The chair of the audit committee reports the outcome of its meetings to the board and the board receives the minutes of the audit committee meetings.

The committee's main activities during the reporting period are set out below:

Financial control, including financial and narrative reporting

The committee considered whether the appropriate accounting policies were applied and reviewed the key accounting judgements and estimates recommended by the executive leadership team. This included reviewing the executive leadership team's suggested approach to the:

- (i) valuation of investment properties; and
- (ii) assumptions applied in order to establish the necessary disclosures to be made by CI Coop under FRS 102 in relation to CI Coop's defined benefit superannuation scheme.

External audit

I met with the audit engagement leader of Grant Thornton during the planning phase of the audit without management present. In addition, at the close of the audit the committee met with the auditor who presented their findings and provided feedback without management present.

The audit committee considers that the auditor is sufficiently independent of CI Coop, in accordance with the ethical requirements relevant to the audit of financial statements in the UK including the Financial Reporting Council's Ethical Standard, and that the auditor has adequately fulfilled its responsibilities in accordance with these requirements. The board audit committee believes the audit evidence provided to the auditor was sufficient and appropriate to allow the auditor to form an adequate opinion on the true and fair view of the state of CI Coop's affairs.

Property valuations

Maillard & Company Limited continued as valuers for CI Coop and acted on behalf of CI Coop for both the financial statements and insurance valuations. The committee has reviewed the valuation process and satisfied itself with the approach taken in arriving at appropriate valuations in line with FRS 102, particularly in respect to the directors' valuations of Leale's Yard and Nocq Road.

Recruitment and remuneration committee report

Jennifer Carnegie,
Chair of the recruitment and remuneration committee

I am pleased to present the committee's report for the year ended 14 January 2024. I was appointed to the board on 5 March 2018, and re-appointed as the committee's chair in June 2023.

The committee's purpose, as set out in its terms of reference is to monitor and review CI Coop's arrangements relating to: (a) recruitment, including retention and succession planning; (b) remuneration, including motivation, recognition, and reward; and (c) organisational design and all relevant policies.

The committee consists of three directors, none of whom can be employees or superannuated employees, paid to deliver services to CI Coop, or the chair of CI Coop. I believe the size of the committee to be proportionate to the size, complexity, and risk profile of CI Coop.

The committee advises the board on matters within its span of control, providing oversight and judgement. Its purpose is to ensure that the levels of remuneration and contractual terms of directors and the executive leadership team is appropriate in consideration of the responsibilities held and the size, complexity, and risk profile of CI Coop.

Details of the remuneration of directors can be found on page 39 and key management compensation including the executive leadership team can be found on page 52 in note 2.2 to the financial statements.

My tenure ended with effect from 28 February 2024 and I stood down from the Board and my position as chair of the committee at this date.

The committee's areas of focus this year have been:

Salaries and benefits

A full review of pay and benefits is underway across CI Coop to ensure pay parity and this will repeat triennially. Colleagues received a pay increase in 2023 resulting in all, following their probationary period, being on or above living wage. The number of colleague discount days (where colleagues receive additional discount in our stores) was increased from four to six.

Talent management

Talent management is an ongoing focus to ensure continuity and resilience. We try, wherever possible, to promote from within the organisation and we are continually developing leaders and managers to ensure they are ready for the future needs of the business.

People risk

In the current economic climate, CI Coop recognises the risk of being unable to recruit and retain the right people at the right time for the right cost and has added this to its principal risks and uncertainties. The committee is responsible for monitoring this risk for the board.

Board risk committee

Graeme Smith,
Chair of the risk committee

I am pleased to present the committee's annual report to members for the period ending 14 January 2024 in my second year as chair of the board risk committee since being appointed to the board on 8 June 2021.

The committee is responsible for overseeing, CI Coop's risk appetite, risk management framework and internal audit for the board. The committee consists of three directors and it met seven times during the year. Annually, after the annual meeting of members, the board appoints its members to the committee and the outcome of its meetings are reported to the board.

Following the examination by the Jersey Financial Services Commission (the JFSC) in August 2021, CI Coop has worked on its remediation of the findings and formally closed the remediation in December 2023. An external effectiveness review of the compliance function was completed as part of this process by Oben Regulatory Limited in 2023, the recommendations of which are being taken forward by the chief governance officer and head of risk and compliance, who is also CI Coop's appointed money laundering compliance officer and money laundering reporting officer.

The committee's activities during the reporting period are set out below:

Risk management

The board and the executive leadership team have primary responsibility for identifying and controlling the key risks facing CI Coop. CI Coop operates a risk management process that aims to identify the key risks in each business group and support function which are reviewed by both the executive leadership team and the committee. Any identified weaknesses in controls will result in action plans to improve control mechanisms. Matters are reported to the board as appropriate.

During the reporting period, the committee reviewed the statement of principal risks and uncertainties making appropriate changes as necessary. For example following the adoption of the sustainability strategy, a new sustainability risk was determined appropriate. Other risks were updated such as governance, reputation, health & safety and cyber where cyber brought under "digital operational resilience".

Internal controls

The committee has reviewed the operation and effectiveness of CI Coop's internal control system during the reporting period.

Internal audit

CI Coop outsources the provision of its third line of defence and the committee agrees a schedule of inspections by third party specialists. The committee annually agrees the schedule of third line audit and assurance activity and monitored the results of that work. It is also responsible for monitoring and reviewing the independence, objectivity and effectiveness of the functions provided.



Financial statements

Contents

Consolidated income statement and consolidated statement of comprehensive income	44
Consolidated statement of financial position	45
Consolidated statement of changes in equity	46
Consolidated cash flow statement	47
Accounting policies	49
Notes to the financial statements	50

Financial statements

Consolidated income statement	Notes	53 weeks to 14 January 2024 £'000	52 weeks to 8 January 2023 £'000
Turnover	1.1	208,492	192,398
Cost of sales		(150,923)	(139,968)
Gross profit		57,569	52,430
Other operating income	1.2	3,036	3,040
Administrative expenses	2.1	(53,092)	(49,633)
Trading profit		7,513	5,837
Other interest receivable and similar income	2.4	393	333
Interest payable and similar charges	2.4	(2,866)	(1,131)
(Loss)/gain on disposal of fixed assets		(232)	233
Revaluation of investment property	4.3	(1,174)	742
Onerous lease	5.2	587	633
Net gain on financial liabilities at fair value		8	86
Profit before dividends		4,229	6,733
Dividend	2.5	(5,456)	(5,452)
(Loss)/profit before tax		(1,227)	1,281
Taxation	3.1	(523)	(550)
(Loss)/profit on ordinary activities		(1,750)	731

Consolidated statement of comprehensive income	Notes	53 weeks to 14 January 2024 £'000	52 weeks to 8 January 2023 £'000
(Loss)/profit for the year		(1,750)	731
Revaluation of tangible fixed assets	4.2	1,620	-
Remeasurement gain/(loss) of the net defined benefit pension scheme	5.5	-	(1,110)
Total other comprehensive income/(loss)		1,620	(1,110)
Total comprehensive loss for the year		(130)	(379)

CI Coop will be recommending a distribution of £3 million (2023: £5.5 million) to its members for the 53 week period to 14 January 2024. The results reported during the year and the prior year relate solely to continuing activities. The accounting policies and notes on pages 49 to 69 inclusive form an integral part of these financial statements.

Consolidated statement of financial position	Notes	As at 14 January 2024 £'000	As at 8 January 2023 *Restated £'000
Non-current assets			
Intangible assets	4.1	6,100	4,824
Tangible assets	4.2	90,137	89,536
Investment properties	4.3	52,816	51,685
Investments	4.4	15	15
		149,068	146,060
Current assets			
Stocks	4.5	8,228	6,782
Trade and other debtors	4.6	12,432	12,056
Short term deposits	4.7	-	19,128
Cash at bank and in hand	4.7	4,007	5,616
		24,667	47,421
Current liabilities			
Creditors: amounts falling due within one year	5.1	(18,010)	(20,154)
Provisions: amounts falling due within one year	5.2	(736)	(652)
Net current assets		5,921	22,776
Total assets less current liabilities		154,989	168,836
Non-current liabilities			
Provisions	5.2	(4,369)	(4,720)
Fair value derivatives	5.3	-	(8)
Pension liability	5.5	-	-
Net assets		150,620	164,108
Share capital	6.1	100,756	114,114
Property valuation reserve	6.2	5,629	4,009
Revenue reserve		44,235	45,985
Total shareholders' funds		150,620	164,108

*Please refer to Note 4.6 in regard to prior year restatement

The accounting policies and notes on pages 49 to 69 inclusive form an integral part of these financial statements.

Financial statements cont.

Consolidated statement of changes in equity	Notes	Share capital £'000	Revaluation reserve £'000	Revenue reserve £'000	Total equity £'000
Balance at 9 January 2022		127,267	4,009	46,364	177,640
Profit for the year		-	-	731	731
Other comprehensive income		-	-	(1,110)	(1,110)
Trading property revaluation	4.2	-	-	-	-
Decrease in share capital	6.1	(13,153)	-	-	(13,153)
Balance at 8 January 2023		114,114	4,009	45,985	164,108
Loss for the year		-	-	(1,750)	(1,750)
Other comprehensive income		-	-	-	-
Trading property revaluation	4.2	-	1,620	-	1,620
Decrease in share capital	6.1	(13,358)	-	-	(13,358)
Balance at 14 January 2024		100,756	5,629	44,235	150,620

The accounting policies and notes on pages 49 to 69 inclusive form an integral part of these financial statements.

Consolidated cash flow statement	Notes	53 weeks to 14 January 2024 £'000	52 weeks to 8 January 2023 *Restated £'000
(Loss)/profit for the year		(1,750)	731
Adjustments to reconcile (loss)/profit for the year to net cash flow from operating activities			
Amortisation of intangible assets	4.1	996	1,565
Depreciation of tangible fixed assets	4.2	3,510	3,774
Loss/(gain) on revaluation of property	4.3	1,174	(742)
Interest receivable		(393)	(333)
Interest payable		2,866	1,131
Loss/(gain) on disposal of fixed assets		232	(233)
Net gain on financial liabilities at fair value		(8)	(86)
Taxation charge		523	550
Tax paid		(744)	(525)
Decrease/(increase) in trade and other debtors		(365)	(1,082)
(Increase) in stock		(823)	(751)
(Decrease) / increase in trade and other creditors		(676)	960
(Decrease) in provisions		(267)	(634)
Contribution to defined benefit pension scheme		-	(1,100)
		6,025	2,494
Net cash inflow from operating activities		4,275	3,225
Investing activities			
Interest receivable		393	333
Payments to acquire tangible fixed assets		(4,458)	(6,093)
Payments to acquire intangible assets		(1,394)	(2,706)
Payments to acquire investment properties		(583)	(477)
Receipts from sales of investment properties		17	1,072
Payments to acquire business combinations		(1,505)	-
Net cash (outflow) from investing activities		(7,530)	(7,871)
Financing activities			
Amounts paid to members (interest and withdrawals)		(16,194)	(13,153)
Repayment of property loans		(1,259)	(1,273)
Members loans paid		-	(30)
Interest paid		(29)	(1,318)
Net cash (outflow) from financing activities		(17,482)	(15,774)
Net decrease in cash and cash equivalents		(20,737)	(20,420)
Cash and cash equivalents at start of the year		24,744	45,164
Cash and cash equivalents at end of the year		4,007	24,744

Major non-cash transactions: There were no major non cash transactions made during the year (2023 :£nil)

*Please refer to Note 4.6 in regard to prior year restatement

The accounting policies and notes on pages 49 to 69 inclusive form an integral part of these financial statements.

Accounting policies

A) General information

The Channel Islands Co-operative Society Limited is registered under the Industrial & Provident Societies Act 1965-1978 (Industrial & Provident Societies (Channel Islands) Order 1965-1978) and has its registered office in the island of Jersey. The Mutuals Section of the UK Financial Conduct Authority ("FCA") acts as a Registrar for the Industrial & Provident Societies (Co-operatives) and CI Coop is registered with the FCA with registered number 14672R. CI Coop and its subsidiaries operate supermarkets, convenience stores, fuel forecourts, pharmacies and funeral services across the Channel Islands (Jersey and Guernsey). In addition, CI Coop holds a large portfolio of commercial and residential property across the Channel Islands.

B) Basis of accounting

The following accounting policies have been applied consistently.

CI Coop's financial statements are prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

C) Accounting date

CI Coop's financial statements are made up to the second Sunday in January of each year. The financial year represents the 53 weeks ended 14 January 2024 (2023: 52 weeks ended 8 January 2023).

D) Basis of consolidation

CI Coop's financial statements include the results of The Channel Islands Co-operative Society Limited and all its subsidiaries.

Subsidiaries are those entities controlled by CI Coop. Control exists when CI Coop has the power, directly or indirectly, to govern the financial and operating policies for an entity so as to obtain benefits from its subsidiaries. The results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Accounting policies are consistent across all of CI Coop's subsidiaries.

E) Going concern

The directors have assessed CI Coop's ability to continue as a going concern for the foreseeable future.

Based on their assessment, the directors are confident that CI Coop is a going concern, as it has adequate resources to meet its obligations as they fall due and has no material uncertainties that may cast significant doubt upon its ability to continue operating for at least the next 12 months from the date of these financial statements.

The assessment took into consideration CI Coop's current financial position, cash flow forecasts, and the availability of funding facilities. The directors have also considered the historical and forecasted financial performance, as well as the impact of any potential changes in economic and market conditions. Given the current trend for a net reduction in member share capital, CI Coop is ensuring access to flexible financing in the form of a revolving credit facility to further secure its ability to operate for the foreseeable future.

The financial statements have been prepared on a going concern basis. The directors will continue to monitor CI Coop's financial position and performance, along with any changes in economic and market conditions, to ensure that it remains a going concern.

F) Significant accounting policies

Accounting policies relating to specific areas of the financial statements can be found in their relative sections.

G) Use of estimates and judgements

In preparing the financial statements, CI Coop makes estimates, judgements and assumptions concerning the future. Actual outcomes may differ from the estimates made.

Estimates, judgements, and assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Information about areas of estimation, judgement and assumptions used, that have the most significant effect on the amounts recognised in the financial statements, is set out in the following notes:

Useful life of goodwill:	Note 4.1
Recoverability of intangible assets:	Note 4.1
Valuation of trading properties:	Note 4.2
Useful life of tangible assets:	Note 4.2
Valuation of investment properties:	Note 4.3
Stock loss provision:	Note 4.5
Provisions:	Note 5.2
Pension scheme liabilities:	Note 5.5



Notes to the financial statements

Keeping it simple

The 'keeping it simple' boxes are included as additional disclosure to help readers' understanding and interpretation.

Section 1 - Turnover and other operating income

In this section

This section provides information used to establish the turnover of CI Coop.

1.1 Turnover

Keeping it simple - turnover

Turnover represents the amount of money members and customers pay or are liable to pay at the point of sale and delivery less goods and services tax (applicable to Jersey only) and discounts.

Accounting policy

Turnover includes cash sales, goods and services sold on credit, and commissions and arises wholly in the Channel Islands.

Turnover is measured at the fair value of the consideration received or receivable net of goods and services tax (applicable to Jersey only) net of discounts, including colleague discounts and member loyalty bonus.

Turnover is recognised in the Consolidated Income Statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The following criteria must be met before revenue is recognised:

- 1) Sale of goods and rendering of services – point of sale and provision of services.
- 2) Rental income – straight-line basis over the period of the lease, even if payment are not made on this basis.

	2024 £'000	2023 £'000
Turnover		
Turnover from group ordinary activities	208,492	192,398
Analysed by business area		
Food	173,555	157,892
Fuel	17,954	20,510
Funeral	2,160	2,093
Pharmacy	14,823	11,903
Total	208,492	192,398

1.2 Other operating income

Keeping it simple - other operating income

Other operating income represents rental income received by CI Coop from its investment property portfolio and sundry income comprises mainly concessions sale and investment property service charges.

	2024 £'000	2023 £'000
Other operating income		
Rental income	2,497	2,358
Sundry income	539	682
	3,036	3,040

Section 2 - Expenses

In this section

This section contains detail of costs incurred by CI Coop, amounts paid to CI Coop's directors and executive leadership team, finance costs, payments to and on behalf of members and income tax calculations.

2.1 Cost of sales and administrative expenses

Keeping it simple - cost of sales

Cost of sales are the amounts we pay our suppliers to for the goods and services we provide to our customers.

Keeping it simple - administrative expenses

Administrative expenses are the costs we incur in providing the goods and services to our customers. This includes the amounts we pay our colleagues, and the costs of running our retail outlets. Expenses are recognised on an accruals basis.

	Notes	2024 £'000	2023 £'000
Administrative expenses			
Colleague costs		28,068	26,713
Defined contribution pension scheme	5.5	1,364	1,250
Directors' fees	2.3	117	113
Occupancy costs		8,937	7,862
Amortisation	4.1	994	1,565
Depreciation	4.2	3,514	3,773
Audit fee		222	210
Other expenses		9,876	8,147
		53,092	49,633

Colleague numbers and costs

The number of persons employed by CI Coop (including directors) at the financial period end was as follows:

	2024 No.	2023 No.
Full time	533	526
Part time	636	562
	1,169	1,088

The aggregate payroll costs of these persons was as follows:

	£'000	£'000
Wages and salaries	28,068	26,713

Notes to the financial statements cont.

2.2 Key management compensation

Keeping it simple – key management compensation

This is the amount CI Coop pays to its directors and executive management team, who are in office as at the financial year end including benefits.

Key management compensation	2024 £'000	2023 £'000
Salary	1,113	781
Taxable benefits	103	88
Pension contributions	97	68
	1,313	937

Chief executive officer compensation	2024 £'000	2023 £'000
Salary	272	256
Taxable benefits	36	35
Non-recurring taxable benefits	-	-
Pension contributions	26	26
	334	317

The annual basic salary of the members of the Executive Leadership Team (including the CEO) in service at the financial year end fell into the following ranges:

Executive leadership team compensation	2024 No.	2023 No.
130-140	4	1
140-150	1	-
150-160	-	2
160-170	3	-
260-280	1	1
	9	4

During the year a review of the executive and senior leadership team was undertaken to ensure that the most effective management structure is in place to deliver the longer-term strategy for CI Coop and its members. This led to an overall reduction in the number of people across the leadership teams, with an increase at an executive level and a decrease at a senior leadership level. Only the Executive Leadership Team information is disclosed in the financial statements.

2.3 Directors' fees

Keeping it simple – directors' fees

Directors' fees represent any payments made to directors for their role in CI Coop.

Directors' fees	2024 No.	2023 No.
The directors' fees paid to members of the board in service at the year end for service during 2024 fell into the following ranges:		
Between £0 and £10,000	-	2
Between £10,000 and £20,000	6	6
Between £20,000 and £30,000	1	-
Total	7	8

2.4 Finance income / costs

Keeping it simple – finance income / costs

Finance cost is the amount of interest we have paid out for borrowing money from lenders and members. Finance income is interest received from our investments.

Accounting policy

Accounting policy for finance income and expense is recognised on an accruals basis.

Interest receivable and similar income	2024 £'000	2023 £'000
Interest receivable	393	333

Interest payable and similar charges	2024 £'000	2023 £'000
Bank loan interest expense	9	73
Share interest	2,857	1,048
Stamp club interest	-	10
	2,866	1,131

2.5 Profits attributed to members

Keeping it simple – profits attributed to members

We return some of the profits earned each year to our members by way of dividend and accrued loyalty bonuses and we pay interest on money members hold with CI Coop in share accounts. We also support a range of community-based projects, and local organisations through grants and donations. Dividend declared in the year are funds that are added to member share accounts as voted on at the Annual Member's Meeting, which relate to profits attributed to members from the prior year.

Profits attributed to members	2024 £'000	2023 £'000
Dividend declared	5,456	5,452
Loyalty bonus accrued	-	1,167
Interest	2,857	1,048
Donations and community services expenditure	298	309
	8,611	7,976

Notes to the financial statements cont.

Section 3 – Tax

In this section

This section shows the tax that we have to pay.

3.1 Tax

Keeping it simple – tax

This section shows adjustments which are made to CI Coop's profits and losses to calculate how much tax we have to pay.

Accounting policy

Tax expense comprises income tax recognised in the year and is the expected tax payable in respect of the taxable profit for the year. Tax is calculated on the basis of Jersey and Guernsey income tax law. Tax is recognised in the consolidated income statement.

Tax rate

The maximum rate of tax applied to CI Coop's taxable profits is 20%.

Expenses not deductible for tax purposes

Some expenses incurred by CI Coop may be entirely appropriate charges for the inclusion in the financial statements but are not allowed as a deduction against taxable income when calculating CI Coop's tax liability. The most significant example of this is depreciation or losses incurred on assets that do not qualify for capital allowances (generally land and buildings).

Expenses not deductible relating to property revaluations

CI Coop's property portfolio was revalued in the year. Revaluation gains and losses are not realised gains and losses and so do not give rise to a current tax credit.

Expenses not deductible relating to pension scheme

During the year, CI Coop recognised other finance expenses of £nil (2023: £nil) and operating expenses of £nil (2023: £nil) relating to movements in the defined benefit pension scheme.

Capital allowances

The accounting treatment of expenditure on fixed assets differs from the taxation treatment. For accounting purposes, an annual rate of depreciation is applied by CI Coop. For taxation purposes, CI Coop is able to claim capital allowances, a tax relief provided in law.

	2024 £'000	2023 £'000
Taxation		
Current tax expense for the year	523	550
	523	550
Reconciliation of (loss)/profit before taxation to tax expense in the year		
Taxable rental income net of allowances	362	355
Provision for tax on non-mutual trading profit	161	195
Tax expense for the period	523	550

Section 4 – Assets

In this section

This section shows the assets used to generate CI Coop's trading performance.

Keeping it simple – assets

An asset is something which is used by CI Coop to generate a financial benefit. For example, stock is an asset because we will sell it to generate income. Similarly, we use our properties to enable our retail outlets to trade and generate income.

4.1 Intangible Assets

Keeping it simple – fixed assets – intangible assets

Intangible fixed assets are assets that cannot be physically touched, for example computer software or licences.

Accounting policy

Goodwill

On acquisition, goodwill is allocated to cash-generating units (CGU's) expected to benefit from the purchase.

Goodwill is measured at cost less accumulated impairment losses and is amortised on a straight-line basis over its expected useful life. Where CI Coop is unable to make a reliable estimate of useful economic life, goodwill is amortised over a period not exceeding 10 years.

Goodwill is assessed for impairment when there are indicators of impairment and any impairment is recognised in the Consolidated Income Statement.

Lease premium

Lease premium relates to a pharmacy at Queen's Road, Guernsey, and is amortised over the remaining life of the lease.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. For IT software cost includes expenditure directly attributable to bringing the software into working condition with CI Coop. The branding cost relates to the design and implementation of the new CI Coop brand.

Amortisation is calculated using the straight line method, to allocate the depreciable amount of the assets over their useful economic life at the following rates:

- IT software – between 5 and 10 years
- Branding – 10 years

Impairment of non-financial assets

Assets other than those measured at fair value, are assessed for indicators of impairment at each financial reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the consolidated income statement for the year.

The recoverable amount of the asset (or asset's CGU) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cashflows before interest and tax obtainable as a result of the assets (or asset's CGU) continued use.

If the recoverable amount of the asset (or asset's CGU) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated Income Statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Consolidated Income Statement.

An impairment loss is reversed in a subsequent period if the reasons for the impairment loss have ceased to apply. Intangible assets are derecognised on disposal or when no future economic benefit is expected. On disposal, the difference between the net disposal proceeds and the carrying amounts is recognised as a gain or loss in the Consolidated Income Statement.

Notes to the financial statements cont.

	Lease premium £'000	Goodwill £'000	Other intangibles £'000	Total £'000
Intangible assets				
Cost at 8 January 2023	750	6,130	4,458	11,338
Additions	-	882	1,394	2,276
Disposals	-	-	(7)	(7)
Impairment	-	-	-	-
Transfers	-	-	(4)	(4)
Cost at 14 January 2024	<u>750</u>	<u>7,012</u>	<u>5,841</u>	<u>13,603</u>
Accumulated amortisation and impairment at 8 January 2023	-	3,905	2,609	6,514
Amortisation charge	52	538	406	996
Disposals	-	-	(7)	(7)
Impairment	-	-	-	-
Transfers	-	-	-	-
Accumulated amortisation and impairment at 14 January 2024	<u>52</u>	<u>4,443</u>	<u>3,008</u>	<u>7,503</u>
Net book value at 14 January 2024	<u>698</u>	<u>2,569</u>	<u>2,833</u>	<u>6,100</u>
Net book value at 8 January 2023	<u>750</u>	<u>2,225</u>	<u>1,849</u>	<u>4,824</u>

On 23 November 2023, CI Coop acquired the trade and assets of 7 Lloyds pharmacies. The total cost of acquisition was £1,505,000. Goodwill arising in respect of the acquisition amounted to £882,000, as set out below:

	2024 £'000
Total purchase consideration (including directly attributable expenses)	1,505
Net assets acquired	623
Goodwill	<u>882</u>

The goodwill is being amortised over a useful life of 10 years. The book values of the net assets acquired prior to the acquisition and the fair values of the assets as at the date of acquisition, were the same. Since the acquisition date, the new pharmacies have contributed £985,000 to turnover and £394,000 to gross profit.

4.2 Tangible assets

Keeping it simple – fixed assets – tangibles

Tangible fixed assets are assets that can be physically touched. For CI Coop this comprises the sites that CI Coop trades from and the plant and machinery (including fixtures and fittings) within these sites. Also included are the vehicles used to support CI Coop's activities, and CI Coop's investment property portfolio.

Accounting policy

Tangible fixed assets, including investment properties are stated at cost (being the original purchase price together with costs directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation.

Depreciation is calculated using the straight-line method to allocate the cost less estimated residual value over the expected useful economic life of each asset at the following principal rates.

- Property used in trade – over the shorter of useful life and 50 years
- Plant and machinery – between 3 and 20 years
- Freehold land – not depreciated
- Assets in the course of construction relate to long term property developments, which are revalued every year. These assets are not depreciated until they are available for use.
- Tangible assets, including investment properties are derecognised on disposal or when no future economic benefit are expected. On disposal, the difference between the net disposal proceeds and the carrying amounts is recognised as gain or loss in the consolidated income statement.

Revaluation of properties used in trade

CI Coop typically revalues its land and buildings used in trade every three years. More frequent valuations are carried out where there are indications that a significant change in fair value may have occurred, for example due to a refurbishment, a redevelopment or a change in the market environment.

CI Coop's valuers, Maillard & Co Ltd undertook at full valuation of CI Coop's properties used in trade as at 14 January 2024. The valuation is undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual on an existing use basis at fair market value. The valuation assumed a range of yields from 4% to 10% selected for each property taking into consideration its construction, age, use and location.

Revaluation gains and losses on properties used in trade are recognised in the consolidated statement of comprehensive income to the extent that fair value exceed costs and in the consolidated income statement where fair value is below cost.

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Tangible assets			
Cost and valuation at 8 January 2023	82,478	24,066	106,544
Additions	1,486	2,972	4,458
Disposals	-	(690)	(690)
Impairment	-	-	-
Transfers	(1,404)	(414)	(1,818)
Revaluation	(1,364)	-	(1,364)
Cost and valuation at 14 January 2024	<u>81,196</u>	<u>25,934</u>	<u>107,130</u>
Accumulated depreciation and revaluation at 8 January 2023	3,550	13,458	17,008
Depreciation charge	1,516	1,994	3,510
Disposals	-	(449)	(449)
Impairment	-	-	-
Transfers	(92)	-	(92)
Revaluation	(2,984)	-	(2,984)
Accumulated depreciation and revaluation at 14 January 2024	<u>1,990</u>	<u>15,003</u>	<u>16,993</u>
Net book value at 14 January 2024	<u>79,206</u>	<u>10,931</u>	<u>90,137</u>
Net book value at 8 January 2023	<u>78,928</u>	<u>10,608</u>	<u>89,536</u>

4.3 Investment properties

Keeping it simple – fixed assets – investment properties

Investment property comprises those sites that CI Coop owns but which are not used by one of our trading businesses. These sites may be rented out to produce an income or held for development.

Revaluation of investment properties

CI Coop holds a number of properties as long-term investments or for redevelopment, and in accordance with UK GAAP.

a) investment properties are measured at fair value annually at the year end date by CI Coop's valuers Maillard & Co Ltd. The valuation is undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual based on fair value. The valuations are supported by market evidence and assume a yield and consider the total of the rent receivable less costs. Yields vary on a property by property basis and range from 4% to 10% (2023: 4% to 10%). Any change of revaluation is recognised in the consolidated income statement; and

b) no depreciation is provided in respect of freehold investment properties.

	2024 £'000	2023 £'000
Investment properties		
Balance at start of the year	51,685	51,313
Additions	583	477
Disposals	(8)	(839)
Transfers from/(to) tangible assets	1,730	(8)
Movement in revaluation	(1,174)	742
Balance at the end of the year	<u>52,816</u>	<u>51,685</u>

Notes to the financial statements cont.

4.4 Investments

Keeping it simple – investments

Investments are shares held in other businesses other than subsidiary undertakings. These shares are in unquoted businesses. As there is no active market for these shares, the amounts shown in the financial statements are the amounts paid by CI Coop for those shares. Unless circumstances arise whereby the shares are shown to have suffered a permanent diminution of value, no adjustment is made to their carrying value.

Investment	Other investments £'000	Total £'000
At 8 January 2023 and 14 January 2024	15	15
	2024 £'000	2023 £'000
Unquoted investments		
Unquoted Co-operative Group (CWS) 105 Shares at £5 each	1	1
Unquoted - Industrial Common Ownership Fund PLC 10,000 ordinary shares £1 each	10	10
Unquoted Toymaster Limited 4,000 ordinary shares £1 each	4	4
	15	15

4.5 Stock

Keeping it simple – stock

Stock is an asset which is purchased by CI Coop for resale to our members and customers.

Accounting policy

Stock is stated at the lower of cost and net realisable value. Net realisable value is the price at which stock can be sold in the normal course of business.

Cost is based on the cost of purchase on a first in, first out basis.

Stock counts are held at all locations on a regular basis, normally twice each year. Any stocks gains or shortages are charged to the consolidated income statement.

All stock held is expected to be sold within 12 months.

Stocks	2024 £'000	2023 £'000
Food	6,220	5,185
Fuel	554	556
Funerals	91	76
Pharmacy	1,363	965
Goods for resale	8,228	6,782

The cost of goods purchased for resale and recognised as an expense in the Consolidated Income Statement during the year was £147.5m (2023: £137.2m) Included in stock is a provision for stock loss of £203k (2023: £163k).

4.6 Trade and other debtors

Keeping it simple – trade and other debtors

A debtor is an amount owed by a person or business that has bought goods or services from CI Coop but has not yet paid for them.

A prepayment is an amount paid by CI Coop in advance of the goods or services being received.

Other debtors includes the asset created when we sell funeral prepayment plans which have not yet been used and interest earned by CI Coop but not yet received.

Accounting policy

Trade debtors are non-interest bearing and are stated at their nominal value, reduced for those amounts that are considered to be unrecoverable. The amount of any debts written off as unrecoverable is recognised in the consolidated income statement within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the consolidated income statement.

Debtors	2024 £'000	2023 *Restated £'000
Trade debtors	9,995	9,759
Prepaid funeral plans	-	54
Sundry accounts, prepayments and accrued interest	2,437	2,243
	12,432	12,056

*Prior year restatements

Certain amounts in the consolidated statement of financial position and notes to the consolidated financial statements have been adjusted. The impacts of these adjustments are as follows:

Accounting for prepaid funeral plans

The Directors have reviewed the accounting in the prior year in relation to the treatment of prepaid funerals plans between debtors and creditors. Rather than showing a gross debtor and gross creditor it is deemed more reflective of the substance of the prepaid funeral plans to show these balances as a net debtor. CI Coop do not collect monies on behalf of funeral plan providers and CI Coop does not have an obligation to provide the funeral services as this rests with the funeral plan providers. Based on the review:

- A debtor of £3,893,000 and a creditor of £3,839,000 is now disclosed as a net debtor of £54,000

There was no impact to the income statement.

4.7 Cash and cash equivalents

Keeping it simple – cash and cash equivalents

Cash is considered to be cash in bank accounts held by CI Coop and any cash held in stores. A cash equivalent is something that can be easily turned into cash, such as short term deposits with original terms of three months or less.

Cash and cash equivalents	2024 £'000	2023 £'000
Short term deposits	-	19,128
Cash at bank and in hand	4,007	5,616
Cash and cash equivalents per cash flow statement	4,007	24,744

4.8 Analysis of changes in net debt

	At 8 Jan 2023 £'000	Cash flows £'000	Non-cash changes £'000	At 14 Jan 2024 £'000
Cash at bank	5,616	(1,609)	-	4,007
Short term deposits	19,128	(19,128)	-	-
Cash & cash equivalents	24,744	(20,737)	-	4,007
Property loan	(1,259)	1,259	-	-
Interest payable	(6)	(1)	-	(7)
Total	23,479	(19,479)	-	4,000

Notes to the financial statements cont.

Section 5 – Liabilities

In this section

This section shows the liabilities incurred in order for CI Coop to carry out its trading activities.

Keeping it simple – liabilities

A liability is created when CI Coop has carried out an activity which results in a cost that will be paid for in the future. This includes amounts owed to suppliers for goods and services that have been received and loans from CI Coop's bankers.

5.1 Creditors: amounts falling due within one year

Keeping it simple – creditors amounts falling due within one year

Trade creditors, non trade creditors and expense accruals reflect goods or services that CI Coop has received but not yet paid for. This reflects money which CI Coop must pay out in the future.

Accounting policy – trade and other creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the normal course of business from suppliers.

	2024 £'000	2023 *Restated £'000
Creditors: amounts falling due within one year		
Trade creditors	11,590	10,812
Taxation	343	564
Share interest	7	6
Non trade creditors and expense accruals	6,059	7,513
Property loans	-	1,259
Prepaid funeral plans	11	-
	18,010	20,154

*Please refer to Note 4.6 in regard to prior year restatement

5.2 Provisions

Keeping it simple – provisions

Onerous lease provision reflects the current value of all future lease payments relating to a property which CI Coop does not fully utilise but has an obligation to continue to pay for. Dilapidations provision reflects the current value of future dilapidations liabilities to put back a property at the end of the lease into the same condition it was when the lease commenced.

Provisions	2024 £'000	2023 £'000
Onerous lease provision - current	736	652
Onerous lease provision - non current	3,299	3,970
Dilapidations provision - non current	1,070	750
	5,105	5,372

An onerous lease provision is made against the remaining 5 years and 10 months rental commitment for the former Guernsey warehouse at Longue Hougue. The provision of £4,622k reflected in the 2023 financial statements has been decreased by £587k during 2023, giving a total provision of £4,035k at the 2024 year end. The movement in provision relates to changes in discounting rate of future cash outflows and release of 1 year of provision. This provision will be released over the remaining length of the lease. Dilapidations provision is expected to be utilised between 2 and 29 years depending on the life of the related lease.

5.3 Derivatives, interest bearing loans and borrowings

Keeping it simple – interest bearing loans and borrowings

These are loans and borrowings relating to the development of Millenium Park Coop, Jersey. These loans and borrowings were repaid in full during 2023.

Accounting policy

This note provides information about the contractual terms of CI Coop's interest-bearing loans and borrowings.

Loans payable are recognised initially at transaction price less attributable costs and are carried subsequently at amortised cost using effective interest method.

Derivative financial instruments that have either a cost or benefit value are initially measured at fair value on the date on which a contract is entered into and are subsequently measured at fair value by mark to market method and any changes in valuation are accounted through the consolidated income statement. Such instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. CI Coop used interest rate swaps to hedge interest rate exposures.

Derivatives, interest bearing loans and borrowings	2024 £'000	2023 £'000
Fair value derivatives	-	8
Property loans due within one year	-	1,259

On the 22 September 2023 CI Coop entered into an agreement with The Royal Bank of Scotland International Limited for a new debt facility. The five year facility comprises of a £10m revolving credit facility and a £23m development loan. Neither part of the facility were drawn down at the year end. The facility accrues interest (when utilised) at a variable rate SONIA plus 1.5%. The facility is secured by way of charges over some of CI Coop's retail and investment properties.

Notes to the financial statements cont.

5.4 Financial risk management

Keeping it simple – financial risk management

Financial assets include cash or any contractual right to receive cash or another financial asset from another entity. A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. Below are the disclosures relating to financial assets and financial liabilities of CI Coop.

Financial risk management

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Credit risk

With certain financial assets and liabilities, there is the potential for uncertainty as to how much CI Coop may have to eventually pay or how much they will eventually receive. For example, CI Coop may not receive payment from customers who purchase goods from CI Coop on credit.

Liquidity risk

CI Coop manages its liquidity needs by monitoring investment schedules and debt servicing payments for financial liabilities along with cash flows on a weekly basis. As at 14 January 2024 CI Coop's non-derivative financial liabilities and contractual maturities are summarised below:

2024	Current (£000's)			Non-current (£000's)	
	On demand	Within 6 months	6-12 months	1-5 years	Over 5 years
Onerous lease	-	368	368	2,763	535
Dilapidations provision	-	-	-	934	136
Other creditors	-	18,010	-	-	-

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and price risk.

CI Coop has some counter-party risk with amounts included in trade debtors and banks used to hold cash and cash equivalents which totals £12,562k (2023: £38,396k). This risk is monitored by management on a regular basis.

Interest rate risk

Interest rate risk arises from movements in interest rates that impact on the fair value of the assets and liabilities and related finance flows.

Foreign currency risk

Most of the transactions of CI Coop are carried in pounds sterling, its functional currency. CI Coop's exposure to foreign currency risk is insignificant.

Price risk

CI Coop is not exposed to the market risk with respect to financial instruments as it does not hold any listed securities.

Estimation of fair values

For Trade and Other Receivables / Payables the notional amount is deemed to reflect the fair value.

2024					
Carrying amounts of financial assets and liabilities	Financial assets as an equity instrument £'000	Financial assets at amortised cost £'000	Financial assets at fair value through consolidated income statement £'000	Financial liabilities at amortised cost £'000	Financial liabilities at fair value through consolidated income statement £'000
Cash at bank and in hand		4,007			
Debtors		9,995			
Creditors				(17,656)	
Provisions				(5,105)	
Unquoted shares	15				

2023					
Carrying amounts of financial assets and liabilities	Financial assets as an equity instrument £'000	Financial assets at amortised cost £'000	Financial assets at fair value through consolidated income statement £'000	Financial liabilities at amortised cost £'000	Financial liabilities at fair value through consolidated income statement £'000
Cash at bank and in hand		5,616			
Short term deposits		19,128			
Debtors		9,759			
Creditors				(18,331)	
Loans payable				(1,259)	
Derivative financial instruments					(8)
Provisions				(5,372)	
Unquoted shares	15				

Notes to the financial statements cont.

5.5 Pension obligations

Keeping it simple – pension obligations

CI Coop runs two types of pension schemes: a defined benefit scheme and a defined contribution scheme.

The defined benefit scheme provides a pension based on a colleague's length of service and salary.

The defined contribution scheme sets the value that will be paid into a pension scheme; the amount of pension this generates depends on the performance of the investment into which contributions are paid and the annuity rates at the time of retirement.

Accounting policy

Defined contribution pension scheme

CI Coop operates a defined contribution pension scheme for all colleagues. All costs relating to the defined contribution scheme are charged to the consolidated income statement as they are incurred. Amounts not paid are shown in accruals at the balance sheet date. The assets of the plan are held separately from CI Coop in independently administered funds.

Contributions to the defined contributions scheme in the period were £nil (2023: £1,100k).

Defined benefit pension scheme

CI Coop operates a defined benefit pension scheme covering certain colleagues. The scheme was closed to new members and future accruals on 30 June 2009.

CI Coop's net obligations in respect of its defined benefit pension scheme are calculated by estimating the amount of pension benefit that colleagues will receive on retirement based on several factors including age, length of service, remuneration and future life expectancy.

Following the closure of the scheme to new members and future accruals, regular contributions to the Scheme are no longer required. However, additional contributions are still made to cover any shortfalls that arise following each valuation.

CI Coop values its liability in respect of defined benefit pension scheme in accordance with FRS 102 and following the method of calculation. Any surplus or deficit in the defined benefit section of the scheme, being the difference between the value of the scheme assets and the present value of the plan liabilities, is recognised in the balance sheet as an asset or liability to the extent that any surplus is recoverable or that conversely, any deficit reflects a legal or constructive obligation.

The most recent FRS 102 valuation of the scheme was carried out at 14 January 2024 and indicated that the scheme had a surplus. However based on FRS 102 the surplus is not recoverable so it can not be recognised as an asset on the balance sheet.

The calculations below have been carried out as at 14 January 2024.

	As at 14 January 2024 £'000	As at 8 January 2023 £'000
Pension liability		
The amounts recognised in the Consolidated Statement of Financial Position are as follows:		
Fair value of scheme assets	53,203	56,151
Present value of funded obligations	(37,908)	(39,098)
Net overfunding in scheme	15,295	17,053
Unrecognised assets	(15,295)	(17,053)
Net defined benefit asset / (liability)	-	-
The amounts recognised in the Consolidated Income Statement are as follows:		
Service cost	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Settlement costs / (gains)	-	-
Net interest on net defined benefit liability	-	(10)
(Income) / expense recognised in the Consolidated Income Statement	-	(10)
The net interest on net defined benefit liability item is broken down as follows:		
Interest on obligation	1,764	1,226
Interest on assets	(2,548)	(1,254)
Interest on unrecognised assets	784	18
Net interest on defined benefit liability	-	(10)
The amounts recognised as remeasurements in other comprehensive income are as follows:		
Return on assets (not included in interest)	(3,977)	(10,726)
Actuarial gains on obligation	1,435	25,712
Change in unrecognised assets (other than interest)	2,542	(16,096)
Total remeasurements recognised in other comprehensive income	-	(1,110)
Cumulative amount or remeasurements recognised in other comprehensive income	1,999	1,999
Actual return on scheme assets	(1,429)	(9,472)
Changes in the present value of the scheme's defined benefit obligation are as follows:		
Opening defined benefit obligation	39,098	65,444
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(1,519)	(1,860)
Interest on obligation	1,764	1,226
Experience gains	721	1,942
Losses from changes in assumptions	(2,156)	(27,654)
Closing defined benefit obligation	37,908	39,098

The weighted average duration of the liabilities of the Scheme was 15 years as at 14 January 2024 (15 years as at 8 January 2023).

Notes to the financial statements cont.

	As at 14 January 2024 £'000	As at 8 January 2023 £'000
Changes in the fair value of scheme assets are as follows:		
Opening fair value of scheme assets	56,151	66,383
Interest on assets	2,548	1,254
Return on assets (not included in interest)	(3,977)	(10,726)
Assets distributed on settlements	-	-
Contributions by employer	-	1,100
Contributions by members	-	-
Benefits paid	(1,519)	(1,860)
Administrative expenses	-	-
Closing fair value of scheme assets	53,203	56,151
The major categories of scheme assets as a percentage of the total scheme assets are as follows:		
	%	%
Equities	-	-
Gilts	93.3	88.8
Corporate bonds	-	-
Property funds	1.7	1.9
Cash	5.0	9.3

All of the scheme's assets have a quoted market price in an active market. The scheme holds no financial instruments issued by CI Coop (other than incidentally through investment in pooled funds), nor does it hold any property or other assets used by CI Coop.

The principal actuarial assumptions used are:	%pa	%pa
Discount rate at end of year	4.9	4.6
Discount rate at start of year	4.6	1.9
Inflation	3.0	3.0
Rate of increase in deferment whilst in employment with CI Coop	3.0	3.0
Rate of increase in deferred pensions for those who have left employment with CI Coop	2.9	2.9
Rate of increase in pensions in payment	2.9	2.9

Mortality assumptions

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 88 if they are male and until 90 if they are female. For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 91 if female.

Section 6 - Equity

6.1 Withdrawable share capital

As a co-operative, CI Coop issues withdrawable share capital. This is the only form of share capital issued by CI Coop. Every member only has one share in CI Coop, however may subscribe for additional withdrawable share capital. The rights attached to this share and withdrawable capital subscribed for are set out in CI Coop's published Member Rules. Withdrawable share capital can only be withdrawn at the discretion of the directors and is therefore treated as equity shares.

Share capital has been issued as follows:	2024 £'000	2023 £'000
Class A (122,394 shares)	47,218	58,476
Class B (1,722 shares)	53,538	55,638
	100,756	114,114

The share capital movement in the year of £13.4m relates to interest awarded to members (£2.8m), dividend (£5.5m), net of monies paid out to members (£22.9m).

Both A and B shares have a nominal value of £1. Each member holds one fully paid-up Class A share. Each member holding an A share is entitled to cast one vote on any resolution put to the members at a meeting of members, subject to having been a member for at least 6 months prior to that meeting. The maximum Class A withdrawable share capital a member may subscribe for is £25,000. The maximum Class B withdrawable share capital a member may subscribe for is £75,000. There is no requirement for a member to hold Class B shares, however no member can subscribe for more than the statutory limit of Class A and Class B withdrawable share capital as provided for by the Industrial and Provident Societies Act 1965, being £100,000. The different classes of withdrawable share capital may pay different interest rates.

6.2 Reserves

Accounting policy - reserves

Property revaluation reserve

The revaluation reserve is the total of the revaluation gains and losses from CI Coop owned properties. It is not distributable to members until it has been realised on the sale of the property it relates to.

Revenue reserve

This reserve includes all current and prior year retained profits and losses except for those included in the property revaluation reserve.

Section 7 - Other notes

7.1 Related party transactions

Keeping it simple - related party transactions

These are transactions between CI Coop and other parties with a close connection to CI Coop.

Transactions with directors and key management personnel

As members of CI Coop, key management access the services offered by CI Coop on an arms length basis. Key management are considered to be the directors and executive management team. Refer to note 4 and 5 for the compensation paid to key management personnel.

Throughout the year under review, CI Coop has been a member of Federal Retail Trading Services Limited (FRTS), a company wholly-owned by the Co-operative Group Limited. CI Coop's Chief Executive Officer (CEO), by virtue of his role as CEO is a director of FRTS.

All buying terms for goods for resale supplied from FRTS sources are negotiated with third party suppliers by FRTS on behalf of its members and all members benefit from the buying terms that such a major group can offer. In the 53-week period to 14 January 2024, total net purchases from FRTS amounted to £78,253k (2023: £79,576k) and the payments due by CI Coop to FRTS as at that date totalled £5,932k (2023: £6,021k). As at 14 January 2024, the amount due by FRTS to the Society in respect of rebates was £3,160k (2023: £3,285k) and the amount due to CI Coop by FRTS in respect of duty drawbacks is £1,285k (2023: £1,159k).

Notes to the financial statements cont.

7.2 Operating leases

Keeping it simple – operating leases

An operating lease is a contract that allows for the use of an asset, but the risk and rewards of ownership remain with the assets owner.

Accounting policy

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

Operating leases	2024 £'000	2023 £'000
Non cancellable operating lease rentals are payable as follows:		
Less than one year	2,191	1,586
Between one and five years	8,097	5,847
More than five years	6,475	7,410
	16,763	14,843

During the year £1,892k was recognised as an expense in the Consolidated Income Statement account in respect of rental payments under operating leases (2023: £1,766k).

CI Coop operates a number a trading units under operating leases ranging from 1 year to 20 years. Included within lease commitments is £5,233k (2023: £6,013k) related to the onerous lease provision in note 5.2.

Leases as a lessor	2024 £'000	2023 £'000
The investment properties are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:		
Less than one year	2,593	2,503
Between one and five years	6,401	7,394
More than five years	15,880	15,520
	24,874	25,417

During the year £2,497k was recognised as income in the Consolidated Income Statement account in respect of rental receipts under operating leases (2023: £2,358k).

CI Coop lets a number of properties under operating leases ranging from 1 year to 30 years.

7.3 Subsidiary undertakings

Keeping it simple – subsidiary undertakings

These are separate legal entities that form part of CI Coop which are owned, managed and controlled by CI Coop.

As at 14 January 2024, CI Coop consisted of The Channel Islands Co-operative Society Limited and the following subsidiaries.

Subsidiary undertaking	Country of incorporation	Registered number	Principal activity	% of Shares held
Offshore Leisure Limited	Jersey	77830	Travel	100%
F. Mallett & Son Limited	Guernsey	619	Holding	100%
Jersey Pharmacy Services Limited	Jersey	89296	Pharmacy	100%
JFTU (Property) Limited	Jersey	101370	Holding	100%

Jersey Pharmacy Services Limited (JPSL) has two subsidiaries, Edgar Holdings Limited and Lloyds (Chemists) Limited. JPSL owns 100% of the voting rights of both entities.

CI Coop also owns minority shareholdings in UK buying groups which are related to its retail operations.

7.4 Contingencies and commitments

Keeping it simple – contingencies and commitments

Contingencies are future events or circumstances which are possible but cannot be predicted with certainty. Commitments are items that are not included within liabilities as at the date of the statement of financial position.

Contingencies

CI Coop may from time to time be party to legal proceedings that are incidental to its operation, however, CI Coop is not involved currently in any legal proceedings which may have a significant effect on the financial position or profitability of CI Coop.

Commitments

Indemnities are held in favour of 'Customs and Excise Immigration and Nationality, Guernsey' in respect of Duty in the sum of £500k (2023: £500k) for which no provision has been made within the financial statements.

Guarantee is held in favour of 'Carrefour Import and Compagnie D'Activite Et De Commerce International' for the sum of €250k (2023: €150k) for which no provision has been made within the financial statements.

CI Coop also undertook to guarantee a leasehold arrangement with an annual rent of £162k and a term of 8 years on behalf of JPSL which is cross guaranteed by JPSL in favour of CI Coop. It is not anticipated that this further guarantee will be called upon.

CI Coop has a charge card facility with a limit of £45k.

7.5 Capital commitments

Keeping it simple – capital commitments

This is the value CI Coop has approved to spend on assets after the period end.

Contractual commitments in respect of capital projects at the year end were £147,000 (2023: £nil).

7.6 Ultimate controlling party

There is no ultimate controlling party, as there is no single party who is able to exercise majority control.

Board certification and directors' responsibilities

The financial statements and notes on pages 49 to 70 were approved by the board on 16 April 2024 and 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.



Jon Bond, chair



Mark Cox, director



Kevin Kelly, chief governance officer

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable laws, regulations and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 102, the Financial Reporting Standard applicable to the UK and Republic of Ireland. The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss of the Group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess both the Group's and CI Coop's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act 1965 – 1978. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent auditor's report

To the members of The Channel Islands Co-operative Society Limited

Opinion

We have audited the consolidated financial statements of The Channel Islands Cooperative Society Limited (the 'Society') and its subsidiaries (together, "Group") for the 53-week period ended 14 January 2024 which comprise of, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 14 January 2024 and of its loss for the 53-week period then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Industrial and Provident Societies Act 1965-1978 (Industrial & Provident Societies (Channel Islands) Order 1965-1978).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's business model including effects arising from macro-economic uncertainties, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the consolidated financial statements are authorised for issue.

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the consolidated financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report cont.

Responsibilities of directors for the consolidated financial statements

As explained more fully in the directors' responsibilities statement set out on page 71, the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with UK GAAP, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the consolidated financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the retail and consumer services industry in which they operate. We determined that the following laws and regulations were most significant: Financial Reporting Standard 102, Industrial and Provident Societies Act 1965-1978 (Industrial & Provident Societies (Channel Islands) Order 1965-1978), and Jersey and Guernsey taxation laws.
- We understood how the Group is complying with those legal and regulatory frameworks by, making inquiries to the management, those responsible for legal and compliance and the Society's secretary and chief governance officer. We identified whether there is culture of honesty, integrity and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud. We identified areas of the above laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our sector experience and through discussion with management. We discussed the policies and procedures regarding compliance with laws and regulations with the Directors and management and corroborated our enquiries through review of compliance reports, business risk assessments, board minutes and correspondence with the Jersey Financial Services Commission ("JFSC");
- We assessed the susceptibility of Group's consolidated financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the consolidated financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet, or any other entries that are unusual in nature
 - potential management bias in determining accounting estimates, especially in relation to the calculation of property valuations
 - transactions with related parties

Our audit procedures involved:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- testing the operating effectiveness of controls that prevent and prevent and detect fraud surrounding journal entries revenue;
- assessing matters reported through the Group's whistleblowing programme and the results of management's investigation of such matters;
- challenging assumptions and judgments made by management in its significant accounting estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement teams:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - Knowledge of industry in which the client operates
 - Understanding of the legal and regulatory requirements specific to the Group
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operation, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the applicable statutory provisions, rules, orders and guidance; and
 - the entity's control environment.

Use of our report

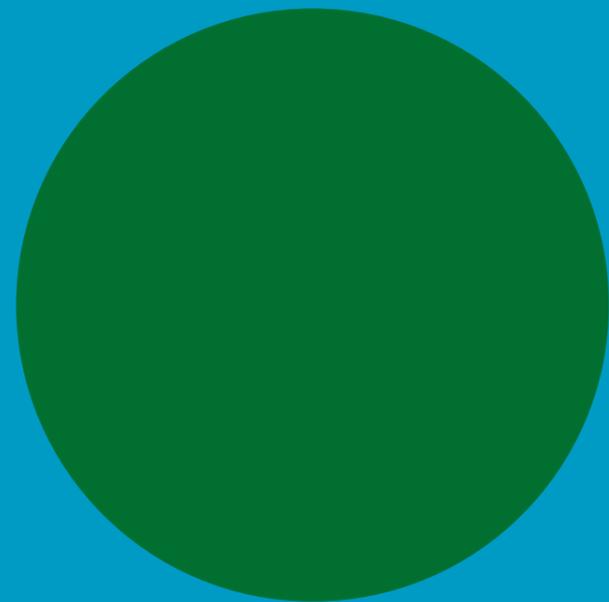
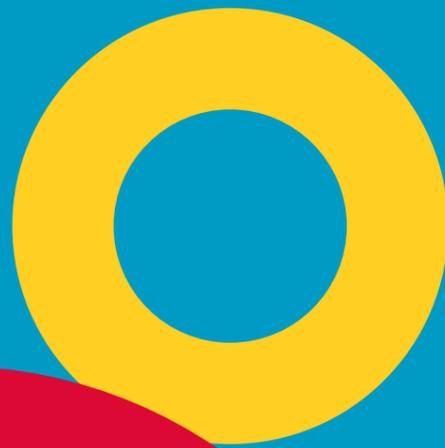
This report is made solely to the Society's members, as a body, in accordance with Section 37(3) of the Industrial and Provident Societies Act 1965. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Ross Langley

**For and on behalf of
Grant Thornton Limited
Chartered Accountants
St Helier, Jersey**

Date: 17 April 2024





Channel Islands



Belonging is everything

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