

Annual Report 2026



Channel Islands





FORMATION

The Channel Islands Co-operative Society Limited, registration number 14672R, ("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).

REGISTERED OFFICE

Our registered office is at Co-operative House, 57 Don Street, St Helier, Jersey JE2 4TR.

ADVISERS

Registered auditor (the "auditor")

Grant Thornton Limited
Kensington Chambers, 46/50 Kensington Place,
St Helier, Jersey JE1 1ET

Actuary

BWCI Group
Albert House, South Esplanade,
St Peter Port, Guernsey GY1 1AW

Bankers

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

Property advisers

Maillard and Company Limited
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 (Jersey) LLP and
Mourant Ozannes (Guernsey) LLP**
22 Grenville Street, St Helier, Jersey, JE4 8PX

Randell & Loveridge (Advocates)

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

Ogier (Jersey) LLP

44 Esplanade, St Helier Jersey, JE4 9WG

Carey Olsen Jersey LLP

47 Esplanade, St Helier Jersey, JE1 0BD

REGISTERED BUSINESS NAMES

Channel Islands Coop, Coop and CI Coop are registered business names of The Channel Islands Co-operative Society Limited. Coop Mobile is a registered business name of Offshore Leisure Limited, a wholly owned subsidiary of The Channel Islands Co-operative Society Limited. Pharmacy Locale is a registered business name of Edgar Holdings Limited.

FINANCIAL SERVICES STATUS

The Channel Islands Co-operative Society Limited is a financial services business subject to the supervision of the Jersey Financial Services Commission ("JFSC") for the prevention and detection of money laundering, terrorist financing and proliferation financing.

Contents

What makes us who we are today?	1
About us	3
Key highlights	5
Board of directors	7
Executive leadership team	9
Welcome	11
Chief executive's overview	13
Property	18
Mobile	19
Building a more sustainable future together	21
Planet	27
People	31
Community	35
Partners	43
Membership	45
Market trends and opportunities	47
Risk management	49
Governance report	65
Committee reports	71
Directors' report	74
Financial statements	75
Accounting policies	80
Notes to the financial statements	81
Independent auditor's report	102

What makes us who we are today?

The Channel Islands Co-operative Society Limited is owned by its members. With more than 128,000 members across Jersey and Guernsey, we operate food retail, fuel, online, pharmacy, funeral services and Coop Mobile, playing a trusted role in island life.

Our vision is to create long-term member value with purpose. The more engaged our members are, the more we can give back, supporting local communities through the profits we generate.

We're proud to enhance the lives of Channel Island residents through sustainable and ethical practices, while focusing on providing reliable services for our members and customers.



This year allowed us to turn our attention more fully towards improving the experience and value for our members.

About us

Our purpose

To develop and protect long-term member value.

Our vision

To make a real difference to the communities we serve.

Our values

Recognition - We ensure our colleagues are appreciated, valued and rewarded for their achievements.

Empowerment - We provide opportunity, encouraging contribution and involvement, believing in our people.

Passion - We have pride in our business, determination to succeed, radiating positive energy.

Cooperation - We embrace the co-operative values in everything we do.

Openness - We are honest and trustworthy in what we say and how we behave. We listen.

Our principles

Voluntary and open membership - Open to all willing to accept responsibilities of membership.

Democratic member control - We are controlled by and accountable to our members.

Member economic participation - Members contribute equally to and control our capital.

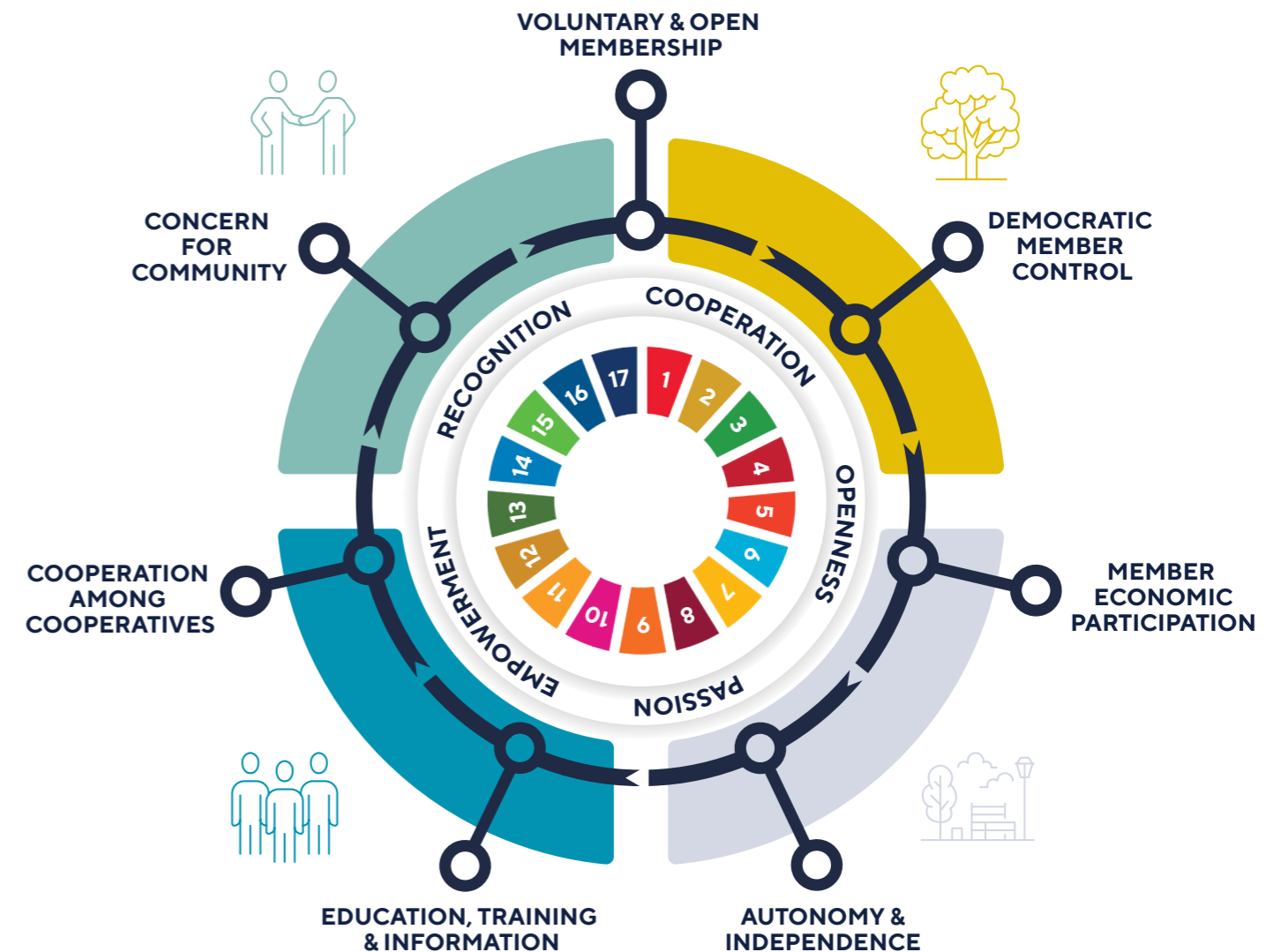
Autonomy and independence - Controlled by you, our members.

Education, training and information - Helping our stakeholders develop and grow to build our Coop.

Cooperation amongst co-operatives - Wider engagement helps us all to grow.

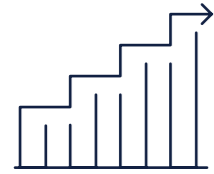
Concern for community - The sustainable development of our communities is at the heart of what we do and who we are.

Our values are linked to the co-operative values and our sustainability goals



SUSTAINABLE DEVELOPMENT GOALS

Key highlights



Finance:

	2025	2024
Turnover	£220.4m	£211.2m
Trading profit (39% (PY44%) paid as a dividend)	£7.2m	£6.7m
Net surplus	£1.0m	£0.8m
Members' funds	£133.2m	£133.7m
Net (debt)	£(8.6m)	£(10.1m)
Investment property income	£3.0m	£2.9m



Membership:

New members	5,119	2,406
Total members	128,134	123,912
Dividend and interest	£5.3m	£5.8m



Community:

Groups supported by Community Fund	88	83
Donations and community	£305k	£328k
Amounts donated through Community Fund	£96k	£81.5k
Spent with local producers	£8.7m	£7.9m
Fairtrade sales	£2.8m	£2.6m
Total colleague volunteering hours	1,455	795



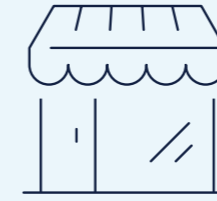
People:

No. of colleagues	1,168	1,172
No. of years' experience	8,049	8,040
Colleague engagement	81%	71%
Wage ratio	11:1	11:1

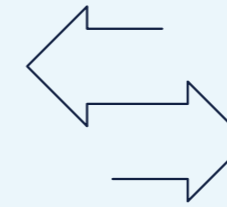


5,119

new members welcomed



7 store refits and 2 new pharmacies



83%

of trade is with members



£305k

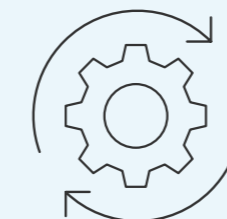
donated to good causes



124,983 items donated helping
feed 884 unique households,
equivalent to **89,869 meals**



We supported **5,302**
collections with **52,536kgs**
of edible food donated*



We **invested £3.6m** in new
technologies and **£5m** in our
properties, and realised **£5.6m**
from asset disposals to support
that investment



We **saved 28,196 cubic litres**
of water and avoided
160,023kgs of CO₂ emissions*

*Food collected and redistributed via Olio

Board of directors

Our director and CEO, Mark Cox is supported by his fellow directors:



Jon Bond

Chair of the board and member of member engagement committee

Re-elected to the board in June 2024, Jon continues to be focussed on the future development of our business and property, whilst maintaining the grassroots offering. Re-appointed as chair of the board in June 2025, Jon has continued to lead the board in delivering effective oversight of our society. He has considerable experience across a range of sectors and volunteers for several charities and non-profits based in Guernsey.

Jill Clark

Non-executive director and chair of the recruitment and remuneration committee and member engagement committee

Re-appointed to the board in May 2025, Jill's focus as a director is to make sure members and colleagues are at the forefront of all governance decisions made by us so that our members receive the best experience possible. Jill brings considerable retail experience including customer services which shapes and supports how we serve our members and customers.



Simon Todd

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

Re-appointed to the board in October 2024, Simon's focus continues to be the performance and quality of our real estate, operational and investment assets. With considerable experience in real estate, he remains 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

Re-elected to the board in May 2025, Jennifer's focus as a director remains returning value to members, through strategic data driven decision making to enable us to be the best employer and retailer we can be, whilst remaining true to our values.



Michael McNally

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

Re-elected to the board in June 2023, Michael's focus is to ensure the business is ever evolving whilst being true our values and maximising member and stakeholder value in all areas of business operation. Michael's experience in global cross-border logistics and supply chain industries is invaluable to shaping our operations.

Matt Chatterley

Non-executive director and member of the risk committee

Elected to the board in May 2024, Matt's focus is to improve the value presented to our members through the appropriate use of technology as we move forward, while ensuring services remain accessible and available to everyone. His experience in technology brings extensive applied understanding of how technology supports and drives every business.



Graeme Smith

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

Appointed as a professional director during 2025, Graeme's focus is on ensuring effective risk management across the organisation, supporting sustainable growth as well as delivering value for our members, customers, colleagues and broader community.

Ben Le Huray

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

Ben's focus continues to be colleague satisfaction as his experience has taught him how critical it is to being successful in retail. He is committed to helping direct us towards a stronger, more trusted future. His previous successful navigation of complex challenges and driven transformative change in a variety of settings will be crucial to guide us through objectives.



Executive leadership team



Mark Cox

Director and chief executive officer (CEO)

Mark brings a wealth of experience and an infectious enthusiasm to his role as CEO and board member. His passion for the co-operative model, which prioritises purpose over profit, is evident in every decision he makes. Mark believes in creating shared value for members, colleagues, and the wider community. His commitment to the co-operative ethos, values and principles ensure that we continue to grow sustainably while making a positive impact.

Tony Van Der Hoorn

Chief financial officer (CFO)

With executive responsibility for finance and technology Tony is committed to our purpose to develop and protect long-term member value, whilst delivering on our vision to make a real difference to the communities we serve. Ensuring a fair and reasonable balance between delivering value to members in the immediate term, whilst ensuring long-term financial sustainability remains a key focus as we move into 2026.



Natalie Clare

Chief people officer (CPO)

Natalie continues to work to make us an employer of choice by delivering a people strategy that fosters a positive and engaging workplace culture. Her vision remains ensuring that colleagues feel heard, valued, and rewarded for their unique talents and contributions. 2025 saw the development of competency frameworks and a society-wide benefits review, to ensure fair and equitable rewards for all colleagues, with this work continuing through 2026.

Stephen Forrester

Chief retail officer (CRO)

Stephen is committed to delivering exceptional store standards and outstanding customer service through a genuinely collaborative leadership approach, working with colleagues at every level of the organisation. He partners closely with local suppliers, communities, and strategic partners to strengthen operational excellence, maintain strong cost discipline, and identify efficiencies – ensuring we continue to serve our members with integrity, value, and pride across the Channel Islands.



Simon Matthews

Chief property and sustainability officer (CPSO)

Simon continues to lead the strategy for our trading and investment property assets and sustainability program, which includes our community involvement. 2025 saw the continued implementation of our property asset plan and property investment programme, including facilities management, and our sustainability strategy, helping not only to maintain but also to enhance the value of our property portfolio and value for money received through services for our members. This focus will continue through 2026.

David McGrath

Chief marketing and membership officer (CMMO)

David champions initiatives that enhance member participation, strengthen community connections, and modernise our approach to member and customer experience. In 2025, David has led the launch of Coop Mobile and driving digital transformation to create a more seamless and engaging experience for members, including prioritising member satisfaction and infusing creativity into branding and marketing strategies, to ensure we remain dynamic, forward-thinking, and responsive to the evolving needs of our community.



Dr Kevin Kelly

Chief governance officer and society secretary (CGO & SS)

Kevin is dedicated to continuously evolving our governance practices to better serve our needs. With a strong commitment to transparency, accountability, and resilience, Kevin is working towards the integration of effective governance frameworks that will enhance our long-term sustainability and impact.

Kevin Mowatt

Chief commercial officer (CCO)

Kevin continues to drive our commercial strategy, overseeing price, promotions, supply chain, ranging, and local supplier engagement, playing a key role in enhancing store formats, improving the in-store experience, and strengthening partnerships with local producers and growers. He also represents us on the Co-op UK Buying Group and Member Council, ensuring our views and values shape national co-operative decisions with community focused retailing.



Welcome

We continued our journey of putting members at the heart of what we do, delivering on several key objectives despite another year of challenges.

As I write my fourth introduction to our annual report, one would have thought we could have returned to a "normal" year of trading. During 2025 we have seen challenges with our supply chain due to the change in shipping service provider, further impacted by the cyber-attack on Co-op UK, effectively closing down our main supplier for a period.

It is a testament to our team how they have managed these challenges. However it would be remiss of me not to thank you, our members, for your patience and understanding.

In respect to the cyber incident, we were protected from more significant financial impact due to the appropriate cyber insurance we had the foresight to invest in to mitigate cyber risk.

Despite these challenges we continued our journey of putting members at the heart of what we do, delivering on several key objectives.

This year I am pleased to report that we saw more than 5,000 new members. Our member pricing offers, launched in October 2024, gave a full year of benefits to members resulting in immediate savings of over £5.2 million, in addition there was £2.8 million in dividend returned.

We have also laid the foundations to return more rewards to our members as we move forward into 2026. Last year member engagement increased, not only through the Annual Member Meetings, but also through holding more member forums and a Special Member Meeting in September. Your engagement with these events helps shape our future direction.

We also saw impressive store refits particularly in Forest and Longstore in Guernsey as well as the roll out of new branding across our stores. Continued investment in new technologies is delivering efficiencies across our business - Spencer our dispenser (dispensing robot in our pharmacy) as well as refrigeration and lighting in line with our sustainability goals.



Jon Bond
Chair of the board

“

I am delighted to report that our Coop achieved a 0% median gender pay gap across the society.



It has also been particularly pleasing to see us lead local businesses by publishing its first gender pay gap report as well as our net-zero greenhouse gas emissions targets being officially validated by the Science Based Targets initiative (SBTi). This approval recognises the real and practical steps we are taking to protect the planet - cutting emissions from our buildings, transport, supply chains and services, including our food stores, pharmacies and funeral homes. It also puts us among a growing group of forward-thinking businesses committed to tackling the climate crisis with science-led solutions.

With an election in Guernsey in 2025 and Jersey's due to take place in 2026, we will potentially see changes in government policy. Our board and executive seek to work and engage with our governments and will continue to do so. We recognise the role we play in our communities and the importance of collaboration.

Despite some challenges in bringing to market, our launch of Coop Mobile in February 2026 provides another service offering and benefit to members. This is an exciting new offering, bringing something different and fresh to the market and for our members. Our digital journey will also continue with the launch of a new member-focused Loyalty App amongst other new initiatives to come.

2025 has been a year where we have striven to create value, with purpose, and I believe this has been achieved and will continue into 2026. We are a unique and special organisation, benefitting our communities, which is only possible through your continued support. I would like to thank you for this support and hope you enjoy reading about how your support has allowed us to achieve so much.

“

We are a unique and special organisation, benefitting our communities, which is only possible through your continued support.

Chief executive's overview



I am pleased to report on another year of progress for us. It has not been easy. 2025 has been a demanding year for retailers, marked by inflationary pressure, increased freight costs, changing customer behaviour, an unforeseen cyber attack affecting our supply chain, and increased competition.

Mark Cox
Director and chief executive officer (CEO)



2025 allowed us to focus more fully on improving the experience and value for our members.

MAKING A DIFFERENCE

5,119
new members

83%
sales are made by members

Against this backdrop, I am incredibly proud of the resilience shown by our colleagues and the steady progress we have made across every part of the society. We end the year in a stronger financial position, now owned by more than 128,000 local islanders, making us the most broadly owned organisation in the islands. That ownership is what sets us apart locally and keeps us focused on delivering real value for our members, reinvesting for their benefit, and supporting the communities we live in and the islands we are proud to call home.

Cyber incident and supply chain disruption

During the year, we were impacted by a significant cyber-attack on the Co-op Group in the UK. While there was no compromise of our systems or member data, the incident had a material indirect effect on our operations through disruption to the UK supply chain, constraining availability across several product categories in our stores. This led to lost sales, increased operational complexity, and additional costs.

Most importantly, it resulted in a reduced service level for members during the affected period. I would like to sincerely thank our members for their patience and for standing by us as we worked through this challenge. Your understanding and loyalty during a difficult time meant a great deal.

Our cyber insurance policy enabled recovery for losses arising from this external incident. A claim was progressed in respect of loss of profits and the increased cost of working, including the actions taken to minimise disruption.

We received constructive support from our insurers throughout the claims process, alongside the invaluable assistance of our local insurance brokers, Rossborough, part of the Gallagher Group. Their expertise and engagement helped ensure a clear and well managed claims process, enabling the Society to focus on recovery and the prompt restoration of services for members. This experience underlines the importance of strong local partnerships.

Membership update

The good work achieved in 2024 put us in a stronger position, allowing us in 2025 to focus more fully on improving the experience and value for our members.

Listening to members was a defining feature of the year. More than 1,000 members took part in focus groups, our AMMs, and half year meetings, sharing their views on new share classes, mobile phones, and our future direction. This insight directly shaped our priorities, including the development of Coop Mobile. A clear and consistent message came through: members want better everyday value, simpler access to membership, and a Coop that reflects their needs and works harder for them.

Our new, simplified digital sign-up journey has transformed how members join and engage with us. During the year, we welcomed more than 5,000 new members, with digital sign-ups accounting for the vast majority. Importantly, around one in four of these new members were under the age of 25, a highly encouraging sign that we are resonating with younger people and building a strong, sustainable membership base for the future.

By year end, 83% of our sales were made by members. Around 109,000 of our recorded 128,134 members actively shopped with us during the year, an increase of 6,400 on 2024.

Total member transactions rose by 1.7 million during the year with members spending more, while transactions from casual shoppers declined, demonstrating that our member proposition is clearly resonating.

Investing in value for members

In response to your feedback, and following the decision to reduce the dividend in 2024, we committed to investing in better and more immediate value for members. At the start of the year, we set a minimum target of £2.5 million in member savings, broadly equivalent to the dividend reduced.

I am delighted to report that we more than doubled that commitment, delivering £5.2 million in savings for our members. Today, we offer more than 800 member prices across our stores and pharmacies, including everyday essentials such as fresh produce, meat, bread, eggs, and our Honest Value range.

We also invested in improving the member experience through refurbishments at L'Aumone and Market Street Pharmacies, Forest, and Longstore in Guernsey during the year.

As part of our ongoing Property Asset Plan, we took decisive action where assets were no longer aligned with member value. The sale of St Mary in Jersey followed a strategic review which concluded that the investment required could not be justified by the expected returns and that the site was better suited to a specialist fuel operator.

We also agreed the sale of the majority of Leale's Yard in Guernsey for £4.5 million, releasing capital and removing the complexity and risk of managing a large-scale development. We have retained a small portion of land at Leale's Yard, which will deliver further benefit in the future. Together, these actions strengthen our balance sheet and support a more sustainable long-term future for us.

Expanding and strengthening our services

During the year, we launched Coop Mobile, entering the Channel Islands mobile market as a mobile virtual network operator to support choice and competition. Delivered in partnership with Sure, the service combines reliable local network coverage with our trusted, member-focused service model.

While we are very proud of the service now available to members, we were disappointed that the actions of one competitor disrupted our launch by unhelpful delays in number porting which prevented members from joining Coop Mobile as early as they wished. We know this caused frustration and concern for members who were keen to move sooner, and we thank them for their patience and continued support.

I would like to formally recognise and thank the competition regulators in both Jersey and Guernsey for their constructive engagement and support in resolving these issues. Their intervention was important in ensuring that competition and consumer choice were protected. If nothing else, the reaction perhaps confirmed that a genuinely member-focused alternative was always going to attract attention.

Coop Mobile offers members a simple SIM-only proposition, transparent pricing, no long-term contracts, flexible add-ons, and exclusive member benefits. Early feedback has been very encouraging, highlighting ease of use, fair pricing, and quality of service. This new service strengthens value for members and reinforces our role as a consumer champion in essential services.



Members want better everyday value, simpler access to membership, and a Coop that reflects their needs and works harder for them.

MAKING A DIFFERENCE

1,455 hours
spent volunteering and supporting community initiatives

89,869
meals to local households

Chief executive's overview



Being a community-focused business is fundamental to who we are.

Making a difference in our communities

Being a community-focused business is fundamental to who we are. Our Blueprint for a Sustainable Future continues to guide our actions and hold us accountable, but our commitment to being a force for good goes far beyond targets and reporting.

Since launching the strategy in October 2023, we have made strong progress. I am particularly pleased that our targets have been validated by the Science Based Targets initiative. We are the only local retailer to achieve this validation and one of only a small number of organisations to do so.

There were many other positive outcomes during the year:

Under **Planet**, we reduced our carbon footprint by 6% year-on-year, expanded energy-saving technology, and continued work on food waste, plastics reduction, and sustainable sourcing.

Under **People**, we delivered over 9,200 learning hours, doubled our Mental Health First Aiders, and continued to lead on transparent gender pay gap reporting. We also invested in colleague pay, delivering a 5.82% increase across the society as we aligned pay bands and prioritised frontline roles.

Under **Community**, we donated £166,166 to charities and community groups, delivered 215 in-store awareness days, and our colleagues volunteered 1,455 hours. Through our partnership with Olio, we donated the equivalent of almost 90,000 meals to households locally.

With **Partners**, we supported more than 50 local producers, spending £8.7 million locally to strengthen the local economy and reduce food miles.

Our financial performance

For the 52 weeks ended 11 January 2026, we have delivered a solid and resilient financial performance in what remained a challenging trading environment.

Turnover
£220.4m

Turnover increased to £220.4 million, up £9.2 million +4.35% on the prior year, reflecting growth across food, care, and services, alongside continued focus on value, discipline, and long-term sustainability.

Trading surplus
£7.2m

Trading surplus increased to £7.2 million, an uplift of £481k +7.19% year-on-year, demonstrating careful cost control while continuing to invest meaningfully in colleague pay, member value, and service quality. Despite inflationary pressures, higher operating costs, and investment in new initiatives, we maintained a strong underlying trading performance.

Net surplus
£1m

The year delivered a net surplus of £1 million, an increase of £253k or 32.94% year-on-year, after taking account of dividend payments to members, interest paid on member share accounts, and the revaluation of investment properties. This outcome reflects a balanced approach, prioritising fairness and reinvestment alongside financial strength.

Owned by you

We remain a different kind of retailer, owned by and run for our members. As a co-operative, our success is measured not only in financial results but in the value we return to our member owners and the communities we serve.

In 2025, this included £10.5 million in total member benefits, made up of:

- £2.8 million in dividends, representing a 2% return on qualifying member purchases
- £2.5 million paid in interest on member share accounts
- £5.2 million delivered through member pricing, providing better everyday value on essential goods

In addition, over £300k was returned to local communities through donations, charity giving and support reinforcing our commitment to sharing success broadly rather than concentrating it among a small group of external shareholders.

Performance across our businesses

Food and fuel sales increased by 2.2% year-on-year to £190.9 million, supported by growth in transactions and volume. This performance was achieved alongside deliberate and sustained member price investment. While this placed pressure on gross margin, it reinforced trust, protected volumes, and supported members through a continuing cost-of-living challenge.

Care services delivered an exceptional performance, with pharmacy sales increasing by 21.3% to £27.2 million. This reflected the continued investment in our community pharmacies, alongside strong organic growth across both Jersey and Guernsey. Dispensing volumes increased significantly, and pharmacies continued to expand their range of clinical and private services, strengthening their role as an important part of local community healthcare provision.

Funeral services generated turnover of £2.4 million, an increase of 10.6% compared to last year. Despite fluctuations in overall market volumes, both De Gruchy's Funeral Care in Jersey and Argent Funeral Care in Guernsey maintained strong market positions, underpinned by trusted brands, dedicated colleagues, and consistently high standards of care.

Balance sheet strength and capital discipline

Members' funds remained stable at £133.2 million, with member share capital broadly in line with the prior year at £81 million.

The value of our investment property portfolio reduced by £4.5 million, mainly reflecting the planned disposal of Leale's Yard and a development plot at The Bridge in Guernsey. Additional valuation movements during the year were partly offset by part of Longstore in Guernsey being reclassified as investment property following the creation of a new small lettable unit, resulting in a net further reduction of £204k.

We also completed the sale of St Mary in Jersey. Together, the sale of under-utilised and non-core assets released capital, reduced risk, and strengthened our balance sheet.

Rental income from our remaining investment properties totalled £3 million during the year.

Cash and Net Debt: cash balance increased by £0.5m (2025 reduced by £2.9m) and £1.0m of borrowings was repaid during the period, leading to a £1.5m improvement in our net debt (from £10.1m to £8.6m).

Our strong and carefully managed balance sheet, backed by a substantial property portfolio across the Channel Islands, provides stability and flexibility, allowing us to support our trading businesses, withstand economic uncertainty, and continue returning value to members over the long term.



With Partners, we supported more than 50 local producers, spending £8.7 million locally to strengthen the local economy and reduce food miles.

MAKING A DIFFERENCE

£220.4 million
Turnover

£166,000
donated to charities
and community groups

Chief executive's overview



Everything we do is driven by you, and I am genuinely proud of what we have achieved together.

Looking ahead

We look ahead with optimism, while recognising the continued uncertainty created by global economic pressures and conflict. Even in challenging times, our commitment remains the same: to do our very best for members, to listen, to adapt, and to create value wherever we can.

There is much to look forward to. Later this year, we will launch our new loyalty app and continue investing in our stores, services, and experiences. We enter 2026 with confidence, clear priorities, and strong foundations.

I would like to offer a heartfelt thank you to our board, my executive leadership team, our 1,168 colleagues, and our 128,134 members for your continued trust and support. Everything we do is driven by you, and I am genuinely proud of what we have achieved together.

The retail landscape will continue to change, but by staying true to our co-operative values, listening to our members, and working together, I am confident that we will continue to thrive for the benefit of our members, our communities, and the islands we are proud to serve.



MAKING A DIFFERENCE

£133.2 million

Members' funds

£1.5 million

improvement in our net debt
(from £10.1m to £8.6m)

Property

2025 saw the continued delivery of the Property Asset Plan, which focuses on three key areas: generating capital receipts from divested assets, unlocking investment potential in our existing assets, and helping deliver a better customer experience in our trading property. These core aims are being delivered whilst also supporting our sustainability and community aims, including reducing our environmental impact and remaining focused on buying local.

The year saw the disposal of four properties, generating almost £6 million of capital receipts. The largest and most significant disposal was the sale of the majority of Leale's Yard to the States of Guernsey for £4.5 million. Over almost 20 years, we have worked hard to find a way to progress the site as a benefit for our members, our business and the wider Guernsey community. The sale of this site will allow the States of Guernsey to bring forward long-awaited regeneration plans and much-needed housing infrastructure to the north of the island. We retain an ownership of a small part of the former Leale's Yard site, which is consented for residential development.

We were also able to divest St Mary in Jersey to Rubis Channel Islands, and two development plots on The Bridge in Guernsey, both to the same purchaser. Divesting these sites allows us to invest in our remaining property assets.

Also in 2025, we continued our programme of renovations across our residential portfolio, ensuring the properties not only meet the latest standards but also adding residential units where possible. This approach not only increases rental receipts but also adds value to our member's assets and helps to ensure more residential property is available to help those colleagues that need accommodation.

Our focus on improving the customer experience has seen some seven stores refreshed or renovated throughout the year. Substantial investment was made at Forest and Longstore (which also saw the creation of a sub-let space that will generate rental income) and improvements to Market Street, all in Guernsey. We also saw the opening of new pharmacies at Queen's Road and l'Aumone medical centres and within Market Street in the centre of St Peter Port.

We are also working hard on implementing new technologies and contracts for delivering better facilities management services. In 2025, we entered a new long-term partnership with Sonnic Solutions for all cleaning services in the Channel Islands. We also made the first steps towards migrating to a comprehensive asset-based management solution that, when concluded in 2026, will enable us to better align maintenance and capital investment activities, helping to protect our member's assets and manage the planned investment required better.

2026 will also see the continuation of these investments with works planned at our Royal Terrace in Guernsey, Georgetown and our Bath Street Pharmacy in Jersey. These interventions not only renew these stores for future use but also afford us the opportunity to upgrade our stores bringing the latest in lighting and refrigeration helping us reduce our carbon emissions.

We will also be progressing with implementing our net-zero emissions roadmap by continuing with low-energy lighting, solar photovoltaic (PV) installations, adding thermal night blinds to our open fridges, and replacing aged old fossil-fuel vehicles with new high-efficiency electric vehicles.

KEY STATS:PROPERTY

£8m

property-related spend with Channel Island's based organisations

40+

local supplier organisations benefitting from working with us on property

80

full-time equivalent (FTE) workers benefitting from our property-related spend

£3m

rental income from property investments

£5.6m

cash generated from property disposals

£5m

capital investment in property estates

£0.5m

on environmental improvements

£250k

recurring savings on facilities management expenditure



Delivering value, transparency and flexibility for Islanders

February 2026 marked an important milestone for us with the successful launch of Coop Mobile, our new SIM only mobile service created specifically for Islanders. Available across Jersey and Guernsey in our Coop stores, Coop Pharmacies and online, Coop Mobile is a significant step in broadening the services we offer, while staying true to our Coop values of fairness, transparency and rewarding membership.

Designed with Islanders, for Islanders

From the outset, Coop Mobile was shaped by islanders themselves. In early 2025, we worked with market research experts Hayward to gather insight from members and customers across Jersey and Guernsey, alongside senior leaders from our business. People told us clearly what was not working for them, including frustration with long contracts, complicated pricing and a lack of meaningful recognition for loyalty. Many also shared that roaming often felt poor value for money, particularly for those who travel only once or twice a year.

We listened carefully to this feedback and used it to design a service built around simplicity, flexibility and transparency.

Simple plans with the flexibility people asked for

Coop Mobile launched with four clear SIM only plans, ranging from 5GB to unlimited data. All plans include unlimited calls and texts, with no long-term contracts. Customers can change their plan monthly and manage everything online or through the Coop Mobile app, offering the ease and flexibility of a subscription style service.

Loyalty rewarded every month

One of the features we are most proud of is how Coop Mobile rewards membership. Customers who link their Coop Mobile account to their share number automatically receive a 10% shopping voucher every month, redeemable on a single shop across any of our stores. This can be used on groceries, appliances and electrical goods.

For many households, these rewards create meaningful value. A typical family spending average on groceries could save more than £11 a month. Where several family members use Coop Mobile, combined annual savings could reach around £500. This creates a strong and tangible connection between an everyday service and the benefits of Coop membership.

Clear pricing and control over spending

To tackle ongoing concerns about roaming and unexpected charges, Coop Mobile offers optional boosters that customers can add only when they need them. Roaming boosters are designed for infrequent travellers, while extra data and cash boosters give customers full control over their spending. Customers only pay for what they use, when they choose to use it.

Affordable, sustainable handset options

Alongside SIM only plans, Coop Mobile offers a carefully selected range of refurbished handsets in like new condition. This reflects our commitment to ethical trading and reducing environmental impact. These devices sit alongside new handset options and can be purchased through dedicated in-store touchscreens or online. Our trade in service also provides a practical and sustainable way for customers to upgrade their device, helping to reduce electronic waste while keeping costs down.

A strong start and a clear focus ahead

Since launch, we have seen a steady and encouraging flow of new signups, reinforcing the demand for a simpler and more transparent mobile service in the Channel Islands.

Looking ahead through 2026, our focus is on growing subscriber numbers, increasing awareness of the strong member benefits available, and continuing to evolve Coop Mobile based on customer feedback. We also recognise the growing importance of online safety for our members and their families. Over the coming year, we will support government-led initiatives on online harms and digital safety, working alongside our partners to help promote responsible and safe use of mobile services.

Coop Mobile is already delivering real value for Islanders and will play an increasingly important role in strengthening the relevance and impact of membership in the years ahead.



People want environmentally friendly and affordable choices. Coop Mobile delivers both.



Islanders told us they wanted a simpler, more transparent way to buy mobile services.

Building a more sustainable future together

The four pillars



Planet:

As a civilisation, the way we have produced goods, consumed them, and powered our lifestyles, has taken a toll on the planet which is more than the Earth can sustain. This affects everyone and we are committed to being part of the solution.

It's who we are.



People:

People are the beating heart of retail. Our people are also owners of this business and are deeply committed to the customers they serve.

It's what we do.

Sustainability is a key part of who we are. As a co-operative, our commitment to behaving responsibly has shaped our decisions for more than a century. Guided by Our Blueprint for a Sustainable Future and our ethical decision making, we continue to deliver meaningful progress across our four pillars of **Planet, People, Community** and **Partners** – ensuring long term value for our members, colleagues, and the islands we serve.



Community:

Co-operatives have always seen themselves as deeply rooted in the communities they serve. This is as important for us today as it has been for any time before because we are always local.

It's where we're from.



Partners:

As a retailer we absolutely rely on our partners in the supply chain to provide us with the high-quality goods and produce our customers deserve. It's not just transactional for us, it's relational.

It's how we work.



At a glance



Food redistributed to Olio:
124,983 items donated,
 equivalent to **89,869** meals
 provided, feeding **884**
 individual households



215 in-store awareness
 days benefiting
 local charities and
 community groups



£143,679 total discount
 given to the elderly via the
 Sir David Kirch vouchers



201 colleagues
 volunteered a total
 of **1,455** hours
 in 2025



£56.5 million procured
 locally. We are proud to
 source goods, works and
 services from local suppliers

(excludes utilities, taxes, duty, fuel,
 rent, social security and wages)

Member PRICES

£5.2 million
 returned to members
 through member pricing.



£2.8 million
 in sales of Fairtrade
 certified products



37,960 fewer carrier
 bags sold in 2025
 compared to 2024



£1.4 million discount
 given to colleagues via our
 colleague discount scheme



£166,166 given back
 to local community groups
 and charities in 2025 via
 donations and sponsorships



£8.7 million
 spent with local producers,
 helping to reduce food
 miles whilst supporting
 the local economy



2,940
 lunchtime meals
 provided for school
 children in Guernsey

Our sustainability framework & net zero commitment

Guided by co-operative values

In 2023, we launched Our Blueprint for a Sustainable Future, a strategic framework aligned with the UN Sustainable Development Goals, built on our co-operative values and long-standing commitment to ethical, responsible retailing. In 2025, we continued strengthening our foundations by improving our carbon data reporting and progressing our near-term targets and our long-term pathway to becoming Net Zero by 2040.

“SBTi validation provides a clear, science-based pathway to net zero and reinforces our responsibility to protect our islands for future generations.”



Science based targets validation

In October 2025, we achieved an important milestone with the official validation of our net zero targets by the Science Based Targets initiative (SBTi). This confirms that our climate goals meet the SBTi Corporate Net-Zero Standard and FLAG Guidance, placing us among leading organisations taking science-based action on the climate emergency.

Building the pathway

Working with Simply Sustainable, we established our full carbon baseline in 2023 and in 2025 we created our net-zero direct emissions reduction plan, which details the actions and investments required to meet our commitments for scope 1 and 2.

Carbon Footprint Report 2025 - key takeaways

- Total carbon footprint reduced by 6% year-on-year, falling from 89,553 tCO₂e in 2024/25 to 83,930 tCO₂e in 2025/26
- Electricity-related emissions reduced by 13%, driven by a combination of lower electricity consumption (-4%) and reduced carbon intensity of electricity supply.
- Scope 3 emissions fell by 6%, remaining the dominant source of emissions at 99% of the total footprint, with meaningful reductions in goods for resale, use of sold fuels, and end-of-life impacts.
- Scope 1 and 2 emissions combined fell by 30%, leaving us 193 tCO₂e ahead of our direct net-zero target for 2025/26.
- While we remain behind our overall net-zero trajectory when Scope 3 is included, progress has accelerated compared to last year, narrowing the gap by almost 3%.

Overall carbon performance overview

During 2025/26, we reduced our total greenhouse gas emissions by 6% year-on-year, lowering our carbon footprint to 83,930 tCO₂e across Scopes 1, 2 and 3. This reduction reflects ongoing operational efficiency improvements, changes in energy supply, and early impacts of supply-chain engagement, achieved despite ongoing growth and cost pressures within the business.

The reduction was driven primarily by decreases in Scope 3 emissions, alongside improvements in direct operational emissions. Electricity emissions declined materially, reinforcing the impact of energy efficiency initiatives and the transition to lower-carbon electricity generation. As a result, we remain ahead of our direct (Scope 1 and 2) net-zero pathway, while continuing to work through the more complex challenges associated with reducing value-chain emissions.

Electricity and energy performance (Scope 2 focus)

Electricity emissions fell by 13% during 2025/26, decreasing from 472 tCO₂e to 408 tCO₂e. This reduction outpaced the 4% fall in electricity consumption, demonstrating an improvement in the carbon intensity of electricity supplied alongside operational efficiency gains. These changes underline the importance of wider energy-system transition in supporting organisational decarbonisation, alongside internal energy management actions.

Operational emissions (Scope 1 and 2)

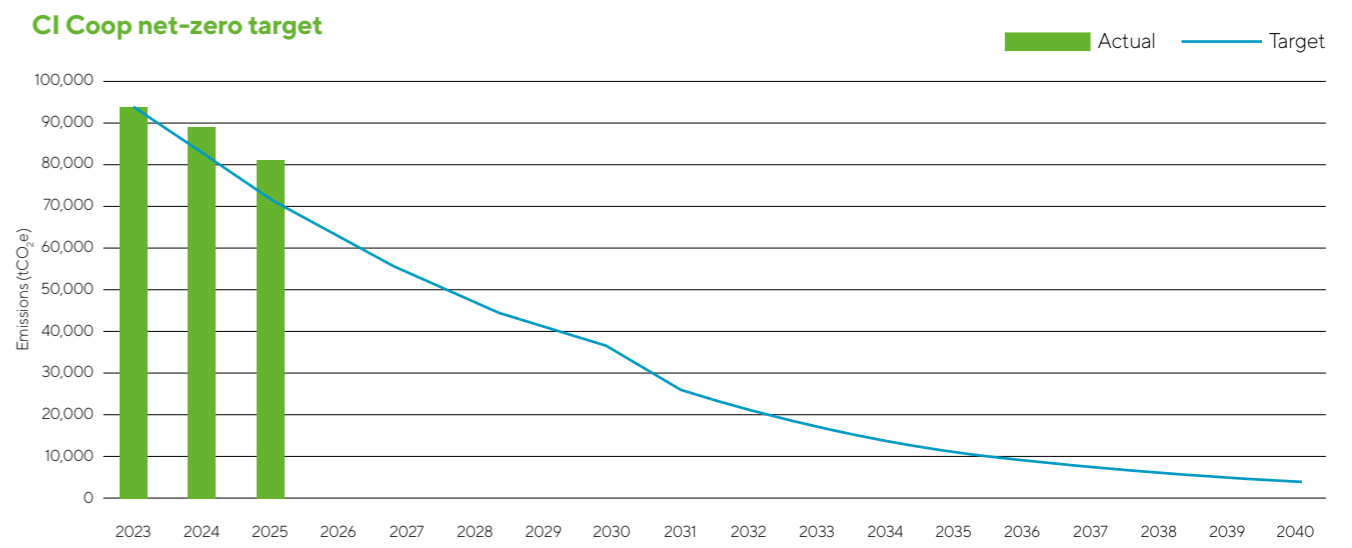
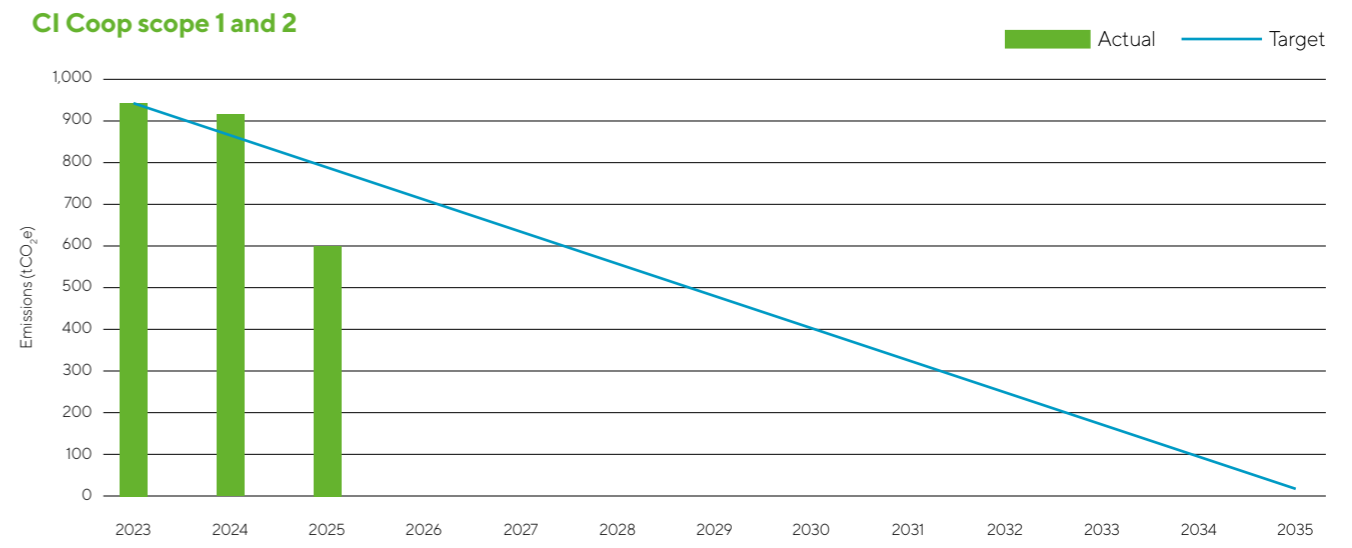
Combined Scope 1 and 2 emissions decreased by 30%, falling from 873 tCO₂e to 605 tCO₂e. Scope 1 emissions alone reduced by 51%, driven by lower refrigerant losses and a substantial reduction in fuel used by company vehicles. Vehicle fuel emissions fell by 17%, reflecting improved fleet efficiency and reduced mileage.

As shown in the progress tables, 193 tCO₂e puts us ahead of our 2025/26 direct emissions target, demonstrating strong momentum toward operational net zero.

Scope 3 performance and trajectory

Scope 3 emissions accounted for 99% of total emissions, totalling 83,324 tCO₂e, and declined by 6% year-on-year. Emissions associated with purchased goods for resale fell by 7%, while emissions from the use of sold fuels decreased by 5%, reflecting lower fuel sales volumes. End-of-life treatment emissions dropped by 32%, highlighting improvements in packaging and waste outcomes.

Capital goods emissions increased during the year due to higher investment levels, underlining the sensitivity of whole-footprint performance to changes in business spend. While overall Scope 3 emissions remain above the net-zero trajectory, progress during 2025/26 means we've narrowed the gap to our long-term pathway compared with last year.





Planet

As a civilisation, the way we have produced goods, consumed them, and powered our lifestyles, has taken a toll on the planet which is more than the Earth can sustain. This affects everyone and we are committed to being part of the solution.

KEY ACHIEVEMENTS INCLUDE:

Installation of thermal blinds

on refrigeration units to reduce overnight energy use.

Temperature optimisation

for beer, wine and soft drinks categories.

Continued to roll out 2nd generation LED lighting

across food stores and pharmacies.

Energy efficient upgrades

at Forest and efficiency technologies at Longstore



Carbon footprint & emissions reduction

Reducing emissions across our operations

Our journey to Net Zero is grounded in verified data and clear reduction pathways. Our latest carbon footprint report (2025) shows a 6% year-on-year reduction.

Energy savings & store investments

Investing in energy efficient stores

As part of our long-term property investment strategy, we continued to modernise our estate with new technologies designed to reduce energy use, extend equipment life and improve overall operational resilience. Our store and fuel site refits during 2025 provided opportunities to incorporate these improvements. At Forest in Guernsey, for example, features second generation LED lighting, ventilation optimisation and energy efficient refrigeration systems as standard, demonstrating how sustainability is becoming integrated into every new build and refit across our estate.

At Longstore and several food and pharmacy sites, older lighting systems were replaced with LED fittings, reducing energy consumption while improving in-store visibility and comfort. Thermal blinds were installed on selected refrigeration units to retain cool air outside trading hours, helping reduce overnight electricity use. Across these sites, sub metering has played a vital role in identifying patterns of energy and water consumption, enabling targeted interventions and efficiencies that will continue to build year-on-year.



We will aim to become carbon net zero by 2040





Throughout 2025, improvements in forecasting, ordering accuracy and stock handling continued to lower surplus levels in store.

Food waste reduction

Tackling food waste

Food waste reduction remains one of the most tangible ways we can reduce our environmental impact while strengthening community wellbeing. Throughout 2025, improvements in forecasting, ordering accuracy and stock handling continued to lower surplus levels in store. However, we recognise that some surplus is unavoidable in a retail environment, and so we maintain a strong focus on redistributing edible food safely and efficiently.

Our partnership with Olio continued to play a vital role in this. During the 2025 trading year, 124,983 items of food were redistributed through Olio volunteers, equivalent to 89,869 meals, supporting 884 households across our islands. These numbers reflect both the dedication of our colleagues and the extraordinary commitment of the island community to ensure good food never goes to waste. They also replace carbon intensive disposal with a solution that reduces emissions and supports families and charities.

Alongside redistribution, we continued collaborating with other retail Co-op societies across the UK to explore tech-led approaches to waste prevention, including improved "reduced to clear" automation and early alert discounting tools. The adoption of this new technology is set to go live in 2026 and will further support our long term ambition to halve food waste by 2030 and ensure that our operational decisions reflect both environmental responsibility and co-operative values.

Plastic and packaging reduction




Reducing plastic

Plastic reduction remains a priority across our operations, particularly within Own Brand products where we have greater influence over design and materials. During 2025 we delivered several significant packaging changes that resulted in dramatic reductions in annual plastic use.

At store level, our continued encouragement of reusable bags led to 37,960 fewer carrier bags being sold compared to 2024, a meaningful indicator of shifting customer behaviour and growing awareness of sustainable choices. Other packaging improvements across the Co-op Group, including lighter weight carrot bags, carton-based soups, unwrapped swedes and lid reductions on houmous, also contributed to a decreased reliance on single use plastics across our shelves.



2025 impact to date

Environmental impact		160,023 kgs of CO2 emissions avoided 12.1% increase in emissions avoided (2024: 142,769kg)	28,196 cubic litres of water saved 13.4% increase in water saved (2024: 24,860 cubic litres)	7,350 equivalent trees planted 12.07% more equivalent trees planted (2024: 6,558)
		124,983 items donated 13.4% increase/almost 15,000 more items donated (2024: 110,187)	89,869 equivalent meals provided Almost 10,000 more equivalent meals provided (2024: 79,237)	884 unique households fed (2024: 930 households fed)
		5,302 number of successful collections (2024: 5,272 collections)	52,536 kgs of edible food donated Over 12% increase in kgs of edible food donated (2024: 46,844kg)	

KEY ACHIEVEMENTS 2025

37,960
fewer carrier bags sold compared to 2024

ADDITIONAL CHANGES ALIGNED WITH WIDER CO-OP INITIATIVES INCLUDE:

- Reduction in plastic across mini bite bakery ranges through new "bag in box"
- New fibre-based steak packaging
- Cardboard tomato punnets replacing plastic
- Removal of plastic lids from houmous and other dips
- Switching soups to cartons
- Banana bands
- Redesign of salmon trays
- Quad strength cordials
- Unwrapped swedes

Our colleagues

Belonging is everything

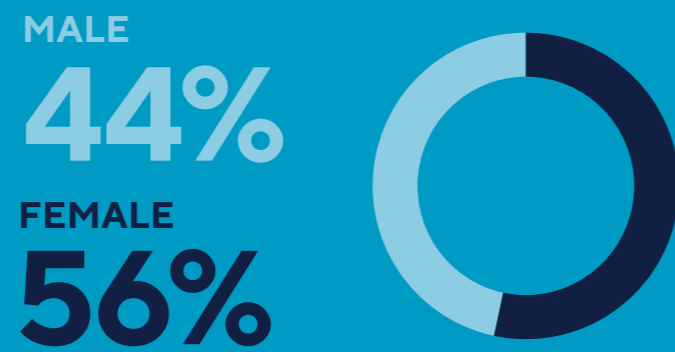
Belonging continues to be central to our culture. In 2025, we strengthened our commitment to supporting all our colleagues. This year's achievements reflect our ongoing investment in wellbeing, development, recognition and inclusion, building on the foundations set in 2024.

New colleagues

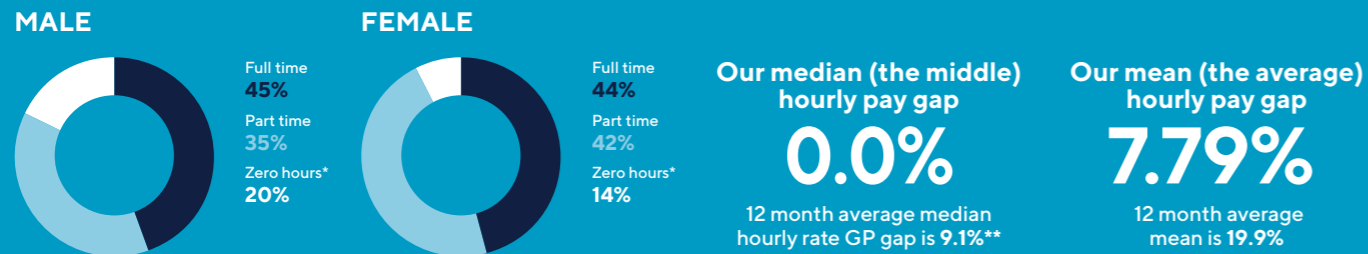
We continued to welcome new talent, including additions to the People Team and internal promotions across both islands. These changes strengthened our operational delivery and reinforced our commitment to internal progression and capability building.



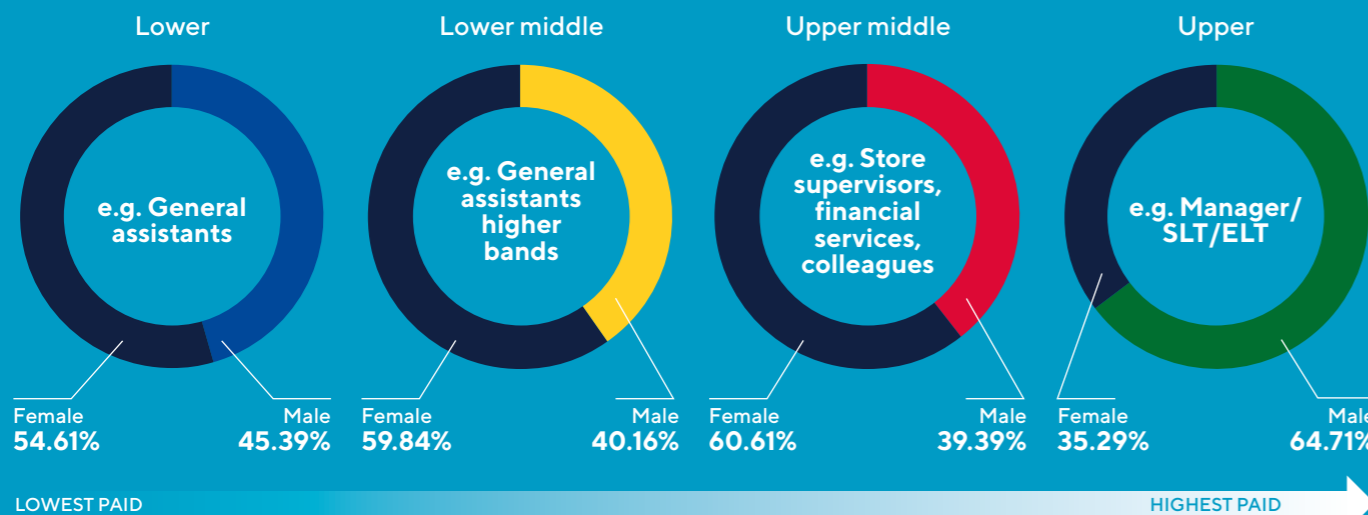
Gender split



Gender split and working hours



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



*Zero hours contracts account for 16% of our total workforce across the CI Coop. They are a key part of our resourcing strategy and allow us to offer flexibility for our colleagues to cover gaps in scheduling over peak periods such as Easter, Summer and Christmas. It is also a cost effective and efficient way to provide cover for absence and holidays. **Based on the Jersey Gender Pay Gap report June 2024 published 12 March 2025 - <https://stats.je/publication/gender-pay-gap-in-jersey-june-2025/>

People

People are the foundation of our retail business. Being owners, our colleagues demonstrate a strong sense of accountability and pride in delivering outstanding service to our members and customers.

People and purpose remain at the heart of everything we do

Our colleagues play a central role in delivering our sustainability ambitions and strategic objectives. Operating in a fast-paced retail environment where change is constant, our workforce continues to demonstrate resilience, commitment and professionalism. Throughout the year, colleagues consistently lived our values, supporting members and customers while adapting to evolving operational and commercial challenges.

The dedication and determination of our colleagues ensure a continued delivery of high-quality service across our stores and support functions. We remain firmly committed to supporting colleague wellbeing and creating an environment where individuals feel valued, supported and able to thrive. This commitment enables our colleagues to make a meaningful difference every day.

This section provides an overview of the year in relation to our people, recognising the vital contribution they make not only to our members and customers, but also to the communities and stakeholders we serve.

Pay awards and job evaluation

Recognising the contribution of our colleagues through fair, transparent and competitive pay and reward remains a key priority for us. Over the past 12 months, we have continued our journey with pay and benefits to ensure our approach remains fair, equitable, transparent and consistent.

During 2025, we launched our competency framework, providing clear and consistent role expectations. This framework supports fair job evaluation, enables colleagues to understand progression opportunities, and ensures greater clarity and consistency across roles and functions.

A significant highlight of the year was the confirmation of a 0% median gender pay gap, positioning us ahead of UK, Jersey and retail sector benchmarks. This achievement reflects our ongoing commitment to fairness, equity and transparency in reward practices.

In addition, further colleague benefits were introduced, including expanded discounts and the launch of new policies such as fertility support. These enhancements reinforce our continued focus on supporting colleague wellbeing and ensuring our reward offering reflects the diverse needs of our workforce.

Investing in our people

Our colleagues are at our heart, and their skills, wellbeing and development remain central to our long term success. We understand the importance of training and development not just for us, but to help colleagues understand their value, regardless of where they work in the business. Our commitment to providing training and development is a key part of our sustainability strategy people pillar and our mission and value related to empowerment. It underpins our culture of belonging and doing the right thing, in the right way.

In 2025, we continued to build a culture where every colleague feels supported, valued and able to grow. This is reflected in a significant uplift in training, engagement and wellbeing activity across the organisation.



Throughout the year, colleagues consistently lived our values

MAKING A DIFFERENCE

223 training events held

23% increase in learning hours

295 new colleagues welcomed

83% increase in volunteering hours

11:1 Wage ratio (Co-op UK 71:1)

Developing skills and growing confidence

During the year, we delivered 9,279 hours of learning, a 23% increase on 2024, through structured courses, elearning, professional development and in person workshops. Engagement in our lunch and learn series increased by 45.6%, with 233 colleagues attending 20 sessions, and we expanded our digital learning programme with eight new courses and an 86% completion rate.

We strengthened our focus on safety and support, training 91 new First Aiders, refreshing 99 Fire Marshals, and supporting 34 Mental Health First Aiders across our stores and support functions. Professional development also grew, with 17 colleagues completing accredited qualifications.

Prioritising wellbeing

Supporting colleague wellbeing remained a core priority, with 12 wellbeing events held across both islands, an increase from five the previous year. Attendance rose to 218 colleagues, up 263%, reflecting the importance of these sessions to our teams.

Wellbeing events in 2025 included partnerships with leading community organisations and health specialists, covering topics chosen directly in response to colleague feedback:

- Time to Talk Day with Mind Jersey and Guernsey Mind
- Women’s Health and Wellbeing with Dr Lucy Allen (Choices Guernsey)
- Men’s Mental Health with Man Club Jersey and MUG (Male Uprising Guernsey)
- Addiction Awareness with Silkworth
- Financial Wellbeing with NatWest
- Seasonal Depression Awareness with Mind Jersey and Guernsey Mind
- Guernsey Samaritans Awareness with Jo Cottell

These sessions helped build a stronger, more supportive culture, equipping colleagues with practical tools, encouraging open conversations and strengthening links with local wellbeing partners.

Building an inclusive culture

Our commitment to inclusion continued through dedicated Diversity and Inclusion training, attended by 74 colleagues, supporting our successful DIFERA reaccreditation. This work remains fundamental to ensuring that colleagues feel respected, represented and able to thrive.

Project retail – inspiring future careers across the Channel Islands

In 2025, we expanded Project Retail, our early career development initiative designed to give students hands on insight into the retail sector. A total of 20 students took part from three secondary schools across the Channel Islands: Haute Vallée School in Jersey and La Mare de Carteret and St Sampson’s High Schools in Guernsey.

Across the programme, students explored different areas of retail, from store operations and merchandising to supply chains, customer service and our values. They also met colleagues, visited suppliers, and completed practical modules that built confidence, communication and teamwork skills.



Project retail offers students a meaningful introduction to the world of work, helping them build vital skills and explore a range of career options in retail. It’s a brilliant way to boost confidence and help young people make more informed choices about their future careers.

- Emma McCartan, Assistant Head Teacher at Haute Vallée School



It has been such a positive experience for the pupils. Before and after each module they have been buzzing. The modules have been informative, interesting, and well organised. The pupils gained a strong understanding of how all aspects of retail work, from the Coop’s values to supplier visits, and were eager to present their learning to stakeholders.

- Student, Head of Year 9 at La Mare de Carteret School

MAKING A DIFFERENCE

91
first aid courses completed

49
colleagues completed the external fire marshal training

99
elearning fire marshal refresher courses completed

34
trained Mental Health First Aiders

90
IOSH health and safety training

Work placements

We had 49 students undertake work placements with us across Jersey and Guernsey.

GEM awards

Recognition continues to be embedded in our culture. Across 2025, colleagues were celebrated for outstanding achievements, long service and contributions aligned to our values, including external award recognition across both islands.

Long service

Our continued success is built on the dedication, experience and commitment of our colleagues. Their loyalty and long-term contribution enable us to consistently deliver the high standards of service our members and customers expect.

We are proud to recognise colleagues who have reached key long-service milestones, celebrating dedicated service from five years through to 50 years. During the year, we introduced new long-service badges to mark these achievements and to formally acknowledge the value of their sustained contribution.

In addition, we expanded our long-service recognition framework to include new milestones at 25, 35 and 45 years, further honouring these exceptional achievements and reinforcing our appreciation for colleagues who have demonstrated long-standing commitment to us.

	5 years	10 years	15 years	20 years	30 years
Jersey	19	11	9	13	1
Guernsey	17	11	1	1	2



Our colleagues provide fantastic service to our members and customers





Community

Co-operatives have always seen themselves as deeply rooted in the communities they serve. This is as important for us today as it has been for any time before because we are always local.

Supporting the communities we serve

Community is the heart of our co-operative identity, and it is through our community work that our values become most visible. In 2025, our colleagues, members and partners came together to support charities, schools, families and community organisations across Jersey and Guernsey. Every act of kindness, every hour volunteered, and every event hosted contributes to a shared sense of belonging, one that has always defined island life.

Throughout the year we welcomed 215 awareness days into our stores, supporting 119 charities and community groups across a wide range of causes. From health and wellbeing to youth inclusion, animal care and environmental projects, these store-based engagements provided charities with a platform to raise awareness, build connections and meet the public face to face at the heart of their local community. Our Community Fund continued its important role, distributing £96,000 to 88 beneficiaries supporting vital projects and services. These contributions sit alongside £143,679 provided through the Sir David Kirch vouchers to support older islanders.

Our colleagues also played an active part in the year's community achievements. In 2025, 201 colleagues volunteered 1,455 hours, supporting everything from gardening and environmental work to major events and fundraising activities. These actions, though often modest in scale, collectively demonstrate the meaningful difference that cooperation can make.

Community is where our purpose comes to life. Every day, our colleagues, members and customers help make a real difference across Jersey and Guernsey. Through donations, volunteering, partnerships, and our giving initiatives like our Community Fund, we support local organisations that strengthen wellbeing, inclusion, education and environmental stewardship.



“Community is where our purpose comes to life.”



2025 KEY HIGHLIGHTS

215
in-store awareness days

119
charities and community groups supported

£166,166
total donated through sponsorships and community giving

£143,679
in discounts to the elderly through the Sir David Kirch vouchers

£96,000
donated via the Community Fund supporting **88** local community groups or charities

1,455 hours
volunteered by **201** colleagues

100+ items
donated to the Guernsey Prialux Premature Baby Foundation

3,468 mince pies and 78 gifts
donated at Christmas

£7,800 donated
to support free school lunches in Guernsey

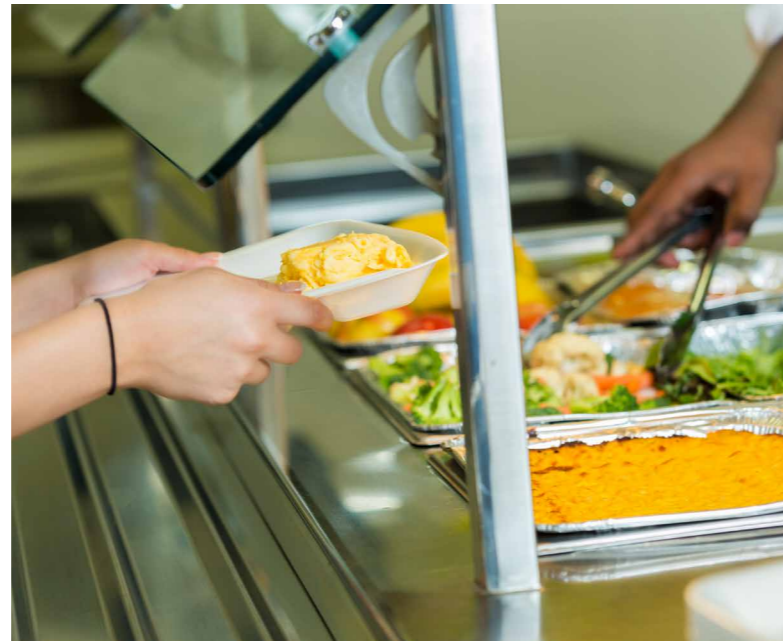
£4,406
donated by customers to our Christmas Community Campaigns (doubled and distributed to **8** local charities)

12 years
long term support of the Ron Short shopping bus in Guernsey



Guernsey school lunch project – 2025 impact

“
School staff reported significant improvements in attendance, concentration, wellbeing, and daily stability.”



Thanks to our funding, the School lunch project continues to remove barriers to learning by providing free, nutritious lunches to students experiencing food insecurity. In 2025, three Guernsey schools delivered 2,940 meals, contributing to a total of 8,360 meals since 2023. School staff reported significant improvements in attendance, concentration, wellbeing, and daily stability – particularly for students facing safeguarding concerns or difficult home circumstances.

Catering teams have become trusted adults, offering positive daily interactions that many students rely on. Schools also confirm that support is delivered confidentially and without stigma, creating an inclusive and respectful environment.

States of Guernsey Secondary School	Number of meals provided in 2025	Total number of meals provided since inception Jan 2023
La Mare De Carteret High School*	444	1,984
Les Varendes High School	1,032	2,712
St Sampsons High School	732	1,872
Les Beaucamps High School	732	1,792
Total	2,940	8,360

*School shut at the end of the 2024/2025 academic year and the funding followed the students that went on to attend Les Varendes High School.

PPBF partnership

Supporting families through our partnership with the Prialux Premature Baby Foundation

In 2025, our partnership with the Prialux Premature Baby Foundation (PPBF) continued to grow, supporting families across Guernsey experiencing the challenges of premature birth or emergency off island hospital care.

Following strong community engagement during World Prematurity Month, islanders donated over 100 essential items across our stores at Vazon, St Martin and St Sampson. Clearly marked donation stickers and in-store shopping lists made it easy for customers to identify and contribute items most needed by the PPBF, including nappies, wipes, baby toiletries and travel sized essentials.

These donations are used in the PPBF’s Baby Boxes for Guernsey’s Special Care Unit and in the charity’s newly introduced Care Packages, sent to parents who must travel urgently to UK hospitals with an unwell baby or child. This support helps meet immediate practical needs at moments of high stress, providing comfort and stability when it is needed most.

Alongside in store giving, our Guernsey colleagues continued to show their commitment by fundraising in a variety of ways throughout the year, helping raise awareness and additional funds to support the PPBF’s compassionate housing near Southampton Hospital, specialist equipment for the Special Care Unit and vital family support services.

Due to the success of the initiative and the positive response from islanders, PPBF collection points will now remain a permanent feature in our Guernsey stores throughout 2026.



“
It’s exciting to see this partnership grow. The Coop’s strong community values shine through their willingness to keep working with us. The collection scheme makes it easy for people to support our projects during their weekly shop, while raising vital awareness. A big thank you to the Coop team for their ongoing commitment to local families.”

– Sara Edmonds, Head of Fundraising at PPBF

Supporting Les Amis during their 50th anniversary year

During 2025, we partnered with Les Amis to support their milestone 50th anniversary year and help them to raise valuable funds. Through sales of our bags for life and a limited edition ice cream developed in partnership with Jersey Dairy, we helped raise almost £10,000 to support the charity's mission of empowering islanders with learning disabilities.

To mark the anniversary, we launched a community competition inviting islanders to co-create a new ice cream flavour with Jersey Dairy. The winning flavour, "Peachy Beachy," was released as a limited-edition product in June, with proceeds contributing directly to the fundraising total.



“

We're incredibly grateful to the Channel Islands Coop for their creative and generous fundraising efforts. Through the sale of bags for life and a limited edition ice cream, they've helped raise vital funds that support our work with around 100 adult islanders at any one time. Whether through residential homes, domiciliary care, or respite services, this support helps us continue to meet a wide range of complex and evolving needs in our community. Their fundraising efforts have not only raised essential funds but also helped raise awareness of our mission in a fun and engaging way.”

- Shaun Findlay, Les Amis



A new sustainability partnership: recycling electronic shelf edge labels

In addition to fundraising, 2025 also marked the beginning of a new sustainability partnership. After upgrading to new electronic shelf-edge label systems across our stores, Les Amis received the old units for safe sorting and recycling.

This initiative provided meaningful, purposeful activity for some Les Amis residents, who helped process the materials with support from staff and volunteers. Due to the scale of the task and the enthusiasm shown by the Les Amis team, we are now establishing this as an ongoing recycling partnership for 2026 and beyond, with batteries and equipment being supplied in smaller, manageable batches.

Celebrating island life together

Across Jersey and Guernsey, we are proud to play our part in the events and traditions that bring our communities together. In 2025 we supported a wide range of celebrations, awareness events and charitable activities that contribute to the cultural fabric of island life.

We were honoured to support Liberation 80, donating oranges for parish events, offering £80 in vouchers to every parish in support of their local celebrations, and sponsoring the music stage at Guernsey's commemorative event.

As a founding sponsor of CI Pride, we marked its tenth anniversary in Jersey with pride themed store decorations, a mobile shop in the Pride Village, and free wellness and diabetes checks provided by our pharmacy team. Colleagues from across the business joined the parade, celebrating inclusion, acceptance and co-operation.

Our support for Fairtrade remained strong, with Fairtrade promotions, educational store visits for young people, and engagement events during Fairtrade Fortnight. Sales of Fairtrade products continued to grow, demonstrating the positive impact of ethical sourcing choices.





Community fund

Since launching our Community Fund in 2021 - replacing the long standing Helping Hands and Eco Funds - we've continued to strengthen our commitment to supporting local charities, grassroots groups, and community initiatives across Jersey.

In just five years, the fund has contributed approximately £400,000 to projects that make a meaningful difference to islanders' lives. From mental health services and youth programmes to environmental restoration and community wellbeing activities, our support is helping organisations deliver lasting, positive impact where it matters most.

These stories from 2025 highlight the real value of working in partnership with our community and the power of investment that goes beyond financial support.

Colleague volunteering

Our colleagues continue to play a vital role in strengthening our community through their time, skills, and energy. In 2025, we recorded 1,455 volunteering hours across a wide range of local charities, schools, and community groups. We know this figure represents only part of the picture. Many colleagues give their time informally or outside of recorded volunteering, contributing far more than the numbers can show.

This year's volunteering gallery celebrates the people behind these hours, the teams who rolled up their sleeves to support islanders, protect our environment, and make a positive difference across Jersey.



These stories from 2025 highlight the real value of working in partnership with our community and the power of investment that goes beyond financial support.

“

The families truly appreciated this special support, your kindness helped create meaningful moments and lasting memories. We are so grateful for your continued support, it makes a real difference.

- Family Nursing & Home Care

“

We are incredibly grateful to the CI Coop for their support through the Coop Community Fund. Their generosity has allowed us to enhance the resources we offer to children and families, helping us create a more engaging and welcoming space at the heart of our community.

- Vazon Elm Church

“

We are over the moon to have received support from the Coop's Spring funding. This has enabled us to bring more inclusive and engaging activities to older adults.

- Guernsey Community Social Volleyball





Partners

As a retailer we absolutely rely on our partners in the supply chain to provide us with the high-quality goods and produce our customers deserve. It's not just transactional for us, its relational.



Seasonal suppliers like Three Oaks and Langlois Farm continue to demonstrate the quality benefits of growing in tune with the islands' natural cycles.

Supporting local producers remains central to our 2026 strategy and our Blueprint for a Sustainable Future. Local sourcing strengthens food security, reduces food miles, and delivers fresher, better tasting produce for our members. Our ambition is clear: to increase local produce participation from the current 8% to 10%+, while raising standards, improving consistency, and unlocking long term growth for island farmers and growers.

To support this ambition, we've engaged an experienced consultant with a farming background to work alongside our commercial, retail and sustainability teams. This work focuses on building a realistic, robust and inclusive framework that supports local suppliers at different stages of their journey, while maintaining the quality and governance standards expected by our members.

Key workstreams include developing a clear and practical local supplier policy, aligned to our sustainability commitments, and creating a Local Supplier Assurance and Sustainability Standard with full supplier engagement and buy in. We are also defining "what good looks like" in our stores - from presentation and freshness to colleague knowledge and customer communication - ensuring local produce is showcased at its best.

Understanding our existing supplier base has been a priority. Detailed supplier interviews and accreditation reviews have helped us assess sustainability capability, compliance readiness, ambition, and appetite to grow. Headline findings indicate a mixed but positive level of readiness, with strong opportunities for improvement through clearer guidance, consistent expectations, and closer collaboration.

Our recommendations focus on collaboration rather than compliance alone. These include introducing a staged approach to basic compliance, supporting recognised accreditations such as Red Tractor, LEAF or SALSA and recognising existing good practice as the benchmark.

Seasonal planning plays a vital role. A new seasonal product planner is being developed to improve visibility for local growers, enabling better crop planning, reduced waste, and more reliable availability. Seasonal suppliers like Three Oaks and Langlois Farm continue to demonstrate the quality benefits of growing in tune with the islands' natural cycles.

Partnership working is already delivering impact. Close collaboration with Genuine Jersey and Jersey Business is helping local producers access funding through the Rural Support Scheme and Agricultural Loans Fund, enabling investment in more efficient, resilient farming operations. Planned initiatives include a 'Meet the Buyer' event, enhanced Genuine Jersey branding in-store, regular engagement on egg consolidation, and exploring opportunities to support farmers' markets.

Alongside this, we've strengthened governance through new supplier onboarding, ethical trading, crop protection and sound sourcing policies, while improving internal capability through produce training, structured store walks, and an open forum for colleagues to report quality issues.

Together, these actions reinforce our commitment to island producers. Supporting local livelihoods, improving quality and availability and ensuring local food continues to play a growing role in our shared sustainable future.

LOVE LOCAL AT YOUR LOCAL COOP

Supporting local is good for our economy and the environment around us. We actively look to stock our shelves with local products and are proud to have local producers as partners, in many cases for years and years. In 2025 we spent £8.7m with more than 50 local producers and suppliers.



We have some of the finest food grown and produced locally here in our islands. From delicious Jersey Royals and local butter, to the ripest and plumpest Guernsey tomatoes - there's nothing better than eating local.

Membership

2025 continued to be a year of engagement with our members, whilst delivering real value to them. Your voices shape what we do and how we do it. Whether it's with the launch of Coop Mobile that took place on 5th February 2026, or the fact our members account for over 83% of our sales, we know that our members value us.

Membership value comes in three ways, namely:

- **Economic value** – the financial benefits of being a member
- **Social value** – our members telling us what matters most to them
- **Ownership value** – having a say in how we are run

Our membership

At 11 January 2026 our membership stood at 128,134 (2025 123,912), with membership movements being:

	2026	2025
At 14 January 2025	123,912	122,394
New members	5,119	2,406
Share accounts closed	(897)	(888)
Dormant accounts	-	-
At 12 January 2026	128,134	123,912
Jersey members	82,210	79,728
Guernsey members	45,924	44,184
Total	128,134	123,912

Welcoming over 5,000 new members is a huge achievement and reflects the standing of us in our communities and how members benefit from real value. 22% of our new members were also under 25 which is really positive for our future.

Of these new members 86% joined digitally, showing how easy it is to join, six member counters across our stores.

KEY STATS:

£10.8m
in real financial benefit

£10.5m
returned directly to members

£5.2m
returned in members savings in 2025

213%
increase in new memberships



22% of our new members were also under 25 which is really positive for our future.

Ownership value

	Members engaged
Forum groups	600
Annual member meetings	217
Special member meetings	172
Total	989

Economic value

	Amounts paid to members £m
Member pricing	5.2
Dividend paid	2.8
Interest paid on share accounts	2.5
Total	10.5

Social value

Our communities are at the heart of what we do and 2025 was no different. We continue to support the causes that matter to our members and you read about our community activities on pages 35 to 42.



Our members are at the heart of what we do every day.

Market trends and opportunities

Trend / opportunity: Cost price inflation and demand for value, changing consumer spending habits with eating in being the new eating out, as well as impact of developments in weight loss management changing demands for food consumables.

What's this mean?	Cost price inflation continues to remain a challenge. Real prices have increased substantially over the last few years, and further challenging economic conditions including higher interest rates means our members and customers continue to seek the best value propositions for them to maximise the value they see. Further, changing lifestyles and food habits including developments in weight loss management are also impacting consumer demands.
Impact on members, customers and communities	We know our members, customers and communities continue to find it challenging financially. They continue to seek more from what they have and have changed certain habits such as reduced eating out. We are also seeing a marked increase in take-up of weight loss jobs that impacts demand for food consumables.
Our approach	We introduced member pricing providing members with immediate benefit, which was well received by members through 2025. We continue to review our ranges as tastes and habits change too. Our pharmacies have also been able to provide weight loss treatments to customers and members.
Links to strategy pillars and risks	Pillars: People / Community Risks: Trading environment and customer

Trend / opportunity: Sustainable purchasing

What's this mean?	Using our ethical decision-making tool to ensure it facilitates how we meet our sustainability objectives.
Impact on members, customers and communities	Making purchases without alignment to our sustainability objectives will be detrimental longer term. For example, such purchases could create a false economy for us and our members, or the practices of the suppliers and their practices could be detrimental to our communities.
Our approach	We want to work with partners who share our values. Indeed, some of our partners are requesting more of us in terms of its approach to sustainability such as our bankers and insurance providers. This is also driven by our larger suppliers who may be obligated under national sustainability targets to ensure compliance.
Links to strategy pillars and risks	Pillars: Partners / Planet Risks: Environment and sustainability

Trend / opportunity: Dependencies

What's this mean?	In delivering our services, we have several key dependencies whether that is through being part of Co-op UK and the buying group, or being a Channel Islands' based co-operative retailer where supply transportation links are limited to one provider. We are also dependent on a small group of local service providers.
Impact on members, customers and communities	Unreliable transportation links creates issues around being able to meet member and customer needs adversely impacting revenue. Further, such dependencies can see higher costs than would be incurred given the small number of suppliers who can support us.
Our approach	We work with our partners as well as other stakeholders to ensure as much certainty in supply and servicing as we can. We look to assess the resilience of our partners adopting a holistic approach that we can understand our supply chain continuity risk.
Links to strategy pillars and risks	Pillars: Partners / Planet Risks: Dependencies and operational effectiveness

Trend / opportunity: Health and wellbeing

What's this mean?	Our colleagues are our public face to those who use our services everyday and ensuring a safe working environment that promotes their health and wellbeing goes a long way to encourage our members and customers to come back.
Impact on members, customers and communities	Loss of colleagues through ill-health and poor wellbeing means there is greater pressure on other colleagues to cover and maintain service levels. The impacts could include non-timely stock replenishment, reduced store hours or longer shifts.
Our approach	Colleagues have access to simply health and wellbeing support. Further we look into the root causes of incidents as they occur and this can include longer term absences if caused by work related matters. Our process includes return to work meetings where we discuss work-related concerns. We also run wellbeing events and provide relevant training including mental health assessors.
Links to strategy pillars and risks	Pillars: People Risks: Engagement, capability and retention

Trend / opportunity: Member experience

What's this mean?	We are a member owned organisation and it is through growing our membership that we will be successful. Ensuring we can give our members what they want is key to our sustainability especially as our competitive environment evolves.
Impact on members, customers and communities	Delivering member value and meeting our member and customer expectations to ensure our sustainable future.
Our approach	In 2024 we launched member pricing and will further embed this through 2025. Further we launched our digital membership journey to facilitate the ease of becoming a member. We are reviewing our membership platform to facilitate the ongoing engagement with members and are investing in the delivery of member focussed offers.
Links to strategy pillars and risks	Pillars: People Risks: Brand and reputation, trading environment and customer

Trend / opportunity: Member offering

What's this mean?	Enhancing our member offering to continue to deliver value everyday.
Impact on members, customers and communities	New products and services provide our members with greater choice and opportunity to receive value from our offering.
Our approach	2025 saw us work to deliver Coop Mobile to our members with us being the first operator of a virtual mobile network ("MVNO") in the Channel Islands, which launched on 5 February 2026. We are now delivering a flexible mobile offering designed for our members.
Links to strategy pillars and risks	Pillars: Community Risks: Brand and reputation, trading environment and customer

Trend / opportunity: Protecting member value through investing in trading and investment properties

What's this mean?	Our loyal member support has allowed us to invest in our trading and investment properties, and today we hold £123m of property assets across the islands. Protecting this value supports our sustainable financial model for our members, and allows us to pursue new opportunities to grow our business.
Impact on members, customers and communities	Without an appropriate property asset plan (covering facilities management, investment projects and leasehold properties, and sustainability), we risk not protecting member value, with subsequent increase of the potential risks for our members, customers and communities through having trading locations that are not fit for purpose exposing them to increased risks to their safety. We follow an agreed operating model to deliver the strategic management of our property portfolio. Finally, by further identifying and developing new locations for potential investment, we also positively impact and strengthen our ties with the local economy.
Our approach	Our property strategy ensures that we constantly review our property portfolio realising surplus investment properties no longer used by us where the opportunity allows or allows us to identify and realise new opportunities positively benefitting our local economies. Our facilities management strategy ensures our trading and investment properties remain fit for purpose, are well maintained, ensuring value is protected.
Links to strategy pillars and risks	Pillars: People / Planet / Community Risks: Environment and sustainability, safety, failure to deliver business plans

Risk management

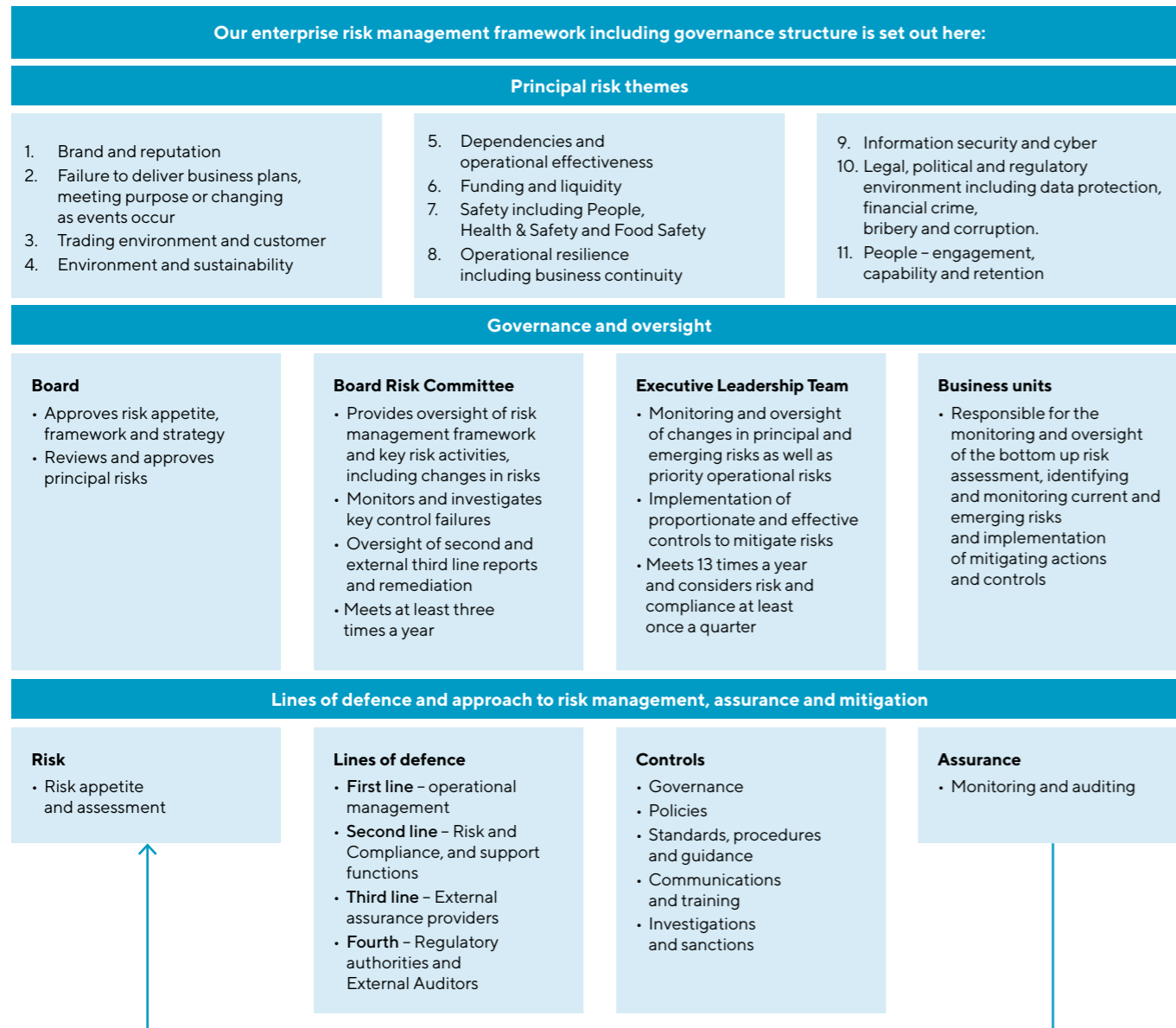
Effective risk management means we will develop and protect sustainable value for our members, customers, colleagues and communities, making a real difference in doing so. Through our strategic planning we identify both risks and opportunities that could impact how we achieve our objectives and goals. Further we align these to our sustainability goals including our four sustainability pillars of Planet, People, Community and Partners / Suppliers.

Our risk management framework enables colleagues to identify and manage risks within the parameters of our risk appetite. 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 and opportunities which is consistent with the voluntary guidelines contained in the Co-operative Corporate Governance Code. It also provides information on our most significant risks, both current and future, including sustainability risks.

We ensure effective risk management by adopting robust risk governance arrangements that support the identification, assessment, prioritisation, management, oversight and reporting of risk from the strategic board and executive level down and from the business unit, operational level up.

This includes the identification of opportunities and managing emerging risks.

Our risk management and governance oversight framework is set out in the diagram below. Risks including sustainability risks are considered quarterly by the executive leadership team, where the head of risk and compliance and each member of the executive reports on risks including changes. The board risk committee then considers developments in risks and opportunities in line with its terms of reference, with the board retaining overall oversight.



Our risk appetite

Risk appetite is the level of risk that we are willing to take to achieve our strategic objectives including sustainability goals whilst making a positive real difference to communities we serve and in developing and protecting long-term member value.

Our board sets our risk appetite and reviews this annually. The board has generally held a low appetite for risk. Further the board has adopted specific risk appetites for certain risks where there is a strict legal or regulatory compliance obligation. With the development and adoption of our Strategic Plan 2025 – 2030 and Sustainability Blueprint, the board reviewed the risk appetite in 2024. Our risk appetite remains unchanged for 2025.

Our risk appetite has been determined as:

- We aim to develop and protect long-term member value whilst continuing to make a real positive difference to our communities. In doing so, we are willing to accept certain risks that may result in short term financial loss or exposure as we seek to deliver profitable sales growth and enhances member loyalty and value as we build for the future. Additional income opportunities or cost saving initiatives will not be pursued unless returns are probable and they will deliver long-term value.
- We understand our place in our communities and the trust placed in us by our members, customers and communities. We will not accept any negative impact on our reputation with these key stakeholders, tolerating only minor or minimal negative coverage and no impact on colleagues or politically, where neutrality is desired.
- Further where we have a legal, regulatory, statutory or otherwise ethical obligation we have low or no appetite for risk or no appetite to pursue any objective or action that may lead to non-compliance. For example, we have no appetite for safety risk that could result in injury or loss of life to members, customers, colleagues or the public.

Further risks will be assessed on an ongoing basis against five levels of risk appetite with a full review at least annually. The five levels of risk appetite are:

Rating	Eager	Open	Cautious	Minimal	Averse
Meaning?	Decision makers are empowered to take justified risks	Decision makers are empowered to take strongly justified risks	There is a preference for safe delivery	Decision makers should be extremely conservative in this area	Avoidance of risk in this area should be seen as a core objective
Tolerance for uncertainty	Fully anticipated	Some is expected	Limited	Low	Extremely low
Choice decision where multiple options?	We will choose the option with the greatest potential upside, accepting there is a possibility of failure	We will choose options with potential upside, but will look to manage any potential negative impact	This option is acceptable in limited circumstances and when then benefits significantly outweigh the potential downside	We will only accept if it is essential and we can limit the possibility and extent of failure	This choice will only be selected if it is the lowest risk option of those available
Trade off against achievement of other objectives	Willing	Willing under the right circumstances	Preference to avoid	Only with extreme reluctance	Never

Risk management cont.

For our strategic goals 2025-2030 the risk assessment for each is:

Goal	Financial stability	Business area	Finance
Descriptions	To deliver financial stability through improved working capital management, new capital funding model with reduced reliance on short term member capital, enhanced budgeting and forecasting to facilitate improved reporting to key stakeholders through better use of data		
Current strategic risk	Liquidity	Risk theme	Funding and liquidity
Sustainability goal	Partners	Risk appetite	Minimal
Accountable	CFO		

Goal	Expand and optimise core businesses	Business area	Food, fuel, care and online
Descriptions	To increase market share through increased member participation, supported by greater availability, range, format and space optimisation		
Current strategic risk	Competition and substitution	Risk theme	Funding and liquidity
Sustainability goal	Failure to deliver business plans, meeting purpose or changing as events occur	Risk appetite	Open
Accountable	CRO		

Goal	Deliver value and choice to customers	Business area	Trading
Descriptions	Deliver member pricing and improved brand participation through mitigating limitations on product offerings and forming strategic partnerships whilst continuously working to improve our service		
Current strategic risk	Competition and substitution	Risk theme	Trading environment and customer
Sustainability goal	Community	Risk appetite	Minimal
Accountable	CCO		

Goal	Drive sustainable growth through property and partnerships	Business area	Property and sustainability
Descriptions	Improved property portfolio management delivering greater utilisation and divestment of non-core assets		
Current strategic risk	Sustainability	Risk theme	Environment and sustainability
Sustainability goal	Partners	Risk appetite	Minimal
Accountable	CPSO		

Goal	Enhance member and customer experience	Business area	Marketing and membership
Descriptions	Delivering improved member engagement, enhanced loyalty and reward programmes and offering		
Current strategic risk	Competition and substitution	Risk theme	Trading environment and customer
Sustainability goal	Community	Risk appetite	Cautious
Accountable	CMMO		

Goal	Achieve operational excellence	Business area	Technology, food, fuel and care
Descriptions	Deliver operational efficiency and reduced costs through improved scheduling, rationalised and enhanced IT systems, streamlined operations and more effective communications		
Current strategic risk	Failure to deliver business plans	Risk theme	Dependencies and operational effectiveness
Sustainability goal	Planet	Risk appetite	Cautious
Accountable	CRO / CFO		

Goal	Lead in sustainability and ethical practices	Business area	Property and sustainability, governance, risk and compliance
Descriptions	Deliver on sustainability strategy, being a responsible corporate leader within our communities and building our culture of sustainability.		
Current strategic risk	Sustainability	Risk theme	Environment and sustainability
Sustainability goal	Partners	Risk appetite	Cautious
Accountable	CPSO / CGO		

Goal	Enhance community impact	Business area	Property and sustainability
Descriptions	Continue to build our community relationships through engagement and collaboration, including local sourcing and aligning initiatives with wider sustainability goals		
Current strategic risk	Sustainability	Risk theme	Brand and reputation
Sustainability goal	Community	Risk appetite	Cautious
Accountable	CPSO		

Goal	Empower our people	Business area	People
Descriptions	Create a positive work environment that values diversity and inclusion, encouraging innovation and participation to support growth and operational goals, leading to increased retention, improved communications and recognition.		
Current strategic risk	Recruitment and retention challenge for colleagues	Risk theme	People – engagement, capability and retention
Sustainability goal	People	Risk appetite	Cautious
Accountable	CPO		

Risk management cont.

Our risk management framework

Policies and procedures

Our policies and procedures guide colleagues 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, noting we are also subject to a fourth line, where external audit review and review by regulators and other competent authorities takes place.

- First line: all colleagues, 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.

Our risk management process



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



Risk management cont.

How we managed risk in 2025

We regularly meet to discuss risk and opportunities across all levels of the business, including our risk identification, monitoring, and reporting mechanisms to ensure risk is appropriately managed. Driven by the development of the strategic plan in 2024, we reviewed our current risks and aligned them to these objectives, developing associated risk appetites.

For 2025 these risk themes and their associated risk appetites are set out below:

Risk theme	Safety including people, health & safety and food safety	Strategic priority	Make a bigger difference
Descriptions	In delivering our operations we recognise the importance of ensuring the safety of our colleagues and customers. Failure to do so can lead to potential sanction and loss.		
Risk appetite	Averse		
Risk theme	Operational resilience including business continuity	Strategic priority	Deliver operational efficiency
Descriptions	Being able to adapt and react to continue delivering services after a disruption event or incident is critical to ensure longer term achievement of goals.		
Risk appetite	Cautious		
Risk theme	Information security and cyber	Strategic priority	Deliver operational efficiency
Descriptions	Our technology platforms are at the heart of how we deliver our services. Ensuring we have robust platforms that can mitigate the risks presented by cyber disruption should minimise potential loss or disruption that would arise if an event occurred.		
Risk appetite	Cautious		
Risk theme	Legal, political and regulatory environment including data protection, financial crime, bribery and corruption	Strategic priority	Make a bigger difference
Descriptions	Delivering our services everyday is not possible without us holding the right licences and permits nor without us adhering to the various legislation and regulatory frameworks that impact our service offering and our operations. Having appropriate frameworks in place that ensure continued compliance and pro-active monitoring ensures operations can continue uninterrupted limiting potential impacts of non-compliance.		
Risk appetite	Averse		
Risk theme	People – engagement, capability and retention	Strategic priority	Deliver operational efficiency
Descriptions	Without our people we will not be able to provide the level of service to our members and customers. Our people are at the core of what we do so ensuring that they have the appropriate skills and knowledge to carry out their roles and support us in achieving its goals mitigates the potential risk of loss arising caused by our people whether through lack of knowledge, skills or availability.		
Risk appetite	Cautious		

Risk theme	Brand and reputation	Strategic priority	Enhance member and loyalty value
Descriptions	Where a decision, event or incident impacts adversely or positively (for opportunities) upon our brand and or reputation		
Risk appetite	Averse		
Risk theme	Failure to deliver business plans, meeting purpose or changing as events occur	Strategic priority	Make a bigger difference
Descriptions	Our strategic plan is founded upon business goals and objectives which if not met will adversely impact our ability to achieve our ambitions.		
Risk appetite	Minimal		
Risk theme	Trading environment and customer	Strategic priority	Deliver profitable sales growth
Descriptions	We operate in distinct markets in Jersey and Guernsey, where the competitive environment is constantly evolving. Actions or events which adversely impact our market share or how we deliver services will impact our achieving our goals.		
Risk appetite	Open		
Risk theme	Environment and sustainability	Strategic priority	Make a bigger difference
Descriptions	Sustainability and being a good community citizen are at our core. Ensuring we continue to deliver on our sustainability strategy in terms of our purpose over profit should ensure we continue to grow.		
Risk appetite	Minimal		
Risk theme	Dependencies and operational effectiveness	Strategic priority	Deliver operational efficiency
Descriptions	Ineffective operations lead to increased costs and lessens our ability to adapt and take advantage of opportunities and achieve our goals.		
Risk appetite	Cautious		
Risk theme	Funding and liquidity	Strategic priority	Enhance member and loyalty value
Descriptions	Lack of liquidity and ability to raise funding can impact our ability to deliver on our goals and inhibits our ability to invest.		
Risk appetite	Minimal		

Risk management cont.

2025 has seen further development of our enterprise risk management framework with a focus on both risks and opportunities, ensuring appropriate controls are in place and effective to ensure delivery of the strategic objectives. This included a focus on impact and action rather than impact and likelihood, where the latter will be applied to our identified operational hazard risks.

Having adopted the risk themes our key risks have been updated. The board has assessed the principal risks facing us and consider these as the most significant risks. Each is categorised and linked both to our strategic and sustainability goals.

Risk theme: Trading environment and customer				
Responsible executive: Chief commercial officer	Previous risk: Competition and substitution, and cost of living	Risk trend: Increased	Link to sustainability goal: 11 and 12	Link to strategic goal: Deliver profitable sales growth
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<ul style="list-style-type: none"> Ensure our member and customer offer remains attractive, viable and innovative given the competitive landscape 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"> 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 Changes in climate with increasing global weather events impacting supply chain and local operations Changes in consumer lifestyles and habits 	<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 We are a member of Federal Retail and Trading Services Limited Assess new supplier opportunities including local, UK, Europe and further afield where the group cannot support Sustainability strategy Adapting care divisions (pharmacy and funerals) in line with changing government guidelines Monitoring supply chains, sourcing alternatives locally where possible and off-island where not Adapting the food division's business model to reduce fixed cost base through use of zero hours contracts Identifying opportunities from changing consumer lifestyles and habits 	<ul style="list-style-type: none"> Store refits continued adopting new store layouts to enhance member experience as well continuing rebranding across our estate Fully embedded member pricing Continued to develop food to go offering including Costa Coffee Expanded pharmacy offering, including adoption of new dispensing technologies. Input costs continue to be a challenge with continued global uncertainty. Supply chain resilience risks increased with change in shipping provider in Jersey as well as impact of cyber attack on Co-op UK Continued price monitoring Relationship with Carrefour to enhance range and choice as well as to mitigate key supplier risk Continued supply chain challenges arising from geopolitical issues Member pricing embedded delivering more member value Cost of capital increased significantly to manage the inflationary price pressures Leale's Yard disposal Competitors investing in their estate 	<ul style="list-style-type: none"> Continue member value and loyalty journey, building on member pricing and member offering Continue to roll out store rebranding and store plan refits, including pharmacies Progress Leale's Yard development on residual land held Continue to develop digital member journey to enhance member experience Deliver on Customer Service Strategy Continuing to engage with members and customers, enhancing the shopper experience Continue to explore opportunities with new and existing suppliers Reviewing our financial model to ensure its sustainability for the future Monitoring competitor performance as new and revamped stores come on line

Risk theme: Failure to deliver business plans, meeting purpose or changing as events occur				
Responsible executive: Chief executive officer	Risk category: Failure to meet business plans	Risk trend: Stable	Link to sustainability goal: 16, 11 and 12	Link to strategic goal: Make a bigger difference
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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 our offering accordingly 	<ul style="list-style-type: none"> Strategic plan developed and embedded 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 adapt five-year plan as necessary Continue aligning performance reporting with business plans ensuring effective communication to and engagement with all colleagues to drive understanding and awareness

Risk theme: Dependencies and operational effectiveness				
Responsible executive: Chief retail officer	Risk category: Commercial contracts	Risk trend: Increasing	Link to sustainability goal: 17 and 12	Link to strategic goal: Deliver operational efficiency
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<ul style="list-style-type: none"> Inadequate / inappropriate contractual protection leads to risk of financial loss or reputational damage Changes in key dependency relationship leading to adverse impact on operations or increased operational inefficiencies Impact of an event or disruption arising from a supply chain partner, or lack of continuity or resilience of a supply chain partner impacting our ability to meet our objectives 	<ul style="list-style-type: none"> Management of contract process could lead to inadequate contractual protections for us and/ or unqualified contractors being employed to carry out works Being a Channel Islands' based business, dependencies are a key factor in our operations, whether through supply transportation links, suppliers, availability of contractors etc., and pose a risk should any of these breakdown or fail 	<ul style="list-style-type: none"> Legal review of contracts Contract authorisation process Engagement and collaboration with contractors and suppliers Member of central Co-op buying group FRTS Engagement with Governments Regular service or contract level reviews Assessing continuity risks of supply chain 	<ul style="list-style-type: none"> Ethical procurement model rolled out and adopted within the business Continued development of supplier and contractor protocols Continued engagement activity with contractors, suppliers, trade bodies, Government and Government agencies Regular attendance at FRTS meetings Review of existing contractual arrangements and revisions made as appropriate Review of continuity and resilience arrangements with development of an overarching resilience framework and review of continuity plans 	<ul style="list-style-type: none"> Continue to review and revise contractual arrangements Formally issue revised supplier and contractor terms of business Continue engagement particularly in respect of transportation and achieving sustainable deliveries Assessing operations for any adjustments that may be required from changes to ensure continued effectiveness Implementation of facilities management system Refit of stores and trading properties Embed resilience framework including programme of testing

Risk management cont.

Risk theme: Brand and reputation				
Responsible executive: Chief executive officer	Previous risk: Reputational risk	Risk trend: Stable	Link to sustainability goal: 10 and 16	Link to strategic goal: Enhanced member and loyalty value
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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 us, our colleagues, those we are associated with that may cause our members and other stakeholders to form a negative view of us 	<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 our Coop and ensure compliance with legal and regulatory requirements • Legal and regulatory compliance reviewed quarterly by the board and executive leadership team • Regular monitoring and horizon scanning to identify potential matters that may impact us 	<ul style="list-style-type: none"> • Implemented member pricing to lessen impact of continued impact of cost of living impact on Islanders • Changes in Government policy adversely impacting us or our communities • Law Commission review and consultation of relevant society law in the UK • Judgement on claim by former CEO under appeal. • Member Rule changes approved at Special Member Meetings held in September 2025 	<ul style="list-style-type: none"> • Continuing the development of our governance framework • Continue to evolve and embed our enterprise risk management framework • Continue to develop our governance of key risk areas including financial crime, data protection, safety and information security • Monitor potential changes to society law to assess their potential impact on our member rules

Risk theme: Legal, political and regulatory environment including data protection, financial crime, bribery and corruption				
Responsible executive: Chief governance officer	Previous risk: (AML/CFT/CPF)*	Risk trend: Decreasing	Link to sustainability goal: 10 and 16	Link to strategic goal: Make a bigger difference
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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 three years • External third party outsourced compliance monitoring 	<ul style="list-style-type: none"> • Proceeds of Crime (low risk financial services business) (Jersey) Order, 2024 came into effect in 2024 exempting transactions of withdrawable share capital up to £500 from certain elements of the Money Laundering (Jersey) Order 2008 and processes and policies were revised following this • Outsourced AML/CFT/ CPF compliance monitoring programme continued • Continued review and update of AML/CFT/CPF Risk Appetite, Strategy and Risk Assessment and compliance monitoring plan • Supported digital membership journey to ensure continued compliance with our legal obligations • Updated low risk member journey to facilitate digital journey and member experience 	<ul style="list-style-type: none"> • Continue to enhance our 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 our AML/CFT Framework including understanding through training and awareness for both financial services business colleagues and non-financial services business colleagues • Outsourced compliance monitoring model continues • Compliance function effectiveness review to be completed by independent third party in 2026

*Anti-money laundering, countering the financing of terrorism and countering proliferation financing (AML/CFT/CPF)

Risk theme: Data protection				
Responsible executive: Chief financial officer	Previous risk: Data Protection	Risk trend: Stable	Link to sustainability goal: 10 and 16	Link to strategic goal: Make a bigger difference
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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"> • We have a data protection policy and data protection framework in place • Appointment of a suitably qualified data protection officer and data protection lead • Provision of relevant training to all colleagues across the business • Review and updating of Data Protection Policies • Develop constructive relationships with Data Protection Authorities • Use support of specialist third-parties to support data protection activities 	<ul style="list-style-type: none"> • Continued review and development of relevant data protection related policies and procedures • Continued our data protection training and awareness programme 	<ul style="list-style-type: none"> • Continue and update data protection framework as changes in practice occur • Continue to train and raise awareness of obligations to all colleagues • Continue to develop and enhance our data governance systems and controls

Risk theme: Information security and cyber				
Responsible executive: Chief financial officer	Previous risk: Data Protection	Risk trend: Increasing	Link to sustainability goal: 16	Link to strategic goal: Deliver operational efficiency
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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 • Adoption of cyber insurance to provide financial and technical support in the event of a cyber related event • Formal adoption of a cyber strategy • Cyber related training and awareness programme for all colleagues • Investment in appropriate technologies to mitigate cyber risks in line with the adopted cyber strategy 	<ul style="list-style-type: none"> • Completed roll out of new retail system reducing overall vulnerabilities • Embedded third party supplier cyber risk monitoring tool • Continued to reduce vulnerabilities in technology platform • External third party IT controls audit • Enhanced disaster recovery capability • New cyber legislation adopted in Jersey 	<ul style="list-style-type: none"> • Continue focus on enhancing capabilities of cyber controls • Continue to replace and upgrade aging IT systems • Transition to new cyber security capability model • Continue to develop training and awareness programme • Continue to develop cyber strategy • Review supply chain cyber risks

Risk management cont.

Risk theme: Information security and cyber				
Responsible executive: Chief financial officer	Previous risk: Data protection	Risk trend: Stable	Link to sustainability goal: 11, 12, 16 and 17	Link to strategic goal: Deliver operational efficiency
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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"> Continue to implement the technology strategy Continued decommissioning of older systems to reduce vulnerability Reviewed internal resource model and outsourced network and infrastructure to further enhance capability and resilience 	<ul style="list-style-type: none"> Continue to implement the technology strategy Continue decommissioning of older systems to reduce vulnerability

Risk theme: Safety, including people, health & safety and food safety				
Responsible executive: Chief governance officer	Previous risk: Health & safety (including food safety)	Risk trend: Stable	Link to sustainability goal: 3, 5, 12, and 16	Link to strategic goal: Make a bigger difference
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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"> Completion of an external health and safety framework review and determination of recommendations and actions for implementation Implemented new health and safety incident investigation and reporting policies and processes Adopted revised health & safety policy and strategy Developed awareness programme and grew engagement including with other independent Coop teams Revised reporting to facilitate decision making and understanding Supported relevant competent authority and government initiatives as they relate to food safety and health & safety 	<ul style="list-style-type: none"> Reviewed internal resource model and outsourced network and infrastructure to further enhance capability and resilience Completed the actions arising from the recommendations from the external review Continued health and safety focus on slips, trips and falls, manual handling, and contractor competence Continued to complete the development of the health and safety systems including risk assessment Continued food safety focus on hot food, allergen awareness and labelling especially with changing legislation especially in Jersey 	<ul style="list-style-type: none"> 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 risk assessment Continue food safety focus on hot food, allergen awareness and labelling Engaging external resource to support ongoing compliance Implementation of facilities management strategy Continue store and trading property refits

Risk theme: Funding and liquidity				
Responsible executive: Chief financial officer	Previous risk: Liquidity	Risk trend: Stable	Link to sustainability goal: 11, 12 and 16	Link to strategic goal: Make a bigger difference
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<ul style="list-style-type: none"> Risk that liquidity is insufficient to meet obligations as they fall due 	<ul style="list-style-type: none"> We issue 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 us Members approving rule changes to allow additional classes of withdrawable share capital 	<ul style="list-style-type: none"> Prevailing economic conditions continued to apply inflationary pressures however decrease in inflation rates has seen the pace of increase fall Interest rate reductions occurred through 2025 however economic uncertainty caused by geopolitical instability impacting rate of reduction. Continued to utilise a revolving credit facility to support future developments and operational needs, including store refits and upgrades Rationalised property estate as opportunities arose. Obtained approval from members to introduce new classes of withdrawable share capital Initiated member share platform upgrade to facilitate future member share account digital opportunity 	<ul style="list-style-type: none"> Continued focus on cashflow forecasts and trends of levels of member withdrawals Implementation of agreed financing options to ensure flexible and sustainable funding is available to us if required Monitoring against agreed financial plan that underpins the Strategic Plan for 2025 to 2030 including robust scenario forecasting and planning Continued rationalisation of property investments no longer of use to us

Risk theme: People – engagement, capability and retention				
Responsible executive: Chief people officer	Previous risk: Recruitment and retention challenge for colleagues	Risk trend: Stable	Link to sustainability goal: 3 and 5	Link to strategic goal: Deliver operational efficiency
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<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 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 Monitoring of legal changes and government policy as to employment and its future impact on us and our colleagues 	<ul style="list-style-type: none"> Completed review of compensation packages Continued to develop colleague reward and competency and performance framework Continued wellbeing programme including training mental health officers Accessible People hub for all colleagues to enhance engagement embedded Continued efficiency initiatives including for colleague scheduling and absence Management 	<ul style="list-style-type: none"> Complete implementation of competency and performance framework, as well as reward framework Continue to build just culture supporting colleague mental wellbeing Implement new scheduling and resource planning tool to deliver efficiencies in operations

Risk management cont.

Risk theme: Environment and sustainability				
Responsible executive: Chief property and sustainability officer	Previous risk: Sustainability	Risk trend: Stable	Link to sustainability goal: All	Link to strategic goal: Make a bigger difference
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<ul style="list-style-type: none"> Not meeting our environment and sustainability goals as set out in our sustainability strategy could lead to loss through inefficient operations, penalties, reputational damage etc 	<ul style="list-style-type: none"> Through our sustainability strategy we have committed to various targets and actions and not meeting these could lead to inefficiency in our operations or loss through reputational damage or financial penalty or sanction 	<ul style="list-style-type: none"> Sustainability strategy in place with clear goals and targets Implementation of appropriate controls including roles and responsibilities and executive and board oversight Regular reporting on progress Implementing of key risk and performance measures to monitor compliance or impact Embedding sustainability within our people strategy including competency and performance framework, and goals and objectives. Embedded our ethical decision making tool 	<ul style="list-style-type: none"> Sustainability progress report issued Steps taken to determine base reporting requirements for carbon footprint measuring and net-zero greenhouse gas emissions targets have been officially validated by the Science Based Targets initiative (SBTi) Continued our community support programme Sustainability awards to develop culture and recognise positive actions All colleagues adopting sustainability goals as part of 2025 objectives 	<ul style="list-style-type: none"> See sustainability report on page 22 Continue implementation of processes to facilitate consistent reporting of key sustainability measures Continue embedding our sustainability culture through goals and objectives at all levels Continue use of ethical decision-making tool including reporting of its adoption and monitoring its use Store and trading property refits to facilitate benefits from increased energy efficiencies

Risk theme: Operational resilience including business continuity				
Responsible executive: Chief governance officer	Previous risk: N/A	Risk trend: Stable	Link to sustainability goal: 16	Link to strategic goal: Make a bigger difference
Risk description	Reasons for risk	How we mitigate the risk	What changed during 2025/26	What we plan to do in 2026/27
<ul style="list-style-type: none"> Ability to operate during and post the occurrence of an event or incident that significantly impacts operations either locally in a store or the whole organisation 	<ul style="list-style-type: none"> Significant disruption to operations can adversely impact the ability to trade or operate leading financial loss Not being able to continue operations or resume trading quickly after an incident has occurred could lead to financial loss 	<ul style="list-style-type: none"> Maintain a business continuity plan including disaster recovery Test our business continuity plans, including disaster recovery Apply root cause analysis to incidents or events in order to learn and ensure they do not recur 	<ul style="list-style-type: none"> Changes within the business operations have necessitated an update of our business continuity plan and disaster recovery solutions Updated core operating systems to enhance resilience including adoption of an operational resilience framework Climate change effects impacting severity of weather events leading to increased possibility of incident or impact Developed relationships with Government agencies and departments to ensure preparedness and timely response and mitigations are possible 	<ul style="list-style-type: none"> Continue to develop relationships with Government and relevant agencies given our role in our communities To continue to revise and update our business continuity plan including disaster recovery Run scenario-based testing of the plan Implement facilities management strategy

Managing the effect of potential future risks

Effectively managing risk is not just about risks and opportunities identified today, but also pro-actively monitoring for emerging risks and opportunities so we can assess their potential impact on our strategic goals and business operations. Identified actions inform our operational resilience, including business continuity planning.

We monitor future risks using frameworks including the PESTLE framework. The future risks faced by us, include:

Risk factor	Why should this matter?	How will we develop and protect long-term member value?	What could impact our 5 year plan?
Political	Changes in the political environment can impact our operations and thereby ability to create value for our member-owners. Opportunities may also be presented where there is a change in government policy the result being positive for us.	Continue engagement with and within government through direct approaches and through participation in policy development, workshops etc. We will continue to advocate for the best outcome for our member-owners and wider communities.	Elections are scheduled to take place in Jersey in 2026 and were held in Guernsey in 2025. Changes in government could bring significant change in policy direction.
Economic	Our continued financial sustainability goes to the heart of our delivering long-term member value. We are living in an increasingly complex and volatile world which can increase future financial instability for us, our members, customers, governments and communities we support.	Being owned by our members who are also residents of our communities affords a shared long-term view sustainability. We aim to continue to be a strategically, commercially viable and sustainable business.	Continued cost of living crisis, inflation remaining challenging and impact of geopolitical instability leading to economic uncertainty.
Social	We operate in Islands with an ageing demographic and population structures including migration challenges, impacted by government population policies and a post-Brexit environment, that may impact our business.	Review our propositions to continue to meet the needs of our members customers and colleagues now and in the future, including re-aligning our strategic objectives.	Government population policies may be updated or changed especially given future election outcomes.
Technological	Developments in technology are accelerating and to ensure that we can take advantage of the opportunities this affords us we need to ensure we continue to evolve our ways of operating and working.	Adopting appropriate new technologies will improve our operations, allow us to explore new opportunities and deliver an enhanced and modern member engagement delivering greater value to our member-owners.	Significant changes in technology are being driven by how data is utilised and how data is accessed and understood. We are investing in our core platforms to take advantage of such benefits, which can include addressing the social challenges, but also in providing real and direct benefits to members.
Legislative (including regulatory)	Changes in legislation and regulations impact the way we do things. Changes can present opportunities but can also increase costs adversely impacting the development of member value where investment is required or activities stopped or changed.	We will continue to engage with Government, its agencies and industry bodies to ensure compliance is achieved in the most effective way. We will continue to monitor changes in direction and approach in the UK where local competent authorities may reference such changes.	Changes in government policy such as changes to health and safety legislation or regulations related to AML/CFT/CFT, data protection, food safety, funeral or pharmacy services.
Environmental (including ethical)	Climate change, its effects including increasing frequency of severe adverse weather events and changes in climate related government policies can impact the development and protection of long-term member owner value.	Continue to monitor for changes in Government climate related policies, climate change related updates including potential impacts to ensure we are best placed to take advantage of or mitigate the potential impact such changes.	We have our own Sustainability blueprint and targets it aims to achieve - change in government policy and both UK and International policies and targets could see changes to our strategy whether to identified requirements or new ones.

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 how we operate. We are run democratically focussing on the needs of our members and communities served by us

Governance code

We follow 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. 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 where we have not complied with the Code's provisions and provide an explanation, where this is the case. We confirm that we have complied with the Code's provisions throughout 2025.

The Code is organised into six sections:

1. Member voice, participation and engagement
2. Co-operative leadership and purpose
3. Roles and responsibilities
4. Board composition, succession and evaluation
5. Risk, financial management and internal controls
6. Remuneration of the board and executive leadership

These sections set out the principles that all co-operatives can reflect on. This report follows the above structure and sets out the ways in which we apply the Code where practical and appropriate to do so, that are not covered elsewhere in this annual report.

1. Member voice, participation, and engagement

We are 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. Members are encouraged to attend meetings of the members, including the Annual meeting of members (AMM), and exercise their democratic rights and elect directors to the board to represent their views. We actively promote attendance for such meetings including for our AMM by publishing notices on our website, across our social media channels, the local newspapers and on posters or screens in stores exceeding the requirements set out in our rules. In 2025, we continued to provide members with the opportunity to attend and vote at physical meetings in both Jersey and Guernsey, however did not offer the opportunity for members to attend and vote online owing to low member take-up. Members did not propose any motions to be voted on at the AMMs, in line with the previous three years.

At the end of the 2026 financial year we had 128,134 members (prior year 2025 123,912). In 2025, 217 members attended the AMM in person, with 119 in Jersey and 98 in Guernsey (prior year 2025: 262 members attended the AMM, 230 in person and 32 online). At the 2025 elections, seven members put themselves forward for the two vacancies on the board, two in Guernsey and five in Jersey with both roles filled (prior year: six members for three vacancies, all roles filled). Votes were cast by 421 members including those who voted online prior to the AMM taking place (prior year: 482 members). The opportunity to attend the AMM virtually was not offered in 2025 owing to the previous low level of engagement using this means against the cost to provide it. The board recognises the low level of votes relative to the total number of members and continues to look at ways to increase member engagement taking account of both society law and our member rules.

In September 2025 we also held Special members' meetings ("SMMs") to consider a single motion to make changes to our member rules. These changes included the ability for us to issue additional classes of withdrawable share capital, amend how interest is calculated for existing class B shares, allow a member to join paying either the initial £1 upon joining or having it deducted from the first distribution paid to the member. A total of 172 members attended the SMMs, with 71 in Guernsey and 101 in Jersey. The motions were passed successfully. We hold member focus groups, surveys, and invite feedback from members through feedback forms and the members' portal. Active engagement with our members is encouraged through our social media channels.

We are committed to respecting the rights and diversity of our members, colleagues and people dealing with us by treating them fairly and not discriminating on any grounds. These values and principles have been enshrined in our 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 our vision. We undertake many initiatives to ensure we support both local and global communities and the environment. Supporting local causes is core to our sustainability strategy, enabling members, colleagues, and community partners to connect, influence and co-operate in activities and solutions locally.

Our five values as set out on page 3 underpin our culture, which are also supported by our sustainability objectives and risk attitude. We embed our values into our annual performance process including objective setting. Whilst our board and executive champion our values, we recognise those who demonstrate them through our GEMS award process.

Further as set out in our People report on page 31, we assess our culture through activities such as our Coop voice survey, and feedback through our coop conversations. Our board has also been subject to its own internal evaluation as to effectiveness which includes assessing the culture and alignment to our values.

Our corporate strategic priorities support our mission to protect and develop long-term member value by:

1. Delivering profitable sales growth
2. Enhancing member loyalty and value
3. Delivering operational efficiency
4. Making a bigger difference

This will be achieved through:

- Empowering our people
- Ensuring that we have the right capital structure
- Improving our internal communication
- Using our data more effectively to drive measures and insights

As we entered 2025 we continued to see the impact of the significant challenges faced by us caused in the main by wider global events that resulted in the difficult decision being made around the amount of dividend to be recommended for payment. The co-operative financial model is built upon sustainability, where members benefit from surpluses but not when there are none.

The board continued to take a range of steps in 2025 to deliver a sustainable business model for our continued long-term success. A rigorous set of standards for appraising investment decisions to ensure that appropriate returns are achieved on our assets are in place, and decisions for distributing profits in the form of dividend are made only when there are 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 us and our continued growth for the benefit of our members and communities.

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. Processes are also in place for matters raised outside of the whistleblowing process, where appropriate controls are applied to ensure independence and fairness of investigation.

3. Roles and responsibilities

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 our success 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 our employees (colleagues);
- c) The need to foster our business relationships with suppliers, customers, and others;
- d) The impact of our operations on the community and the environment;
- e) The desirability of our maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between our members.

The development of strong meaningful relationships with our stakeholders is vital to our long-term sustainability 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 with 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	<ul style="list-style-type: none"> • Member meetings (Annual and Special) • Social media • Focus groups / surveys
Our customers	<ul style="list-style-type: none"> • Customer feedback forms • IGR surveys • Loyalty survey • Social media
Our colleagues and trade unions	<ul style="list-style-type: none"> • Townhalls • Wellbeing week • Voice feedback surveys • Internal communications
Our suppliers	<ul style="list-style-type: none"> • Communication of revised terms and conditions • Supporting local suppliers
Our community	<ul style="list-style-type: none"> • Our Community Fund • Donations to local charities, community projects and environmental initiatives • Active participation and support of community and charity events
Other coops	<ul style="list-style-type: none"> • Shareholder in FRTS • Member of Co-operatives UK • Participation in business area forums
Channel Island Regulators	<ul style="list-style-type: none"> • 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 our system of internal control and processes which are monitored through the board risk committee.

Governance report cont.

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 our strategy and achieve its objectives.

They are also responsible for setting the tone and culture for us 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
	The Guernsey Choral Festival LBG	Director / Treasurer
Jennifer Bridge MBE	Government of Jersey	Teacher
	Government of Jersey	Gambling Commissioner
	Jersey Evening Post	Columnist / Writer
	Jersey Repair Café - Easter Group	Founder / Leader
Mark Cox	Co-operative Federal Retail Trading Services	Director
Jill Clark	Self-employed	Lecturer and consultant
	Changing Faces Channel Islands	Chair
	Face Equality International	Chair
	Island FM	Non-executive director
	Royal Court of Guernsey	Jurat
Michael McNally	Self-employed	Self-employed business consultant
	RNLI - Jersey	Management board honorary position
	The Jersey Cancer Trust	Director and trustee honorary position
	WVA Limited	Board member
Graeme Smith	Skipton International Limited	Non-executive director
	Triton Private Equity	Non-executive director
	Channel 103	Non-executive director
Simon Todd	ST360 Consultancy	Founder - own consultancy firm
	RNLI - Jersey	Volunteer member
	JTC Group Plc	Group Head of Real Estate
Matt Chatterley	Codentia Limited	Director
Ben Le Huray	Little Green Limited	Managing Director

The above table does not include positions held by close family members of the appointee.

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 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 four committees being i) the audit committee; ii) risk committee; iii) recruitment and remuneration committee; and iv) member engagement 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 risk committee considers all risks including sustainability risks and our progress against our sustainability Blueprint strategy. Our recruitment and remuneration committee also considers key nominations. The member engagement committee was constituted in April 2025 and met twice in 2025, its purpose being to consider the needs of our membership.

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	Member engagement committee
Jon Bond ¹	Jun 24	Jun 27	6 (6)	1 (1)	-	-	-	2 (2)
Jennifer Bridge	May 25	May 28	6 (6)	1 (1)	-	-	4 (4)	-
Jill Clark	May 25	May 28	6 (6)	1 (1)	-	-	4 (4)	2 (2)
Mark Cox			6 (6)	1 (1)	-	-	-	-
Michael McNally ²	Jun 23	Jun 26	6 (6)	- (1)	2 (2)	4 (4)	-	2 (2)
Graeme Smith ³	Jun 24	Jun 27	6 (6)	1 (1)	2 (2)	4 (4)	-	-
Simon Todd ⁴	Oct 24	Oct 27	5 (6)	1 (1)	2 (2)	4 (4)	-	-
Matt Chatterley	Jun 24	Jun 27	6 (6)	1 (1)	-	4 (4)	-	-
Ben Le Huray	Jun 24	Jun 26	6 (6)	1 (1)	-	-	4 (4)	-

Note: figures in brackets are number of meetings eligible to attend. ¹Originally appointed to the Board in June 2021 and reappointed by election in June 2024. ²Originally appointed in June 2020 and reappointed by election June 2023. ³Originally appointed in June 2021 and stood down at end of tenure as an elected director and reappointed as an appointed director in Jun 2024. ⁴Re-appointed as an appointed director for a further three years in October 2024 which is reviewed annually.

Governance report cont.

4. Board composition, succession and evaluation

The board currently comprises of nine directors. The board believes in upholding member control and the democratic process. As required by our 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. For 2025 director elections were held in both Jersey and Guernsey, where there were seven candidates for two vacancies (prior year: five candidates for two vacancies in Guernsey and two candidates for one vacancy in Jersey). Further 2025 saw Graeme Smith stand down as an elected director however was subsequently appointed to the board as an appointed director. We have continued to support the board apprenticeship scheme run by GTA University as a partner. Nathan Ward was appointed as a board apprentice 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 our operations within the co-operative context. Directors wishing to update their skills, may access training at our expense. In the last year, the board received annual refresher training, covering topics including financial crime for which we are subject to the supervision of the Jersey Financial Services Commission.

The chief executive officer and the society secretary keep the board advised of matters affecting us at each board meeting and more frequently if required. Regular presentations from each of our trading businesses and departments are made by the executive and senior 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 our expense.

An independent evaluation of the board's effectiveness was conducted by Oben Regulatory Limited in 2023. 2025 saw the board carry out its own effectiveness assessment. The primary outcome from this assessment was increasing focus on long term strategic development.

5. Risk, financial management and internal controls

The board has an agreed risk management appetite and routinely reviews our 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 our objectives.

The board is responsible for our 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 our Coop are appropriate for an organisation of our size and complexity.

The board risk committee reviewed the operation and effectiveness of our internal control system during the year under review. The report of the board risk committee is set out on page 73 and should be read in conjunction with our risk management report on page 49.

We outsource our 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. Our 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 our withdrawable share capital is operated in accordance with the Code and the Community Shares Handbook. Our Class A and B shares are operated in accordance with our 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.

2025 saw members vote to allow our member rules to be changed so we can issue additional classes of withdrawable share capital. It is intended that these new classes will be available and issued in 2026.

6. Remuneration of the board and executive leadership team

The board has a recruitment and remuneration committee to oversee our remuneration strategy. The committee's primary role is to monitor and review our 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 71.

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

The following table lists the fees paid to our directors, who served during the year under review.

	Fees 2025/26 £	Fees 2024/25 £
Jon Bond Chair	21,818	20,858
Jennifer Bridge	14,448	13,812
Jennifer Carnegie¹	-	2,546
Jill Clark - Chair - recruitment and remuneration committee and member engagement committee	19,481	15,518
Mark Cox	-	-
Michael McNally - Chair - audit committee	17,498	16,812
Graeme Smith² - Chair risk committee	17,498	17,905
Simon Todd	14,448	13,812
Matt Chatterley	14,448	8,503
Ben Le Huray	14,543	8,656

¹ Stood down at end of tenure with effect from 28 February 2024. ² Stood down as an elected director at the 2024 AMM and reappointed as an appointed professional director in June 2024

Committee reports

Recruitment and remuneration committee report



Jill Clark,
Chair of the recruitment
and remuneration committee

I am pleased to present the committee's report for the year ended 11 January 2026. I was elected to the board in 2019 and appointed as the committee's chair in June 2025.

The committee's purpose, as set out in its terms of reference is to monitor and review the arrangements relating to:

- i) recruitment, including retention and succession planning;
- ii) remuneration, including motivation, recognition, and reward; and
- iii) 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 us, or our chair. I believe the size of the committee to be proportionate to our size, complexity, and risk profile.

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 our size, complexity, and risk profile.

Details of the remuneration of directors can be found on page 84 and key management compensation including the executive leadership team can be found on page 83 in note 2.2 to the financial statements.

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

Salaries and benefits

2024 saw a full review of pay to ensure parity. Consequently colleagues received pay increases in 2025, resulting in all, following their probationary period, being on or above the minimum wage. Our median hourly pay gap has remained at 0% which we were pleased to have verified independently during the year. The outcomes of our pay review has seen an increase in our mean hourly pay gap from 6.4% to 7.79% however this is also driven primarily by changes in our senior team where the relative impact of any changes to our pay gap calculations is proportionally higher. Colleagues continued to receive additional discount days in line with pay periods.

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 future ready for the needs of the business.

People risk

In the current economic climate, we recognise the risk of being unable to recruit and retain the right people at the right time for the right cost and this is one of our principal risks and uncertainties. The committee is responsible for monitoring this risk for the board.

NED recruitment

We are a programme partner for the GTA University to provide training and development to a potential pipeline of prospective directors to ensure they gain experience of a board environment and are eligible to stand for election. Nathan Ward is currently our board apprentice.

Wage ratio

In keeping with large businesses, we publish our wage ratios showing the highest paid person's income as a multiple of the lowest paid person's income to promote transparency and a balanced distribution of earnings. Our wage ratio is currently 71:1.

Gender pay

We are delighted to report a 0% gender pay gap. This is an outstanding achievement and a testament to the inclusive and fair environment we have worked together to build. It means that, on average, there is no difference in pay between colleagues based on gender.

This result is not only a marker of our commitment to equality but also brings significant benefits to us as a whole.

Engagement committee report



Jill Clark,
Chair of the member engagement committee

I am pleased to present the first report of the member engagement committee.

Putting our customers and members at the heart of everything we do is what we are about. Our Customer Charter covers a wide range of customer focused initiatives, but an important one is to demonstrate that we care by having regular, open and honest communication, listening carefully and responding positively to our customer feedback.

Being a member owned retail co-operative society, the board recognises the critical importance of ensuring the needs of our membership are considered in all we do including in our ongoing strategic planning as well as our ongoing member engagement. With the increased number of members joining us during 2024 and 2025, the board decided that the establishment of the member engagement committee is the best method to ensure that these needs are factored into decisions. I am grateful to my fellow directors that they have entrusted me as the chair to oversee the delivery of the objectives of this new committee.

The primary duties of the committee are to:

- a) Oversee the engagement of our membership base making recommendations to the board in connection with suggestions to expand the membership base, promote and encourage active member participation. This includes a focus on customer experience and listening to feedback from our members.
- b) Ensure that appropriate mechanisms are in place to assess and understand member priorities and to make appropriate recommendations to the board as to how to add to the value of being a member.
- c) Review and evaluate member events and activities using an evidence-based approach and making recommendations to management for continuous improvement
- d) The committee is also responsible for recommending the allocation of grants by our Community Fund, working in conjunction with the Jersey sub-committee, the Guernsey sub-committee and our community team

The committee meets twice a year and held its first meeting in April 2025.

As a new committee, our main areas of focus have been to ensure that appropriate terms of reference are in place for the committee.

Notwithstanding this, the committee is pleased to recognise the progress that has been made in respect of member engagement, whether that has been through the roll out of member pricing in 2025, the launch of new products and services, including Coop Mobile, weight loss drugs, pharmacy care home services and vaccination programmes and upgrades to our locations. All benefitting our members.

We have invested £5.2 million in member pricing this year, demonstrating that we have listened to the needs of our members, as you have continually fed back the cost-of-living burden you are experiencing. Indeed 2025 saw members benefit from more than £10.5million, with member pricing, interest paid on funds held in share accounts, dividend and community fund grants. As economic challenges continue, the committee recognises that delivering such benefits to members will not always be possible, however in line with our values, it is only right that members benefit more in years where results have been more positive.

The committee's focus in 2026 will be ensuring that the adopted customer service strategy is embedded and effective, delivering an enhanced customer journey for our members.

Audit committee report



Michael McNally,
Chair of the audit committee

I am pleased to present the audit committee report for the year ending 11 January 2026. I was re-appointed to the board in June 2023 and appointed as the committee's chair in June 2025.

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 three times (2025 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 year 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 us under FRS 102 in relation to our 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 us, 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 our affairs.

Property valuations

Sarre & Company, chartered surveyors, continued as our valuers and acted on our behalf 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.

Committee reports cont.

Board risk committee



Graeme Smith,
Chair of the risk committee

I am pleased to present the committee's annual report to members for the year ending 11 January 2026 in my fourth year as chair of the board risk committee since being appointed to the board on 8 June 2021.

The committee is responsible for overseeing, our risk appetite, risk management framework and internal audit for the board. The committee consists of four directors. The committee met four times (2024 three) 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.

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

Risk management

The board and the executive leadership team have primary responsibility for identifying and controlling the key risks we face. We operate 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.

During the year the committee continued to report matters to the board as appropriate. Further the committee continued to consider the effectiveness of our risk frameworks including for financial crime, data protection, continuity and resilience, health and safety and information security and cyber. Given the cyber incident that occurred to Co-op UK which indirectly impacted us and other challenges through our supply chain the committee ensured appropriate actions were taken to provide assurance as to the effectiveness of our systems and controls. The committee recognises the support that was received through Gallagher's risk team in managing the impact of the cyber incident and as well as their ongoing support with our wider risk management frameworks including continuity and supply chain, where we will monitor the progress of these initiatives through 2026.

Internal controls

The committee has reviewed the operation and effectiveness of our internal control system during the year. The committee will oversee the completion of the identified actions noted above that will see the further enhancement of our information security and cyber framework and continuity and resilience framework.

Internal audit

We outsource the provision of our 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 monitors the results of that work. It is also responsible for monitoring and reviewing the independence, objectivity and effectiveness of the functions provided. Given then breadth of activities and services offered and associated legal, regulatory and statutory obligations associated with these, a programme of external assurance is adopted to ensure that the right level of assurance can be given to the committee as to the continued effectiveness of the adopted frameworks and our systems and controls. We outsource the provision of our third line of defence and the committee agrees the schedule of such work and monitors the results of that work. It is also responsible for monitoring and reviewing the independence, objectivity and effectiveness of the functions provided.

The committee was pleased to note the continued compliance of our financial services business framework as assessed by RSM Channel Islands (Audit) Limited and our health and safety and food safety frameworks as assessed by Law at Work, Praxis24 and CopCoy Limited.

The committee considers the risk and compliance function to continue to be effective and pro-active in its actions to manage our risks to support the delivery of the adopted strategy.

Directors' report

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 year.

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;
- assess both the Group's and our 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 and Co-operative and Community Benefit Societies Act 2014.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on our website.

Going concern

The directors have considered the cash flow projections for the 12 months through to the end of May 2027 arising from current performance, forecasts and known risks, including those likely to arise from a severe and plausible downside scenario, and takes into account risks as a result of the continued cost of living impacts, potential supply chain risks and threats from an increased competitive environment. The directors believe it remains appropriate to prepare the financial statements on a going concern basis due to available mitigating actions and they consider it unlikely for cash inflows to decline by the amounts in the severe but plausible scenario.

Disclosure of information to auditors

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which our auditors are unaware and each director has taken steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that our auditors are aware of that information.

Approval

The financial statements and notes on pages 75 to 100 were approved by the board on 28 April 2026 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 & CEO

Kevin Kelly
Chief governance officer
& Coop Secretary

Financial statements

	Notes	52 weeks to 11 January 2026 £'000	52 weeks to 12 January 2025 £'000
Consolidated income statement			
Turnover	1.1	220,434	211,244
Cost of sales		(157,999)	(150,202)
Gross profit		62,435	61,042
Other operating income	1.2	4,421	3,454
Administrative expenses	2.1	(59,684)	(57,809)
Trading profit		7,168	6,687
Other interest receivable and similar income	2.4	15	47
Interest payable and similar charges	2.4	(3,116)	(3,435)
(Loss) / gain on disposal of fixed assets		(98)	232
Reduction in value of investment property	4.3	(204)	(74)
Onerous lease	5.2	560	670
Profit before dividends		4,329	4,127
Dividend	2.5	(2,826)	(2,972)
Profit before tax		1,503	1,155
Taxation	3.1	(478)	(387)
Profit on ordinary activities		1,025	768
Consolidated statement of comprehensive income			
Profit for the year		1,025	768
Total comprehensive income for the year		1,025	768

We will be recommending a distribution of £3 million to its members for the 52 week period to 11 January 2026 (2025: £2.8 million). The results reported during the year and the prior year relate solely to continuing activities. The accounting policies and notes on pages 75 to 100 inclusive form an integral part of these financial statements.

	Notes	As at 11 January 2026 £'000	As at 12 January 2025 £'000
Consolidated statement of financial position			
Non-current assets			
Intangible assets	4.1	8,663	6,287
Tangible assets	4.2	88,158	88,490
Investment properties	4.3	47,172	51,633
Investments	4.4	15	15
		144,008	146,425
Current assets			
Stocks	4.5	9,538	9,103
Trade and other debtors	4.6	11,273	11,917
Cash at bank and in hand	4.7	1,572	1,095
		22,383	22,115
Current liabilities			
Creditors: amounts falling due within one year	5.1	(29,153)	(30,038)
Provisions: amounts falling due within one year	5.2	(757)	(723)
Net current liabilities		(7,527)	(8,646)
Total assets less current liabilities		136,481	137,779
Non-current liabilities			
Provisions	5.2	(3,279)	(4,058)
Net assets		133,202	133,721
Capital and reserves			
Share capital	6.1	81,545	83,089
Property valuation reserve	6.2	5,629	5,629
Revenue reserve		46,028	45,003
Total member funds		133,202	133,721

The accounting policies and notes on pages 75 to 100 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 14 January 2024		100,756	5,629	44,235	150,620
Profit for the year		-	-	768	768
Decrease in share capital	6.1	(17,667)	-	-	(17,667)
Balance at 12 January 2025		83,089	5,629	45,003	133,721
Profit for the year		-	-	1,025	1,025
Decrease in share capital	6.1	(1,544)	-	-	(1,544)
Balance at 11 January 2026		81,545	5,629	46,028	133,202

Consolidated cash flow statement	Notes	52 weeks to 11 January 2026 £'000	52 weeks to 12 January 2025 £'000
Profit for the year		1,025	768
Adjustments to reconcile profit for the year to net cash flow from operating activities			
Amortisation of intangible assets	4.1	1,276	1,123
Depreciation of tangible fixed assets	4.2	3,922	3,792
Loss on revaluation of property	4.3	204	74
Interest receivable		(15)	(47)
Interest payable		3,116	3,435
Loss/(gain) on disposal of fixed assets		98	(232)
Taxation charge		478	387
Tax paid		(474)	(327)
Dividend paid	2.5	2,826	2,972
Decrease in trade and other debtors		600	526
(Increase) in stock		(435)	(875)
Increase in trade and other creditors		153	779
(Decrease) in provisions		(745)	(324)
		11,004	11,283
Net cash inflow from operating activities		12,029	12,051
Investing activities			
Interest receivable		15	47
Payments to acquire tangible fixed assets		(4,727)	(2,149)
Payments to acquire intangible assets		(3,651)	(1,310)
Payments to acquire investment properties		(243)	(185)
Receipts from sales of investment properties		5,582	1,531
Net cash (outflow) from investing activities		(3,024)	(2,066)
Financing activities			
Amounts paid to members	6.1	(6,799)	(23,469)
Borrowing - RCF		(1,000)	11,000
Interest paid		(729)	(429)
Net cash (outflow) from financing activities		(8,528)	(12,898)
Net increase / (decrease) in cash and cash equivalents		477	(2,913)
Cash and cash equivalents at start of the year		1,095	4,007
Cash and cash equivalents at end of the year		1,572	1,095

Major non-cash transactions: There were no major non cash transactions made during the year (2025 :£nil)
The accounting policies and notes on pages 75 to 100 inclusive form an integral part of these financial statements.



Accounting policies

A) General information

The Channel Islands Co-operative Society Limited ("CI Coop" / "We") 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 we are 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, we hold a large portfolio of commercial and residential property across the Channel Islands.

b) Basis of accounting

The following accounting policies have been applied consistently.

Our 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

Our financial statements are made up to the second Sunday in January of each year. The financial year represents the 52 weeks ended 11 January 2026 (2025: 52 weeks ended 12 January 2025).

d) Basis of consolidation

Our financial statements include the results of The Channel Islands Co-operative Society Limited and all its subsidiaries.

Subsidiaries are those entities controlled by us. Control exists when we have 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 our subsidiaries.

E) Going concern

The directors have assessed our ability to continue as a going concern for the foreseeable future.

Based on their assessment, the directors are confident that we are 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 our 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 of a net reduction in member share capital, we are 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 our 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, we make 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:

Impairment of goodwill:	Note 4.1
Useful life and impairment 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 our turnover.

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.

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.

Revenue from the sale of goods and rendering of services is recognised when the significant risk and rewards of ownership have transferred and services have been performed.

	2026 £'000	2025 £'000
Turnover		
Turnover from group ordinary activities	220,434	211,244
Analysed by business area		
Food	174,658	169,248
Fuel	16,228	17,445
Funeral	2,357	2,132
Pharmacy	27,191	22,419
Total	220,434	211,244

1.2 Other operating income

Keeping it simple - other operating income

Other operating income represents rental income received us from our investment property portfolio. Sundry income comprises mainly concessions sale and investment property service charges, together with insurance monies received in the current year relating to the financial impact of the cyber incident that happened during the year.

	2026 £'000	2025 £'000
Other operating income		
Rental income	3,008	2,948
Sundry income	1,413	506
	4,421	3,454

Section 2 - Expenses

In this section

This section contains detail of costs incurred by us, amounts paid to our 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

	Notes	2026 £'000	2025 £'000
Administrative expenses			
Colleague costs		32,403	30,622
Defined contribution pension scheme	5.5	1,612	1,510
Directors' fees	2.3	135	119
Occupancy costs		10,643	10,418
Amortisation	4.1	1,278	1,123
Depreciation	4.2	3,922	3,792
Audit fee		281	304
Other expenses		9,410	9,921
		59,684	57,809

Colleague numbers and costs

The number of persons employed by us (including directors) at the financial year end was as follows:

	2026 No.	2025 No.
Full time	516	507
Part time	652	665
	1,168	1,172

The aggregate payroll costs of these persons was as follows:

	£'000	£'000
Wages and salaries	32,538	30,741

Notes to the financial statements cont.

2.2 Key management compensation

Keeping it simple – key management compensation

This is the amount we pay to our executive leadership team who are in office during the financial year including benefits.

	2026 £'000	2025 £'000
Key management compensation		
Salary	1,838	1,775
Taxable benefits	151	17
Pension contributions	132	113
	2,121	1,905
Chief executive officer compensation		
Salary	281	265
Taxable benefits	45	-
Pension contributions	28	26
	354	291

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::

	2026 No.	2025 No.
Executive leadership team compensation		
130-140	-	1
140-150	-	1
150-160	2	3
160-170	2	2
170-180	1	-
190-200	1	1
200-220	1	-
260-280	-	1
280-300	1	-
	8	9

During the year a permanent Chief retail operations officer was appointed and the executive team headcount was permanently reduced at the end of the current financial year through consolidation of roles.

2.3 Directors' fees

Keeping it simple – directors' fees

Directors' fees represent any payments made to directors for their role with us.

Directors' fees	2026 No.	2025 No.
The Directors' fees paid to members of the board in service at the year end for service during the year fell into the following ranges:		
Between £0 and £10,000	1	3
Between £10,000 and £20,000	7	5
Between £20,000 and £30,000	1	1
Total	9	9

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

	2026 £'000	2025 £'000
Interest receivable and similar income		
Interest receivable	15	47
Interest payable and similar charges		
Bank loan interest expense	681	605
Share interest	2,435	2,830
	3,116	3,435

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 we pay interest on money members hold with us 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 members' meeting, which relate to profits attributed to members from the prior year.

	2026 £'000	2025 £'000
Profits attributed to members		
Dividend declared	2,826	2,972
Interest	2,435	2,830
Donations and community services expenditure	305	328
	5,566	6,130

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 our 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.

Taxation	2026 £'000	2025 £'000
Current tax expense for the year	478	387
	478	387
Tax expense in the year		
Provision for tax on rental income net of allowances	397	447
Provision for tax on non-mutual trading profit	85	99
Prior period tax adjustments	(4)	(159)
Tax expense for the year	478	387

Section 4 - Assets

In this section

This section shows the assets used to generate our trading performance.

Keeping it simple – assets

An asset is something which is used by us 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 we are 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 three pharmacies in Guernsey, and are 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. These assets primarily relate to the investment in (1) the development of technology; includes expenditure directly attributable to bringing the software into working condition with us and (2) the development of digital initiatives such as Coop Mobile.

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 – 7 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 12 January 2025	863	7,018	7,033	14,914
Additions	112	-	3,539	3,651
Disposals	-	-	(881)	(881)
Impairment	-	-	-	-
Transfers	-	-	-	-
Cost at 11 January 2026	975	7,018	9,691	17,684
Accumulated amortisation and impairment at 12 January 2025	104	5,047	3,475	8,626
Amortisation charge	58	596	622	1,276
Disposals	-	-	(881)	(881)
Impairment	-	-	-	-
Transfers	-	-	-	-
Accumulated amortisation and impairment at 11 January 2026	162	5,643	3,216	9,021
Net book value at 11 January 2026	813	1,375	6,475	8,663
Net book value at 12 January 2025	758	1,971	3,558	6,287

4.2 Tangible assets

Keeping it simple – fixed assets – tangibles

Tangible fixed assets are assets that can be physically touched. For us this comprises the sites that we trade from and the plant and machinery (including fixtures and fittings) within these sites. Also included are the vehicles used to support our activities, and 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

We typically revalue our 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.

Our valuers, Sarre & Company undertook at full valuation of our properties used in trade as at 11 January 2026. The valuation was 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 4.5% 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 12 January 2025	81,289	27,186	108,475
Additions	630	4,139	4,769
Disposals	(831)	(352)	(1,183)
Impairment	-	-	-
Transfers	(295)	-	(295)
Revaluation	-	-	-
Cost and valuation at 11 January 2026	80,793	30,973	111,766
Accumulated depreciation and revaluation at 12 January 2025	3,615	16,369	19,984
Depreciation charge	1,612	2,310	3,922
Disposals	(21)	(277)	(298)
Impairment	-	-	-
Transfers	-	-	-
Revaluation	-	-	-
Accumulated depreciation and revaluation at 11 January 2026	5,206	18,402	23,608
Net book value at 11 January 2026	75,587	12,571	88,158
Net book value at 12 January 2025	77,675	10,816	88,490

4.3 Investment properties

Keeping it simple – fixed assets – investment properties

Investment property comprises those sites that we own 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

We hold a number of properties as long-term investments or for redevelopment, and in accordance with UK GAAP

- investment properties are measured at fair value annually at the year end date by our valuers Sarre & Company. 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 4.5% to 10% (2025: 4% to 10%). Any change of revaluation is recognised in the Consolidated Income Statement; and
- no depreciation is provided in respect of freehold investment properties.

	2026 £'000	2025 £'000
Investment properties		
Balance at start of the year	51,633	52,816
Additions	243	185
Disposals	(4,795)	(1,298)
Transfers from tangible assets	295	4
Movement in revaluation	(204)	(74)
Balance at the end of the year	47,172	51,633

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 us 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

At 12 January 2025 and 11 January 2026

Other investments £'000	Total £'000
15	15

Unquoted investments

	2026 £'000	2025 £'000
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 us 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	2026 £'000	2025 £'000
Food	7,517	7,191
Fuel	496	538
Funerals	117	105
Pharmacy	1,408	1,269
Goods for resale	9,538	9,103

The cost of goods purchased for resale and recognised as an expense in the Consolidated Income Statement during the year was £141m (2025: £137.3m)
Food stock includes a provision for stock loss of £202k (2025: £319k) as well as capitalised freight costs of £484k (2025: £449k).

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 us but has not yet paid for them.

A prepayment is an amount paid by us 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 us 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	2026 £'000	2025 £'000
Trade debtors	9,088	9,556
Sundry accounts, prepayments and accrued income	2,185	2,361
	11,273	11,917

4.7 Cash and cash equivalents

Keeping it simple – cash and cash equivalents

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

Cash and cash equivalents	2026 £'000	2025 £'000
Cash in stores	1,943	1,095
Cash at bank (overdraft)	(371)	-
Cash and cash equivalents per cash flow statement	1,572	1,095

4.8 Analysis of changes in net debt

	At 12 Jan 2025 £'000	Cash flows £'000	At 11 Jan 2026 £'000
Cash and cash equivalents	1,095	477	1,572
Borrowings	(11,000)	1,000	(10,000)
Interest payable	(181)	47	(134)
Total	(10,086)	1,524	(8,562)

Notes to the financial statements cont.

Section 5 - Liabilities

In this section

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

Keeping it simple – liabilities

A liability is created when we have 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 our 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 we have received but not yet paid for. This reflects money which we must pay out in the future.

Accounting policy – trade and other creditors

Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost.

Creditors are derecognised when the obligation has been settled.

We have a financing facility for a revolving credit facility of £30,000,000 to cover working capital and liquidity commitments. Interest is charged at SONIA plus 1.50% on the drawn-down amount. A commitment fee of 0.6% is charged on the undrawn amount.

Creditors: amounts falling due within one year	2026 £'000	2025 £'000
Trade creditors	12,887	11,257
Taxation	364	403
Share interest	7	6
Non trade creditors and expense accruals	5,750	7,180
Borrowings - RCF Capital	10,000	11,000
Borrowings - RCF Interest	134	181
Prepaid funeral plans	11	11
	29,153	30,038

5.2 Provisions

Keeping it simple – provisions

Onerous lease provision reflects the current value of all future lease payments relating to a property which we 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	2026 £'000	2025 £'000
Onerous lease provision - current	737	723
Onerous lease provision - non current	2,067	2,641
Dilapidations provision - current	20	-
Dilapidations provision - non current	1,212	1,417
	4,036	4,781

An onerous lease provision is made against the remaining 3 years and 10 months rental commitment for the former Guernsey warehouse at Longue Hougue. The provision of £3,364k reflected in the 2025 financial statements has been decreased by £560k during 2025, giving a total provision of £2,804k at the 2026 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 0 and 29 years depending on the life of the related lease.

5.3 Interest bearing loans and borrowings

Accounting policy

This note provides information about the contractual terms of our 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.

Interest bearing loans and borrowings	2026 £'000	2025 £'000
Revolving Credit Facility	10,000	11,000

On the 22 September 2023 we entered into an agreement with The Royal Bank of Scotland International Limited for a new debt facility expiring in December 2028. This facility has since been updated and comprises of a £28m revolving credit facility and a £2m overdraft facility. During 2025 we utilised the facility and £10m of the RCF (2025 £11m) and £0.4m of the overdraft (2025 £0.7m) was drawn down at the year end. The facility accrues interest at a variable rate. The facility is secured by way of charges over some of our 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 our financial assets and financial liabilities.

Credit risk

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

Liquidity risk

We manage our liquidity needs by monitoring investment schedules and debt servicing payments for financial liabilities along with cash flows on a weekly basis. As at 11 January 2026 our non-derivative financial liabilities and contractual maturities are summarised below:

As at 11 January 2026	Current (€000's)			Non-current (€000's)	
	On demand	Within 6 months	6-12 months	1-5 years	Over 5 years
Onerous lease	-	369	369	2,066	-
Dilapidations provision	-	115	5	924	289
Other creditors	-	19,153	-	-	-

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.

We have some counter-party risk with amounts included in trade debtors and banks used to hold cash and cash equivalents which totals £10,660 k (2025: £10,651k). 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 our are carried in pounds sterling, its functional currency. Our exposure to foreign currency risk is insignificant.

Price risk

We are not exposed to the market risk with respect to financial instruments as we do 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.

2026				
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
Cash at bank and in hand		1,572		
Debtors		9,438		
Creditors				(13,028)
Loans payable				(10,000)
Provisions				(4,036)
Unquoted shares	15			

2025				
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
Cash at bank and in hand		1,095		
Debtors		9,438		
Creditors				(11,444)
Loans payable				(11,000)
Provisions				(4,781)
Unquoted shares	15			

Notes to the financial statements cont.

5.5 Pension obligations

Keeping it simple – pension obligations

We run 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

We operate 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 us in independently administered funds. Contributions to the defined contributions scheme in the period were £1,612k (2025: £1,510k).

Defined benefit pension scheme

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

Our 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.

We value our 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 11 January 2026 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 11 January 2026.

	As at 11 January 2026 £'000	As at 12 January 2025 £'000
Pension liability		
The amounts recognised in the Consolidated Statement of Financial Position are as follows :		
Fair value of scheme assets	47,491	47,066
Present value of funded obligations	(34,342)	(34,483)
Net overfunding in Scheme	13,149	12,583
Unrecognised assets	(13,149)	(12,583)
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	-	-
(Income) / expense recognised in the Income Statement	-	-
The net interest on net defined benefit liability item is broken down as follows :		
Interest on obligation	1,910	1,792
Interest on assets	(2,622)	(2,542)
Interest on unrecognised assets	712	750
Net interest on defined benefit liability	-	-
The amounts recognised as remeasurements in other comprehensive income are as follows :		
Return on assets (not included in interest)	(77)	(6,018)
Actuarial gains on obligation	92	2,556
Change in unrecognised assets (other than interest)	146	3,462
Total remeasurements recognised in other comprehensive income	161	-
Cumulative amount or remeasurements recognised in other comprehensive income	2,160	1,999
Actual return on scheme assets	2,545	(3,476)
Changes in the present value of the scheme's defined benefit obligation are as follows :		
Opening defined benefit obligation	34,483	37,908
Service cost	-	-
Contributions by members	-	-
Cost of benefit changes	-	-
Curtailment costs / (gains)	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(1,959)	(2,661)
Interest on obligation	1,910	1,792
Experience gains	406	(57)
Losses from changes in assumptions	(498)	(2,499)
Closing defined benefit obligation	34,342	34,483

The weighted average duration of the liabilities of the scheme was 13 years as at 11 January 2026.

Notes to the financial statements cont.

	As at 11 January 2026 £'000	As at 12 January 2025 £'000
Changes in the fair value of scheme assets are as follows :		
Opening fair value of scheme assets	47,066	53,203
Interest on assets	2,622	2,542
Return on assets (not included in interest)	(77)	(6,018)
Assets distributed on settlements	-	-
Contributions by employer	(161)	-
Contributions by members	-	-
Benefits paid	(1,959)	(2,661)
Administrative expenses	-	-
Closing fair value of scheme assets	47,491	47,066
The major categories of scheme assets as a percentage of the total scheme assets are as follows:		
	%	%
Equities	-	-
Gilts	82.6	79.2
Corporate bonds	-	-
Property funds	-	-
Cash	17.4	20.8

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

Principal actuarial assumptions used for the FRS 102 disclosures:	%pa	%pa
Discount rate at end of year	5.5	5.7
Discount rate at start of year	5.7	4.9
Inflation	3.0	3.3
Rate of increase in deferment whilst in employment with the us	3.0	3.3
Rate of increase in deferred pensions for those who have left employment with us	2.9	3.2
Rate of increase in pensions in payment	2.9	3.2

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 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, we issue withdrawable share capital. This is the only form of share capital issued by us. Every member only has one share, however may subscribe for additional withdrawable share capital. The rights attached to this share and withdrawable capital subscribed for are set out in our 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:	2026 £'000	2025 £'000
Class A (128,134 (2025: 123,912 shares))	34,247	37,325
Class B (1,573 (2025: 1,516 shares))	47,298	45,764
	81,545	83,089

The share capital movement in the year of £1.5m relates to interest and dividends awarded to members (£5.3m) net of monies paid out to members (£6.8m).

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 our owned properties that we trade from. It is not distributable to members until it has been released 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 us and other parties with a close connection to us

Transactions with directors and key management personnel

As members, key management access the services offered by us on an arms length basis. Key management are considered to be the directors and executive leadership team. Refer to note 2.2 and 2.3 for the compensation paid to key management personnel.

Throughout the year under review, we have been a member of Federal Retail Trading Services Limited (FRTS), a company wholly-owned by the Co-operative Group Limited. Our 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 52 week period to 11 January 2026, total net purchases from FRTS amounted to £90,667k (2025: £87,393k) and the payments due by us to FRTS as at that date totalled £8,678k (2025: £6,444k). As at 11 January 2026, the amount due by FRTS to us in respect of rebates was £2,599k (2025: £3,215k) and the amount due to us by FRTS in respect of duty drawbacks is £752k (2025: £1,357k).

Notes to the financial statements cont.

7.2 Operating leases

Operating leases	2026 £'000	2025 £'000
Non cancellable operating lease rentals are payable as follows:		
Less than one year	2,537	2,515
Between one and five years	8,496	9,327
More than five years	8,907	8,050
	19,940	19,892

During the period £1,736k was recognised as an expense in the Consolidated Income Statement account in respect of rental payments under operating leases (2025: £2,602k)

We operate a number a trading units under operating leases ranging from 1 year to 25 years. Included within lease commitments is £2,804 k (2025: £4,401k) related to the onerous lease provision in note 5.2.

Leases as a lessor	2026 £'000	2025 £'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	2,594	2,161
Between one and five years	6,274	6,475
More than five years	13,546	14,773
	22,414	23,410

During the year £3,008k was recognised as income in the Consolidated Income Statement account in respect of rental receipts under operating leases (2025: £2,948k)

We let 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 us.

As at 11 January 2026, we 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	Mobile	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.

We also own minority shareholdings in UK buying groups which are related to its retail operations. (note 4.4).

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

We may from time to time be party to legal proceedings that are incidental to its operation, however, we are not involved currently in any legal proceedings which may have a significant effect on our financial position or profitability.

Commitments

Indemnities are held in favour of 'Customs and Excise Immigration and Nationality, Guernsey' in respect of Duty in the sum of £500k (2025: £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 (2025: €250k) for which no provision has been made within the financial statements.

We 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 us. It is not anticipated that this further guarantee will be called upon.

We have a charge card facility with a limit of £45k.

7.5 Capital commitments

Keeping it simple – capital commitments

This is the value we have approved to spend on assets after the period end.

Contractual commitments in respect of capital projects at the year end were £3,918k (2025: £1,426k).

7.6 Ultimate controlling party

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



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 Island Co-operative Society Limited (the 'Society') and its subsidiaries (together, the 'Group') which comprise 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.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 11 January 2026 and of its consolidated financial performance and its consolidated cash flows for the 52-week period then ended;
- are prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102);
- 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 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 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 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 financial statements are authorised for issue.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 statement of directors' responsibilities set out on page 65, the directors are responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 financial statements.

A further description of our responsibilities for the audit of the 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 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 as well as 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 procedures and the Society's chief governance officer and society secretary. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee. We identified whether there is culture of honesty 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 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 Society's chief governance officer and society secretary 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 the Group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the 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
 - potential management bias in determining accounting estimates, especially in relation to the calculation of property valuations and impairment of intangible assets
 - 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 detect fraud;
- 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
 - the rules and guidance issued by the JFSC
 - 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**

28 April 2026



Channel Islands



Belonging is everything

channelislands.coop