Making life better in our communities

Annual report and accounts for the year ending **5th September 2026**

Lincolnshire Co-op

Society Registered No. 141R











PURPOSE BEYOND PROFIT 2030

Lincolnshire Co-op

Bringing together

ideas, energy and resources

to make life better in our communities

Our pillars

Providing and supporting valued services



Driving volume, driving revenue

Building strength in the long term



Cost prevention, drive profit

Caring for our health and wellbeing



Delivering for the needs of our communities

Looking after our local environment



Reducing our impact on the environment

Our foundation

- Being data-led
- People and culture
- Stable technology
- Good governance
- Cyclical refreshes

Our roots - our membership

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President's welcome

Jackie Munn









Lincolnshire Co-op is a business with strong principles; everything we do is in pursuit of our purpose, which is to make life better in our communities. However, we're not the same co-op that we were 165 years ago when we were first founded, and our continued evolution is ensuring we can deliver for our communities for many more years to come.

Our members are the roots of our Purpose Beyond Profit strategy. In a challenging climate, our Board of Directors has a vital role to play in supporting and constructively challenging our team of executives to ensure that Lincolnshire Co-op does not just survive, but continues to thrive. At the heart of our governance is a responsibility to act in the best interests of our wider membership and communities. I believe that our Board's breadth of skills, experience, and specialisms means that we're well-placed to do this, and I'm proud to play my part in that work and to serve as your elected president.



The last year, although challenging, has seen us take important steps forward to make us a more resilient business. We're investing to make sure we can operate efficiently and provide great service, while continuing to grow. Although stability can feel comfortable in the moment, failing to adapt to changes beyond our control would ultimately be detrimental to us as a co-operative. The Board recognises that standing still would not serve the long-term interests of our members, who benefit from our local impact.

Our impact includes direct community support, such as providing free fruit for children during school holidays, giving funding to local good causes and groups, and supporting a network of Wellbeing Walks and Community Cuppas, through to our role as a facilitator, which sees us work alongside partners to strengthen our communities; bringing together ideas, energy and resources to drive key community projects forward.



To meet the needs of our communities, we know that housing and healthcare must be a priority over the coming years, and the Board has overseen progress already, with much more to come. We're also anticipating some green shoots of financial growth over the next year.

Everything we achieve, is achieved by working together. As members of Lincolnshire Co-op, our support is vital in delivering our purpose of making life better in our communities.



Community impact 2026



This year, we worked with external consultants to undertake an impact assessment, determining the social impact made by our Community Engagement Team through creating volunteering opportunities, supporting our network of Community Cuppas and Wellbeing Walks, and more.

This assessment was undertaken in line with **HM Treasury's Green Book principles,** and involved interviewing and surveying participants in our community programmes.

The total net impact of these programmes is estimated to be worth

£49 million.

That means for every £1 spent, £49 of social impact is created by our work.





£5.4m worth of social impact is created through Wellbeing Walks, and 98% of respondents say that the Wellbeing Walks have, or may have, contributed to improving their life satisfaction or wellbeing.

"It's a lifeline coming here."

Community Cuppas deliver £6.1m worth of social impact, and 93% of respondents say that they stay in touch with people they've met at a Cuppa.

"Have made many new friends thanks to this group. Long may it continue."



The volunteering opportunities we create have a social impact of £4.1m, and 97% of respondents say they feel that what they do makes a positive difference.

"I have only lived in Lincolnshire for a couple of years. Volunteering has helped me make lots of new friends and feel part of the community."







View from the board room



David Cowell

The past year has seen the Board play a pivotal role in overseeing and supporting delivery of the Society's transformation programme against a challenging backdrop. Persistent cost pressures, subdued consumer confidence, changing customer behaviours and uneven performance across markets continue to create a demanding trading environment for all businesses. These conditions are not short term, and the Board recognises that maintaining the status quo would not provide the resilience or flexibility needed to serve members and communities sustainably over the long term.

On behalf of the Board, I want to assure members that we remain confident in our strategy and in the Society's ability to respond to these challenges. Our co-operative purpose goes beyond financial performance alone, but as we recycle profits locally, this is what enables us to deliver lasting value. The transformation now under way across the Society is focused on improving operational effectiveness, strengthening our financial position and directing resources towards the services and opportunities where we can make the greatest difference. The Board will continue to provide rigorous oversight and constructive challenge to ensure these priorities translate into measurable progress.

Health and wellbeing remains a focus for future growth. By developing accessible, trusted services that respond to changing needs, we can build a stronger and more relevant offer while improving outcomes for members and communities. This is an opportunity to combine commercial discipline with our Purpose Beyond Profit: creating sustainable income, supporting preventative healthcare and encouraging patient independence, and using our local presence and partnerships to deliver meaningful social impact.

We are also taking a more deliberate approach to our property portfolio. Our aim is to rebalance the portfolio to reduce concentration and exposure to risk while increasing reliable revenue flows. This will include disciplined investment in selected non-trading assets where they support diversification, appropriate returns and the Society's long-term financial resilience. Decisions are made within a clear framework of affordability, risk management and strategic fit, with capital deployed where it can deliver the best sustainable value.

The Society's closed defined benefit pension scheme executed a 'buy-in' contract with an insurance provider during the year, converting most of the scheme assets into an insurance policy. The insurer guarantees future pension payments and reduces risk for both scheme pensioners and the Society.

Strong governance is central to the Board's role, and it's important that our processes are fully aligned with the principles of democracy, professionalism and accessibility, that participation remains meaningful, and the Society benefits from the skills and experience required for effective oversight. We are also seeking to strengthen Board succession planning so that renewal is orderly, knowledge is retained and the Board can continue to provide informed assurance, challenge and continuity through a period of significant change. At this point, it is appropriate for me to thank those Directors who have left the Board this year, including Jane Moate, Mark Fields and Mike Wistow, for their dedication and service and also recognise the positive impact already made by our newly-elected Directors, Debbie Meredith, Julie Dows and Richard Griffiths.

A successful transformation cannot be achieved without the commitment, capability and care of our colleagues. Across the Society, they have continued to serve customers and communities while embracing new ways of working and helping to drive change. On behalf of the Board, I offer them my sincere thanks for their professionalism, resilience and contribution. The challenges ahead are real, but so too are our strengths. With a clear strategy, disciplined execution, continued efforts from our colleagues, and the support of our members, we are confident that we can transform the business and secure a sustainable future for Lincolnshire Co-op.

David

David Cowell
Chair of the Board of Directors

CEO overview



Alison Hands

Our overall business delivered sales of £374.7m, which is 0.5% up on last year, but excluding insurance payments following the Co-op Group cyber incident, it would be 0.3% up on last year. Across our business, we're facing challenging trading conditions, a volatile economy and rising costs. However, we're continuing to invest to ensure we can operate efficiently and provide great service, while continuing to grow so our business is fit for the future.

In food, we've been impacted by the growth of discount retailers and a significant structural decline in key categories, such as alcohol, vapes and cigarettes, which accounts for 30% of our food sales. In our area, 13 new competitor food outlets have opened from the start of 2025 to summer 2026. This is part of a pattern and 65 competitors have opened since 2021. We have equally been challenged with cost price increases, which drive consumer price increases. Members came back to shop following the supply issues we faced after the Co-op Group cyber incident last year, but customers did not return to the same level, resulting in stagnating sales. However, we did see sales improve in the second half of the year.

There has been a significant downturn in the travel market due to unrest in the Middle East, continued disruption in airports, and the cost-of-living crisis. This, coupled with rising operating costs, has impacted this trading area.

We secured an insurance payment following the Co-op Group cyber incident, which enabled us to provide members with £549,000 additional cashback in this financial year through promotional events in food and travel.

Costs have been under significant pressure, with rises to national living wage, national insurance, and packaging tax levy. This resulted in £4.4m of unavoidable inflationary cost growth. Due to the miss to sales budget in food and travel, we were unable to mitigate this.

We have had to make some difficult decisions to ensure that we are managing costs carefully, including reviewing ways of working and restructures at our Support Centre and Pharmacy Warehouse. Controllable costs were generally well managed, coming in under budget. Our teams are also managing cost-of-living challenges, and we are proud to maintain a rate of 15p per hour above the National Living Wage for our lowest-paid colleagues.

Our cash trading profit comes from property and funeral, with an improved position for pharmacy, and as our food business has seen the biggest cost growth, and its sales are significantly behind budget, overall the Society's profit measure, EBITDA, reduced by £4.6m, meaning that we made an overall trading loss of £1.7m.

So that we can continue to support our communities and members for the future, we're investing in the long-term financial security of the Society. This includes spend of £4m on improving services through our cyclical refresh programme, £8.3m on technology which drives efficiency, like electronic shelf edge labels and self-checkouts in food, and £1.9m on essential IT infrastructure and cyber security. To help us mitigate inflationary costs, we invested £17.9m in our investment property portfolio, which will give us more than 6.5% return on investment, with strong covenants. As previously reported, because of these investments we expect to see an uplift in EBITDA in 2027, and trading profit the year after.

In today's world, change is constant, and it's important that we evolve with these changes, as well as understanding where the opportunities are. My roles as Chair of the Economic Advisory Panel to Greater Lincolnshire Combined County Authority (GLCCA) and as Trustee of the Lincoln City Foundation, also helps us to assess the wider landscape and identify avenues of growth. This ensures that we can continue fulfilling our purpose of making life better in our communities, by bringing together ideas, energy and resources. Thank you to our members, colleagues, tenants and partners for their continued contribution and support.

Alison

Alison Hands
Chief Executive Officer

Delivering our strategy

Our Purpose Beyond Profit 2030 strategy guides everything we do. Here are just some of the ways we're bringing it to life...

Providing and supporting valued services

We've continued delivering valued services to our communities, and these have also been strengthened by our cyclical refresh scheme, which has seen £4m invested into 20 sites in the last year. One site to benefit was Gainsborough Funeral Home, which underwent a £175k refurbishment.



"Our refreshed look is reflective of the high standard of service we provide. Clients have said that they feel at ease as soon as they walk into reception, which is lovely to hear. Arranging a funeral can feel incredibly daunting, so it's important that families know they will be looked after every step of the way."

- Olivia Cooper, Funeral Director at Gainsborough Funeral Home

We have also expanded important services, to meet the needs of our communities. For example, the closure of two independently-run post offices – one in Grimsby, the other in Morton – saw us extend opening hours at Coniston Avenue Post Office and open a new post office inside our Morton Bourne Food Store.



"Without investment from Lincolnshire Co-op, residents would need to travel to other towns and villages if they wanted to access a post office, but the opening of this new service keeps key functions like banking services or passport checks convenient and accessible for all."

- Kai Harris, Manager at Morton Bourne Post Office

Building strength in the long-term

To ensure that we are a resilient and sustainable business, significant investments have been made into our technology, ensuring our teams have the tools they need to deliver our strategy, while improving services for our communities.

Three visible examples of this work are in our food stores. Electronic shelf edge labels save our colleague's time and reduce paper waste. Digital screens allow us to share key community messages, special offers, and more. They also enable a new revenue stream, as we can sell advertising space to brands. Self check-outs give our customers more choice and enable colleagues to spend time with customers who want to be served.



"I can't speak highly enough of the new electronic labels – they're easy to use and incredibly reliable. It's a massive but positive change to how the team continues to deliver exceptional customer service and, when new promotions arrive, we're confident our store will be ready to trade."

- Jane Wheeler, Manager at The Bridge Food Store in Newark

There are more technological improvements coming in the next year, including improved ordering for our food stores and new pharmacy systems.



Caring for health and wellbeing

We're working to improve access to healthcare in our area, starting with our own pharmacies. At Market Street Pharmacy, we've introduced an additional consultation room, as part of a £205k refit. This enables the team to deliver more Pharmacy First services, reducing strain on GP surgeries, while also providing other forms of preventative care, such as blood pressure checks, in line with the government's Ten-Year Health Plan.

"As well as supporting us to deliver vital services to our community, having an additional consultation room gives us space to be able to upskill team members. We've also had fridges installed in our consultation rooms, making it quicker and easier to deliver vaccines."

- Louis Gazeley, Pharmacist at Market Street Pharmacy in Gainsborough



We're currently working with external partners to further improve health and wellbeing in our area and look forward to sharing further updates on this.

Looking after our environment

In the last year, we installed solar panels at 14 outlets and now have them in place at 62 sites across our estate. Combined, this will generate 1.7m kilowatt hours every year, reducing emissions by 225 tonnes, the equivalent of driving a car around the earth 32 and a half times!

132 local volunteers also got involved in 14 green space projects organised by our community team. Activities ranged from litter picking and gardening, to painting walls and fences, each helping to improve outdoor spaces.

As part of this work, our careers team partnered with Greater Lincolnshire Careers Hub to provide students at Havelock Academy with a real-life work experience opportunity. Students project-managed the transformation of the rooftop playground at Strand Primary Academy in Grimsby, using funding gathered through our Community Champions scheme to buy all the necessary materials. Havelock students then worked alongside students at Strand and other local volunteers, to bring their vision to life.



Watch this video to find out more



Strengthening our foundations...

"In the last year, we've made significant investments into the foundations of our Purpose Beyond Profit 2030 strategy. This touches all areas of our business and means ensuring we have the tools in place to deliver for our communities.

"The Board act as the voice of our membership and offers counsel that drives forward vital projects. Many of our colleagues also interact with members day-to-day, so it was an honour to tour refreshed funeral and pharmacy facilities in Gainsborough and speak to the relevant teams about the impact of this work on the local community."

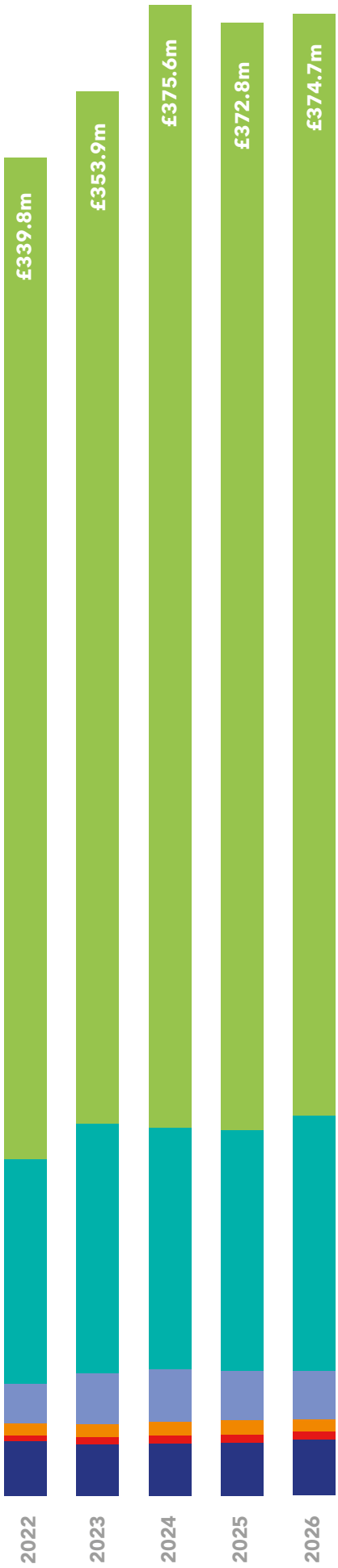
- Jackie Munn, President of the Society

Key financial data

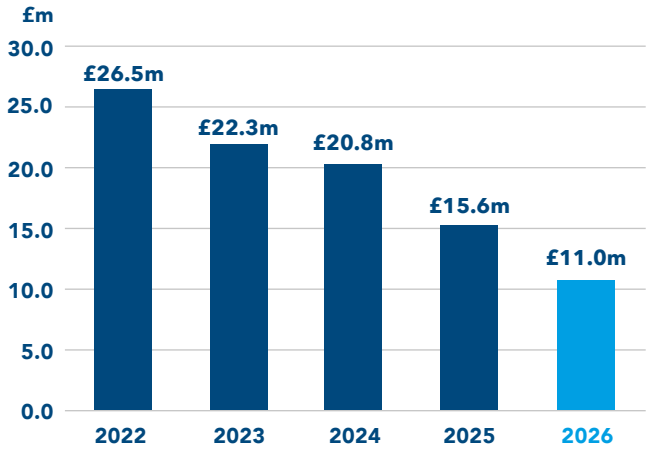
Turnover – broken down into trading area

	52 weeks 2022 £m	52 weeks 2023 £m	53 weeks 2024 £m	52 weeks 2025 £m	52 weeks 2026 £m
Food + Petrol	252.1	259.9	282.7	278.9	278.4
Pharmacy	56.7	62.8	61.0	60.8	64.7
Funeral	12.6	13.3	13.2	12.6	12.4
Travel	2.9	3.1	3.4	3.5	3.0
Post Office	1.8	1.9	2.1	2.0	2.1
Property	13.7	12.9	13.2	15.0	14.1
Total	**339.8**	**353.9**	**375.6**	**372.8**	**374.7**



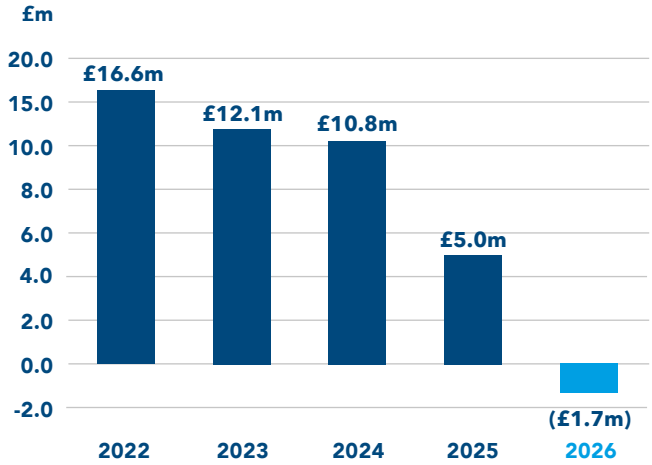


EBITDA*
£11.0m



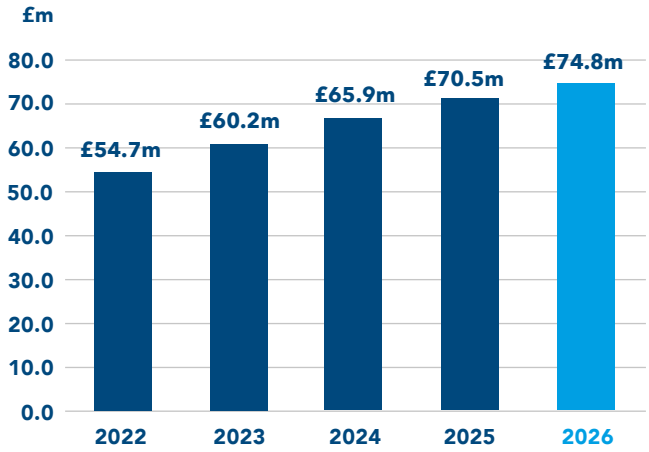
*EBITDA (earnings before interest, tax, depreciation and amortisation) - a measure of profit generation from operating activities.

Trading surplus/(deficit)**
(£1.7m)

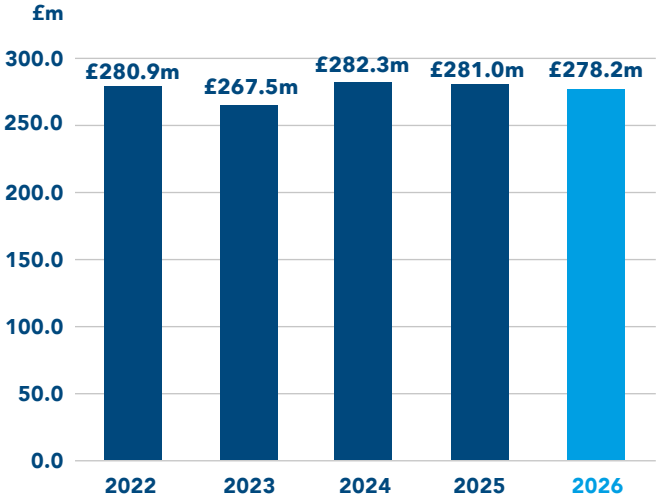


**Trading surplus/(deficit) – a measure of profit before tax, finance costs, joint ventures and member payments.

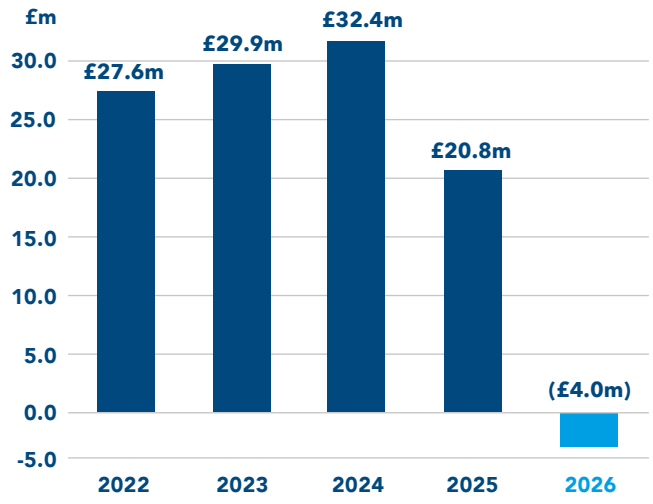
Personnel costs
£74.8m



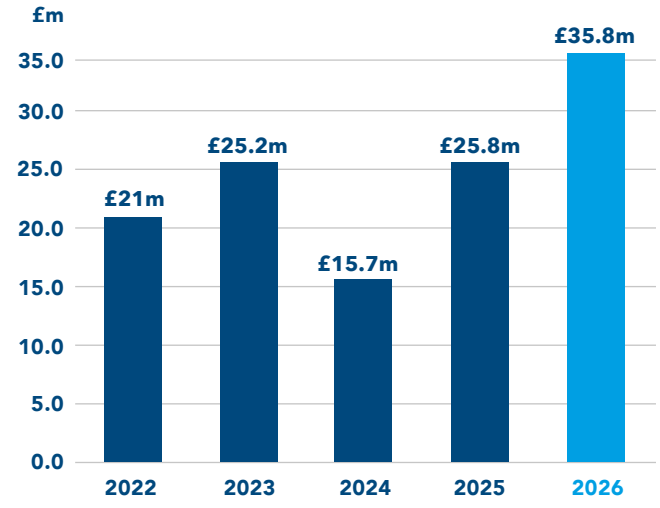
Net assets less pension balance
£278.2m



Net cash/(debt)
(£4.0m)



Investment spend
£35.8m



Building stronger communities together



We've welcomed **18,602** new members, bringing our total membership to **305,359**.

Up from **303,231** in 24/25



We've continued to pay 1% cashback on purchases and ran promotional cashback events in food and travel.

Members earnt **£2.4m** cashback.



Up from **£1.6m** in 24/25

Members have spent **£3.2m** cashback and **£4.4m** remains on members' cards.

Down from **£3.8m*** spent in 24/25



14,400 children are registered to the free fruit scheme, and we gave out **31,245** pieces of free fruit.

Down from **36,456** pieces of fruit in 24/25

Ahead of the summer campaign, we held a children's drawing competition, with the winner's design to be featured in all free fruit promotions.

Artwork by 11-year-old Valerija Podberiozkina from Spalding was selected from hundreds of competition entries. She said:

"I was so surprised and happy when I found out that I had won, and seeing my drawings in the shop is so amazing!

"I love to ride my bike or walk to the shop, and being able to pick up a piece of yummy fruit for free when you get there makes it even better."

To benefit from the scheme, link a child aged under 13 to your account and opt into postal communications.



*Misprinted in 24/25 as £3.6m







72% members shopped with us.

Up from **69%**** in 24/25

Each time they tapped their dividend card, we also donated to local good causes and community groups through our Community Champions scheme.

This, combined with colleague fundraising and customer donations, saw

£408,646

raised for **257** groups.

Down from **£453,570** in 24/25

Sutton on Trent Sports and Community Centre received £1,184 through the scheme.

The centre promotes health and wellbeing and reduces social isolation by enabling a range of activities, from bingo sessions to exercise classes. Chairman Arron Smith said:

"Our charity is all about improving our communities, so this donation will be reinvested into providing more equipment and boosting the facilities for groups that use our centre.

"As a small charity in a rural village, getting funding can be more of a challenge, so we can't thank Lincolnshire Co-op enough for the support we've had."



1,102 members

voted to choose our Community Champions.

Up from **489** in 24/25

Ahead of the summer holidays, we worked with eight local businesses, seven schools, and the wider community to ensure that food banks had the supplies they needed to support struggling families.

Across **12** food bank drives, the equivalent of **5,032** meals were donated.

Up from the equivalent of **3,402** meals donated in 24/25

Watch this video to find out more



We've supported **989** groups and have engaged with them **3,208** times.

Down from **1,019** groups and **4,247** engagements in 24/25

**Misprinted in 24/25 annual report as 78%

Building stronger communities together



Through our toy and gift appeal, our travel customers donated **£10,134**. This, combined with donations of gifts, resulted in **4,562** presents being donated to local young people and families.

Down from **£12,320** donated in 24/25

Up from **4,244** total gifts in 24/25



Food banks and hygiene banks also received a welcome boost, thanks to generous donations to our Secret Santa drive.

This includes the Hygiene Hub on Ashby Ward in Lincoln County Hospital, which cares for patients with brain injuries or neurological conditions. Patients stay on the ward for up to six months and can struggle to get hold of hygiene items in this time. Staff Nurse Laura Whitworth said:



"Having a range of toiletries has transformed the care on our ward. When patients are well enough, they can choose toiletries themselves and they're always grateful for the selection we can offer them.

"We can't thank the local community enough for donating hygiene items to the Lincolnshire Co-op pharmacies that support us. For a lot of people toiletries are a simple gift but they have such a positive impact on our patients' journeys."





Our libraries in Holbeach, Spilsby and Waddington continued to provide a valued community service, which was used by **7,845** people.

Up from **7,226** in 24/25

Volunteers supported reading challenges and drawing competitions throughout the year, engaging local children.





We support **99** Wellbeing Walks, which are run by **359** volunteer walk leaders.

Up from **92** Wellbeing Walks and **332** volunteer walk leaders in 24/25

One new walk was set up in partnership with the Iron Foundation at Scunthorpe United Football Club.

Walkers Eve Thomson and Natasha Hall, who are also mother and daughter, said:

"We saw an advertisement for the walk online and knew we wanted to get involved; it's a great way to get members of the community together and enjoy the fresh air.

"We're excited to keep coming along every month to meet new people and to spend some quality time together while also exercising."



We support **40** Community Cuppas.

Up from **36** in 24/25

Long Sutton Community Cuppa has demonstrated how the scheme works to reduce social isolation, by bringing people together socially.



Volunteers ranging from their 20s to their 80s work together to support the scheme, and have formed strong relationships along the way; going out for breakfast, on days out, and enjoying a Christmas meal together each year.

Volunteer Jo Birdseye said:

"It's fantastic that so many incredible friendships are being made through the support we give each other and by sharing life experiences, especially for our volunteers who give up their own time to be here – we value them so much"

Over **500** volunteers attended our **4** celebration events.



Some volunteers gave talks about how they support their local areas, including Val Green from Tattershall Community Cuppa, who said:

"Our Community Cuppa is so much more than a cup of tea; it's an opportunity for local people to connect and know they are welcomed members of the Tattershall community.

People and culture



We've delivered free health services for our colleagues, including **232** flu jabs and **220** healthy heart checks.

We also rolled out our new colleague assistance app, Help@hand, which provides colleagues and their families with free emotional, financial, practical and medical support such as counselling, a 24/7 remote GP, benefits advice, a range of savings and discounts and more. We're promoting the service to our teams to ensure more people take advantage of it.

418 colleagues have downloaded the app.

85 have used the mental health service.

28 have used the registered GP service.

19 colleagues were signposted to the BUPA menopause service.



All colleagues are entitled to 16 hours of employee funded volunteering time, giving them the opportunity to build relationships with their local community and make a positive difference, while getting out of their normal working environment.

This year, **213** colleagues spent **686** hours volunteering.

Up from **153** colleagues and **579** hours in 24/25



When their local food bank needed some extra support, funeral colleagues at Mablethorpe and Sutton-on-Sea pooled their volunteering hours to help out.

For months, they consistently delivered essential food supplies to local families and individuals. Funeral Director Lucy Hunter said:

"This is more than just delivering food parcels; for many of the service users, we're the only face they'll see all week.

"Working with the food bank has been eye opening, and it's a true privilege to be part of something that's making local people's lives better."



Throughout the year, we've recognised **410** colleagues for demonstrating one of our THRIVE values, which stands for trustworthy, helpful, respectful, inspiring, valued, and empowered.

Entries are made by other colleagues, and every three months, we've celebrated a winner and runner-up for each of these categories.

All entries are also considered for our annual Spotlight Awards, which celebrated **87** colleagues.

Our members also voted for a colleague to win our Members' Choice Award, and Eric Williams, Customer Services Assistant at Tattershall Food Store walked away with the prize.



Eric said: *"Being invited to the awards was a massive surprise, so when I heard my name get called, I was in complete shock!*

"I'm so grateful for my customers and I know they appreciate what I do for them. When I work on the tills, all the children and their families line up so they can be served by me, and I love speaking to all my customers. Thank you to everyone who nominated me."

We've continued developing our teams. Colleagues have spent **20,271** hours training, and we have supported **47** apprenticeships and **107** work placements.





Bailey and Owen, who previously completed their T-Level placements with us, and are now studying apprenticeships in project management and IT.

Hear more about their stories here.

Looking after our local environment

Bringing together
ideas, energy and resources
to make life better in our communities

Sustainability in every step

Waste management	Climate impact	Responsible sourcing
We are committed to reducing waste across our operations and minimising food waste through innovative solutions and community partnerships.	We are committed to minimising our climate impact by reducing greenhouse gas emissions, optimising energy and water use, and implementing adaptive strategies to build resilience against climate change.	We are committed to ensuring responsible sourcing that prioritises ethical practices, transparency and environmental sustainability throughout our supply chain.

In 2024, we first shared our Environmental Sustainability Strategy, focussing on three key pillars; waste management, climate impact, and responsible sourcing.

Alongside this strategy, the business calculated its first ever full carbon footprint. This provided a baseline from which we were able to set near and long-term targets in alignment with the Science Based Targets initiative (SBTi), which were then validated by SBTi in August 2025.

This year, we have continued efforts to reduce our impact on the environment by investigating waste reduction opportunities, installing additional solar panels, and improving refrigeration efficiency in our outlets.

These actions are in line with our strategy roadmap and bring us closer to achieving the ambitious targets we have set. So far, overall emissions have been reduced by 20% against our 2024 baseline, putting us ahead of the planned 8% reduction for 2026 and demonstrating strong progress along our pathway to net zero by 2045.

Ian

Ian Haldenby
Chair of Audit and Risk Committee



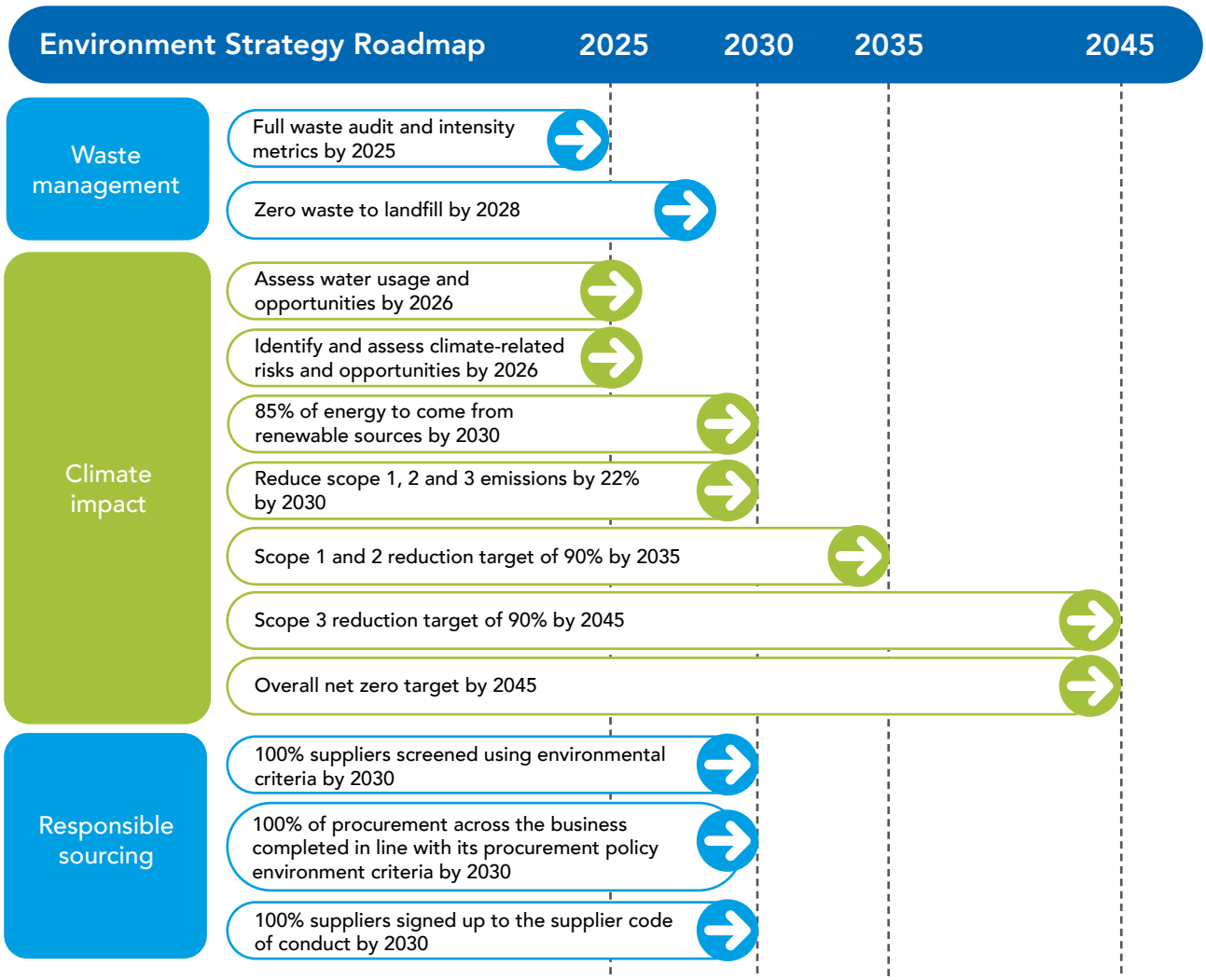
Supporting green causes

Local parish councils, schools and charities have come together to plant community orchards. The scheme, which is run by Lincolnshire County Council, has seen 200 fruit trees planted across 10 sites. We're proud to have donated £4,959 through our Community Champions scheme, helping to buy trees and equipment.

Dunholme Parish Council was one beneficiary of the scheme, and residents came together to plant 30 fruit trees within a couple of hours.

"The scheme will not only provide the community with fresh produce but will also enhance our environment and wildlife."

- Tony Pache, Chairman of Dunholme Parish Council



Delivering change

Across our estate, we're implementing changes to reduce our impact on the environment. In line with our Environmental Sustainability Strategy, these actions cover energy efficiency, waste management and responsible sourcing. Here's some key examples:



Fleet transition

We have been transitioning our fleet to more efficient and less polluting vehicles, and 47% of our fleet is now hybrid or fully electric.



Refrigeration

We're rolling out fridges that use CO2. Because it's a natural refrigerant, this reduces the environmental impact of gas losses. We now fit fridge doors as standard and have them in place in most of our stores, helping to prevent unnecessary energy loss.



Energy use

We're improving our energy efficiency by upgrading to energy-efficient LED lighting, using building management systems to better control heating, lighting and other energy use and replacing older gas-based heating equipment with more efficient alternatives.



Food offering

100% of Co-op Group and Gadsby's Bakery products use sustainably sourced palm oil. We also have a Love Local range available in our food stores, which allows our customers to support local businesses. This year, we introduced two new suppliers, including Willows Farm strawberries, which are grown in Chapel St Leonards.

Looking after our local environment

Our progress

Our total carbon footprint for the year was 188,750 tCO_2e, an 8% reduction on the previous year. This includes emissions across Scopes 1, 2 and 3, covering direct operations, purchased energy and value chain activities.

Scopes 1 and 2 represented just 3% of total emissions, with Scope 1 comprising of gas heating, fleet fuel and refrigerants, and Scope 2 relating to purchased electricity. Our Corporate Power Purchase Agreement (CPPA), which delivers energy from renewable sources, continued to reduce electricity-related emissions, avoiding approximately 1,300 tCO_2e during the year.

Scope 3 emissions accounted for the remaining 97% of our footprint. The largest contributors remain Purchased Goods and Services, reflecting products sold through our Food business, and Use of Sold Products, primarily fuel sold through our filling stations and travel-related activities.

In line with our SBTi commitments, we are targeting a 42% reduction in Scope 1 and 2 emissions by 2030 and 90% by 2035. Following strong progress over the past two years, we remain ahead of our reduction pathway, with FY26 improvements driven largely by lower electricity-related emissions.

While Scope 3 emissions reduced by 8% during the year, they continue to represent the majority of our footprint. Further progress will depend on continued collaboration with suppliers and partners to drive emissions reductions across our value chain.

Our total emissions footprint (based on 52 weeks)

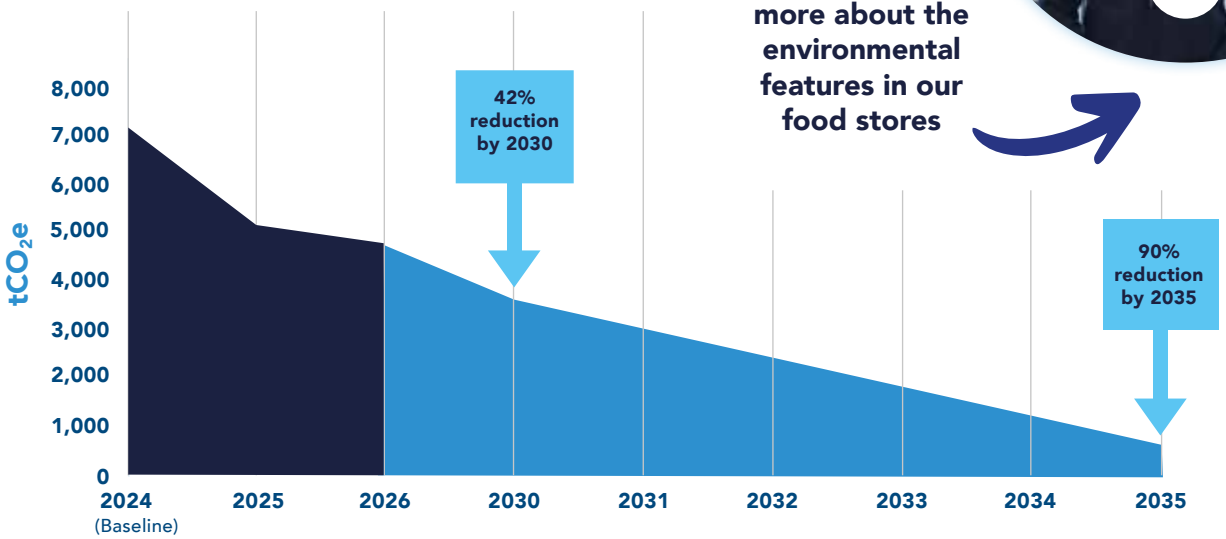


Contributions to each of these emissions are outlined in the graph on page 19.



Watch this video to learn more about the environmental features in our food stores

Operations (Scope 1 and 2)



UK Greenhouse gas emissions and energy use data	2024 Baseline	2025	2026	Change from baseline (%)
Energy consumption use to calculate emissions (kWh)	23,167,000	22,053,709	21,602,687	-7%
Electricity	19,944,000	19,330,226	18,650,383	-6%
Solar PV	-	804,522	1,093,241	
Natural gas	3,223,000	2,723,482	2,952,304	-8%
Scope 1 (tCO2e)	**3,117**	**2,564**	**3,638**	**17%**
Natural gas	591	498	538	-9%
Company vehicles	528	509	444	-16%
Refrigerants	1,998	1,557	2,656	33%
Scope 2 (tCO2e)	**4,130**	**2,651**	**1,138**	**-72%**
Location based	4,130	3,421	2,442	-41%
Market based	4,130	2,651	1,138	-72%
Scope 3 (tCO2e)	**227,230**	**199,769**	**183,974**	**-19%**
Purchased goods and services	104,929	97,477	94,294	-10%
Capital goods	23,743	9,742	11,631	-51%
Fuel- and Energy-Related Activities	1,927	1,495	1,192	-38%
Upstream transport and distribution	626	1,138	936	49%
Waste generated in operations	89	126	18	-80%
Business travel	171	161	96	-44%
Employee commuting	10,545	7,084	9,999	-5%
Downstream transport and distribution	22	22	30	37%
Use of sold products	70,189	70,111	52,812	-25%
End of life treatment of sold products	7,445	5,980	5,982	-20%
Downstream leased assets	7,189	6,108	6,405	-11%
Investments	346	325	579	67%
Scope 1 and 2 (market based)	7,247	5,215	4,776	-34%
Total gross emissions (market based)	**234,477**	**204,984**	**188,750**	**-20%**
Emissions intensity per EBITDA (tCO2e per £1000)	11	13	17	52%
Emissions intensity per revenue (tCO2e per £1m)	624	550	504	-19%

Definitions

Scope 1 emissions - Direct Greenhouse Gas (GHG) emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles. (Source: GHG Protocol).

Scope 2 emissions - Accounts for GHG emissions from the generation of purchased electricity consumed by the company. Scope 2 emissions physically occur at the power station or wind turbine where electricity is generated. (Source: GHG Protocol).

Scope 3 emissions - Refers to the emissions associated with Lincolnshire Co-op's supply chain e.g. food products purchased or how packaging waste at stores is disposed. (source: GHG Protocol).

tCO2e – acronym for tonnes of carbon dioxide equivalent

Board of directors



David Cowell
(Appointed Director)

Chair of the Board

Chair of the Search & Governance Committee

Remuneration Committee



Jackie Munn

President of the Society

Audit & Risk Committee

Member Engagement Committee



Claire-Jayne Green
(Appointed Director)

Chair of the Remuneration Committee



Ian Haldenby
(Appointed Director)

Chair of the Audit & Risk Committee



Ash Wilks

Chair of the Member Engagement Committee



Claudia Nel

Member Engagement Committee



Debbie Meredith

Search & Governance Committee



Jeremy Hodson

Audit & Risk Committee

Search & Governance Committee



Julie Dows

Remuneration Committee



Lesley Robinson

Audit & Risk Committee

Remuneration Committee



Richard Griffiths

Member Engagement Committee



Tracey Latham-Green

Search & Governance Committee

Meet the Executive Leadership Team



Alison Hands

Chief Executive Officer



Andy Warman

Chief Commercial and Transformation Officer



Karen Bennett

Chief People and Operations Officer



Laura Dunne

Chief Purpose and Proposition Officer



Paul Howard

Chief Financial Officer



Robert Allen

Group Secretary and General Counsel

How our Board of Directors and Executive Leadership Team work together

The Board and ELT are collectively responsible for ensuring that Lincolnshire Co-op remains a successful, sustainable and purpose-led co-operative for future generations of members. The Board provides independent oversight of the Society's activities, setting its strategic direction and ensuring that decisions are taken in the long-term interests of the Society, its members and the communities it serves.

Directors oversee performance, financial resilience, major investments, risk management and governance, while supporting and constructively challenging the Executive Leadership Team.

Led by our Chief Executive Officer Alison Hands, our Executive Leadership Team is responsible for leading the Society on a day-to-day basis and delivering the strategy agreed by the Board. Working across the Society's diverse businesses and support functions, the team is responsible for operational performance, financial management, and the delivery of key strategic initiatives.

The Executive Leadership Team provides the experience, expertise and insight required to translate the Society's ambitions into practical outcomes, while ensuring that the Board receives the information and assurance it needs to fulfil its governance responsibilities.

Together, our Board of Directors and Executive Leadership Team are working to ensure that the Society continues to create value for members and make a positive difference across our communities.

Corporate Governance report

Governance highlights

Director Elections

We welcomed three new members to the Society's Board, Julie Dows, Richard Griffiths and Debbie Meredith, following the 2026 Society Elections. Their appointments bring new skills, experience and perspectives to the Board as the Society continues to deliver its Purpose Beyond Profit 2030 strategy.

We also said goodbye to Jane Moate, Mark Fields and Mike Wistow over the course of the financial year. All made valued contributions to the Board during a period of significant change and transformation across the Society, and we thank them for their service and wish them well for the future.

We continued to improve the election process, introducing additional candidate engagement, while changes to eligibility helped make standing for election more accessible to members.

Members' Meetings

Our Annual Members' Meeting provided members with an opportunity to hear directly from the Board, ask questions and participate in the Society's democratic processes. Feedback from members has continued to help shape how we deliver these events, with a focus on making participation accessible, engaging and meaningful whether members choose to join us in person or online.

Board Succession Planning

We have developed a more structured and forward-looking approach to Board succession planning, helping ensure that the Board continues to have the skills and experience required to support the Society's future direction. The new framework considers anticipated Board changes, future skills requirements, succession for key leadership positions and contingency arrangements, while seeking to maintain the right balance between continuity, renewal and member democracy.

Board Effectiveness and Development

Our annual Board Effectiveness Review provided valuable insight into the Board's strengths and areas where further improvement would add value. During the year we continued to develop the support available to Directors through enhanced induction, individual reviews, mentoring and a programme of focused training, helping ensure Board members have the knowledge, confidence and support required to contribute effectively.

Speak Up and Whistleblowing

How we behave matters, and during the year we strengthened our approach to speaking up and whistleblowing. We refreshed our Whistleblowing Policy, reporting arrangements and colleague communications to provide greater clarity about how concerns can be raised and the protections available to those speaking up. The Board continues to oversee concerns raised and ensure that appropriate action is taken and lessons are learned.

Membership of the Future

We continued to explore how Society membership can evolve to remain relevant and valuable for the future. Research and engagement with members and local people has helped us better understand their needs and experiences, providing important insight as we consider how membership can develop beyond a principally transactional relationship and create greater opportunities for connection, participation and involvement.

How is the Society governed?

The Society conducts its affairs and structures its approach to corporate governance having regard to the following key instruments:

Co-operative and Community Benefit Societies Act 2014 (CCBSA 2014): The Society is registered with the Financial Conduct Authority as a co-operative under the CCBSA 2014. The CCBSA sets out basic duties and obligations that help ensure the Society conducts its affairs in accordance with Co-operative values, and profits are applied to further its objectives.

Co-operatives Corporate Governance Code: The Society is not strictly subject to the provisions of the UK Corporate Governance Code (the UK Code). However, Co-operatives UK (which is the representative body for co-operatives in the UK) has issued a code for Co-operatives (the Co-operatives Code). The Co-operatives Code ensures high standards of corporate governance are applied across:

- Member voice, participation and engagement.
- Co-operative leadership and purpose.
- Roles and responsibilities.
- Board composition, succession and evaluation.
- Risk, financial management and internal controls.
- Remuneration of the Board and the Executive Leadership Team.

The Society aims to comply with the letter and spirit of the Co-operatives Code in conducting its affairs and will explain in this report where any deviations have occurred.

Companies Act 2006 (CA 2006): The Society is subject to the core provisions of the CA 2006 which set out the obligations and requirements relating to corporate administration, accounting, reporting, decision making and the general duties of its Board of Directors.

Our Annual Report sets out the steps we have taken to ensure compliance with these important legal requirements, and to achieve corporate governance best practice.

Director duties

Put simply, our Board provides informed oversight of the Society's activities and ensures the Executive Leadership Team execute the agreed strategy in accordance with co-operative values, and in the best interests of the Society's members.

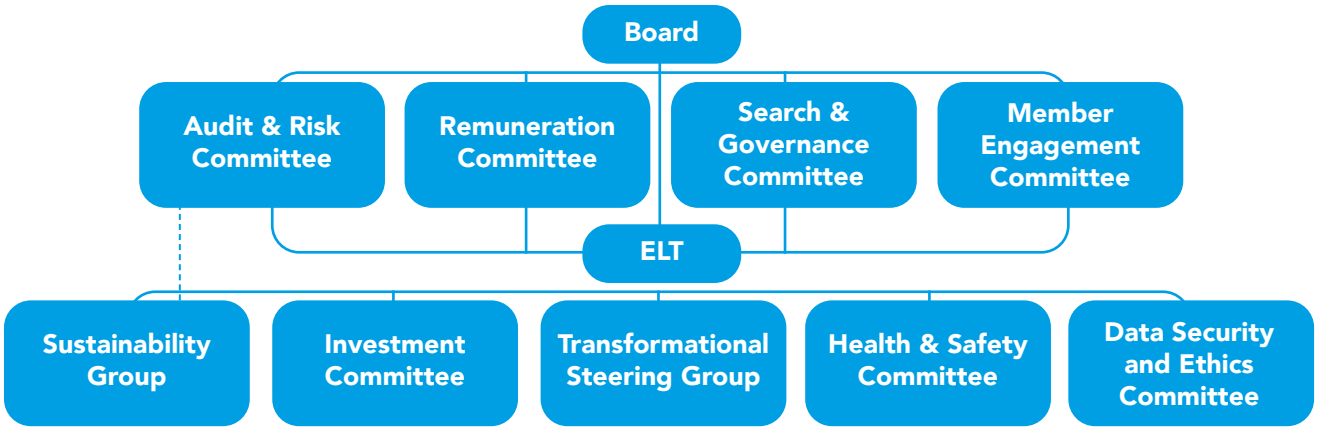
Our Directors must have regard to Section 172 (1) of the Companies Act 2006. Consequently, directors must act in a way that they consider, in good faith, would be most likely to promote the success of the Society for the benefit of its Members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term.
- The interests of the Society's employees.
- The need to foster the Society's business relationships with suppliers, customers and others.
- The impact of the Society's operations on the community and environment.
- The desirability of the Society maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the Society.

Corporate Governance Framework

The Society's Governance Framework sets out the structures, responsibilities and guiding principles that underpin how we operate. It supports effective decision-making, risk management and oversight, and reflects our commitment to integrity, transparency and co-operative values.

The Framework brings together the Society's key governance policies, committee structures, and decision-making protocols into a single, accessible reference point and furthermore supports clarity of roles and responsibilities across the Board and Executive Leadership Team.



Board and committee membership and attendance

The Directors attend Board and Committee meetings throughout the year and have the opportunity to attend meetings in person or virtually. Two full day meetings involving the Main Board and the Executive Leadership Team are also held to review the Society's strategy. The table below sets out attendance for all meetings taking place during the 12-month period ending 5 September 2026.

	Main Board	Audit and Risk Committee	Remuneration Committee	Search and Governance Committee	Member Engagement committee
David Cowell	9/9	-	4/4	4/4	-
Julie Dows[1]	1/1	-	-	-	-
Mark Fields[3]	7/8	-	-	-	2/2
Claire-Jayne Green	8/9	-	4/4	-	-
Richard Griffiths[1]	1/1	-	-	-	-
Ian Haldenby	8/9	4/4	-	-	-
Jeremy Hodson	9/9	4/4	-	1/1	-
Tracey Latham-Green	9/9	-	-	2/3	-
Debbie Meredith[1]	1/1	-	-	1/1	-
Jane Moate[2]	8/8	-	-	3/3	2/2
Jackie Munn	9/9	4/4	4/4	-	-
Claudia Nel	6/9	-	-	-	-
Lesley Robinson	9/9	4/4	4/4	-	-
Ash Wilks	9/9	-	-	-	1/2
Michael Wistow[4]	5/5	-	-	1/2	-

[1] Elected June 2026
[2] Retired from position
[3] Unsuccessful in 2026 Elections
[4] Resigned from position February 2026

List of External Directorships and other relevant appointments

One of the important elements which is taken into account when assessing a potential new director is whether that individual is able to commit sufficient time to the role with the Society. Prior to appointment members standing for election are asked to provide information about their other significant commitments with an indication of the time involved. The Group Secretary & General Counsel maintains a register of director's interests to ensure that they do not participate in any decisions where they may have an interest. The rules of the Society provide that members are debarred from becoming directors in circumstances where specific interests in other organisations are held.

Director	Appointment(s)
David Cowell	PCA Partnership Ltd Bishops Council of Diocesan Trustees - (CofE Lincolnshire) Middle Warden Worshipful Company of Marketors Lincolnshire Centre for Grief and Loss Willoughton Parish Council
Julie Dows	Hatton Action Group CIC
Claire-Jayne Green	BraveGoose Ltd Notcutts Owners Council Advance Group
Richard Griffiths	Acorn Storage Ltd
Ian Haldenby	PIB Group HALDO616 LTD Lincoln County Council Audit and Risk Committee
Jeremy Hodson	R-Evolution Grimsby, Cleethorpes and Humber Region YMCA
Tracey Latham-Green	Community Pharmacy Lincolnshire
Debbie Meredith	Cryptique Tax Ltd National Members Committee Lincolnshire Housing Partnership Air Travel Insolvency Protection Advisory
Jackie Munn	Burton Waters Management Limited
Claudia Nel	Lincolnshire Centre for Grief and Loss CORPTRON LTD William Alvey Church of England School, Sleaford
Lesley Robinson	Grow Incredible C.I.C Burton Waters Management Limited
Ash Wilks	-

The time commitment of the Society's serving Directors is monitored carefully by the Society's Group Secretary & General Counsel. Any additional external roles that a director wishes to take are subject to prior approval of the Board.

Risk management

The Head of Risk & Assurance to the Society, who reports to both the Group Secretary & General Counsel and the Chair of the Audit & Risk Committee, assumes the day-to-day responsibility for ensuring the Society's management of risk is in full accordance with the approved appetite and tolerances.

Risk governance

The Board has delegated authority to the Audit and Risk Committee, which holds overall accountability for the Society's risk management, while day-to-day oversight rests with the Executive Leadership Team (ELT), supported by the risk team. Both the Board and the ELT remain committed to embedding a strong risk culture that reflects the Society's principles and values, recognising that an effective risk culture is essential in helping management and colleagues prevent potential organisational challenges. They aim to lead by example, setting the right tone from the top and ensuring that risk management is an intrinsic element of the governance structure.

Risk Management Framework

Risk management remains a vital element of our operations, enabling the early identification of potential challenges the Society may encounter and supporting the proactive avoidance or mitigation of risks that could affect the achievement of our strategic and operational objectives.

Our risk framework is structured to identify and address risk to enable our teams to act with confidence and accountability and support informed decision-making. It is also designed to uphold regulatory compliance, enhance operational performance, and strengthen stakeholder trust. The Executive Leadership Team (ELT) are responsible for the day-to-day implementation of the framework and promoting a positive risk culture across the Society. Each functional team maintains its own risk register and provides open reporting to the Society's risk team. This collaborative approach ensures comprehensive, bottom-up visibility of potential risks across all areas of the Society.

Risk assessment

The risk owner determines the appropriate controls for each identified risk and assesses its potential impact using both financial and non-financial measures, together with the likelihood of occurrence, applying consistent evaluation criteria. These assessments consider the effectiveness of existing controls, leading to a determination of the residual level of risk.

Each identified risk is mapped to one of the Society's Principal Risks, enabling the risk team to evaluate its significance, interrelationships, and the possible consequences should a principal risk materialise.



Emerging risks

Certain risks, categorised as emerging, are more difficult to quantify due to limited available information, which hampers a clear understanding of potential consequences. These risks are closely monitored until more data becomes available to facilitate a better assessment.

Principal Risks

The following 11 principal risks reflect the Society's July 2026 Principal Risk Register. The table sets out the risks, their potential impact and our response, including planned improvements. Risks and executive owners are presented in the order used in the register. Strategy links are not specified in the register.

Key

Caring for our health and wellbeing

Providing and supporting valued services

Building strength in the long term

Looking after our local environment

CEO: Chief Executive Officer, **CFO**: Chief Financial Officer, **CPPO**: Chief Purpose and Proposition Officer, **CCTO:** Chief Commercial and Transformation Officer, **GS&GC**: Group Secretary and General Counsel, **CPOO:** Chief People and Operations Officer

1. Volatility and structural change within the UK co-operative food convenience sector			Executive risk owner: CEO	
Link to our purpose:	**What is the risk?**	**Potential impact**	**How do we manage it?**	**Risk Direction**
	Weaker performance among independent co-operative societies, mergers or uncertainty over their ability to continue trading could reduce collective purchasing volumes and increase supply chain costs. Reliance on shared supply arrangements and limited access to external capital could constrain the sector's resilience and investment.	• Reduced supplier income and higher shared supply costs, weakening margins and collective buying power. • Higher fixed costs and restricted access to external capital, limiting investment in technology, stores and growth. • A less competitive co-operative model and reduced long-term value for members.	• We monitor sector performance and developments affecting independent co-operative societies to identify pressures on shared services and purchasing scale. • We influence the strategic direction of shared services, including the central co-operative buying group, while recognising our limited influence over individual societies' governance and financial resilience. • We continue to review our strategy in response to structural change, with a focus on financial resilience, long-term sustainability and protecting member value.	
2. Adverse economic conditions impacting financial performance			**Executive risk owner:** CFO	
Link to our purpose:	**What is the risk?**	**Potential impact**	**How do we manage it?**	**Risk Direction**
	Inflation, wage increases, reduced consumer confidence and geopolitical disruption could increase costs and weaken demand. Volatility in energy markets, borrowing costs and competitive pricing could put sustained pressure on financial performance.	• We do not achieve the forecast Higher energy, wage and supply costs, reducing margins and profitability where increases cannot be recovered through pricing. • Lower sales and greater pressure on trading decisions from weaker customer spending and disruption affecting food, fuel and travel. • Reduced profit and cash resources, limiting member returns, community support and investment in growth.	• We monitor economic and geopolitical developments and use long-term forecasts to assess liquidity and compliance with banking covenants. • Cost controls and targeted investment in operational efficiency within Food help manage rising expenditure. • Our diversified business model, including investment in property, spreads financial exposure across different activities.	
3. Cyber-attack leading to operational disruption			**Executive risk owner:** CCTO	
Link to our purpose:	**What is the risk?**	**What is the impact?**	**How do we manage it?**	**Risk Direction**
	Increasingly sophisticated cyber-attacks could compromise the Society's systems and disrupt trading and essential services. The use of artificial intelligence by attackers, ageing equipment and incomplete infrastructure improvements could increase exposure and limit the effectiveness of security controls.	• Interruption to trading and essential services, resulting in lost revenue and recovery costs. • Regulatory penalties and loss of customer and member trust following a data breach. • Additional expenditure to restore services, replace vulnerable technology and strengthen resilience	• System patching, software updates, penetration testing and continuous monitoring help identify and address technical vulnerabilities. Mandatory cyber security and data protection training supports colleague awareness, and regular backups support recovery. • Our data privacy framework and governance arrangements are supported by data mapping and a supplier register. Microsoft security recommendations inform improvements to our security configuration, monitored through the Microsoft Security Score. • Further infrastructure migration and redesign, replacement of ageing equipment and implementation of Data Loss Prevention technology are intended to strengthen security and recovery capability.	

4. Violence, Threats and Anti-Social Behaviour Towards Colleagues

Executive risk owner: CPOO

Link to our purpose:	What is the risk?	Potential impact?	How do we manage it?	Risk Direction
	Verbal abuse, intimidation and physical violence could harm colleagues across our retail and pharmacy operations. Shop theft, organised retail crime and wider anti-social behaviour, combined with extended opening hours, lower staffing levels and repeat offending, could increase exposure.	• Physical injury or lasting psychological harm to colleagues, affecting confidence, wellbeing and their ability to work. • Service disruption, increased absence and security costs, and greater difficulty attracting and retaining colleagues. • Reduced confidence in the safety of our locations, affecting colleagues, customers, members and local communities.	• Body-worn cameras are used to deter aggressive behaviour and capture evidence. CCTV supports incident investigation and liaison with the police. • Incident reporting helps identify patterns and locations requiring escalation, informing targeted measures such as uniformed security. • We encourage colleagues to report all incidents so that appropriate support can be provided and safety measures reviewed across our locations.	

5. Increased competition in food and travel

Executive risk owner: CPPO

Link to our purpose:	What is the risk?	Potential impact?	How do we manage it?	Risk Direction
	Sustained discounting and overlapping trading areas in food and travel could weaken the Society's competitive position. Changing demand, fluctuating footfall and lower customer loyalty could reduce sales, while defensive pricing and marketing expenditure put pressure on margins.	• Loss of customers, market share and revenue, leading to underperforming stores and potential closures. • Margin pressure and higher marketing expenditure from price matching and defensive promotions. • Lower profitability, limiting community investment and the value available to members.	• We monitor competitor activity and pricing and adjust our pricing strategy in response to trading conditions. • Investment in stores, formats and customer experience supports a proposition linked to membership and our contribution to local communities. • We review opportunities to differentiate our products and services and improve operational efficiency to protect profitability.	

6. Inability to attract, develop and retain key employees aligned to future strategic growth opportunities

Executive risk owner: CPOO

Link to our purpose:	What is the risk?	Potential impact?	How do we manage it?	Risk Direction
	Competition for talent, skills shortages and limited succession pipelines could affect our ability to attract, develop, engage and retain colleagues with the capabilities we need. Gaps in workforce planning, leadership and learning opportunities could delay delivery of strategic and operational priorities.	• Reduced productivity, service disruption and a poorer customer and member experience from vacancies and skills gaps. • Loss of critical knowledge and organisational capability, together with higher recruitment and employment costs. • Delayed delivery of strategic priorities, including expansion into services such as social housing, due to limited leadership capacity and specialist skills.	• Market-benchmarked pay and benefits frameworks support our ability to attract and retain colleagues. Talent acquisition and workforce planning focus on the skills and capacity needed for current operations and future growth. • Structured learning and development programmes support colleague capability. Continued focus on succession planning and leadership development helps build management capacity and retain critical knowledge. • Employee engagement surveys and associated action plans help identify and address issues affecting colleague engagement and retention.	

7. Failure to comply with legal and regulatory requirements across the sectors in which the Society operates

Executive risk owner: GS&GC

Link to our purpose:	What is the risk?	Potential impact?	How do we manage it?	Risk Direction
	Failure to identify and comply with legal and regulatory requirements across our trading and social housing activities could expose the Society to enforcement and restrictions on its operations. Evolving housing standards and building safety requirements increase the need for timely, coordinated action.	• Fines, enforcement action or licence restrictions, interrupting regulated services. • Financial losses and increased regulatory scrutiny, constraining investment and strategic activity, with potential director liability in serious cases. • Reputational damage and reduced confidence among customers, members and other stakeholders.	• A structured horizon scanning programme monitors emerging legislation and regulatory requirements, assesses their impact and reports changes requiring action. External legal advisers and industry bodies support our understanding of obligations. • Governance frameworks and policies, mandatory colleague training on compliance obligations, and whistleblowing and ethics processes support compliance. Relevant teams assign ownership and implement responses, including policy updates and projects where more substantial changes are needed. • Planned improvements to policy governance, training, compliance monitoring and engagement with regulators are intended to strengthen the consistency of our approach across sectors.	

8. Failure to protect sensitive data

Executive risk owner: GS&GC

Link to our purpose:



What is the risk?

Failure to protect personal or commercially sensitive information could result in unauthorised access, disclosure, loss or corruption. Cyber threats, legacy systems, human error, weak data governance and supplier vulnerabilities could increase exposure.

Potential impact?

- Regulatory enforcement, financial penalties and increased scrutiny of the Society's arrangements.
- Loss of member and customer trust, reputational damage and adverse effects on trading performance.
- Investigation, legal and remediation costs, together with disruption to affected systems and services.

How do we manage it?

- Regular system patching and penetration testing, cyber security tools and monitoring systems, and mandatory cyber security and data protection training support the protection of information.
- A data governance framework aligned to GDPR sets out requirements for handling information. Defined incident response and disaster recovery processes support our response to breaches, while third-party due diligence and ongoing supplier oversight address risks arising from external providers.
- Data Protection Impact Assessments for key projects and new systems identify privacy risks. Structured data discovery locates sensitive information, including within legacy systems, and supports action to address identified gaps.
- Planned scan-to-shelf technology in Pharmacy and Data Loss Prevention capability across priority systems are intended to reduce data leakage and improve monitoring.

Risk Direction



9. Business Continuity: Disruption to operations due to internal or external events

Executive risk owner: GS&GC

Link to our purpose:



What is the risk?

Fire, flood, severe weather, supplier disruption, workforce shortages or utility and infrastructure outages could interrupt essential services. Inadequate continuity arrangements could prolong recovery and affect our ability to meet customer and regulatory needs.

Potential impact?

- Interruption to critical services, lost revenue and increased recovery costs.
- Loss of customers to competitors during an interruption, with longer-term effects on trust and market share.
- Increased exposure to regulatory breaches while operating under disrupted conditions.

How do we manage it?

- Disaster recovery plans, particularly for IT, support the restoration of systems and services. A documented crisis management framework sets out arrangements for responding to significant events and is tested periodically.
- Functional business continuity plans support critical operations, including the Pharmacy Warehouse, with response procedures to help maintain key services during disruption.
- A more detailed cyber response playbook is being developed alongside the Support Centre continuity plan to provide a structured approach to managing and recovering from a cyber incident.

Risk Direction



10. Failure to respond effectively to evolving customer expectations, preferences, and purchasing patterns

Executive risk owner: CPPO

Link to our purpose:



What is the risk?

Changing customer expectations, purchasing habits and price sensitivity could reduce the relevance of our products and services. Limited integration of customer data and underinvestment in digital capability could delay our response and weaken the member proposition.

Potential impact?

- Loss of customers to competitors offering better perceived value, convenience or service, reducing sales and margins.
- Weaker customer loyalty and member engagement, reducing trust and funds available for community investment.
- Poorly informed investment decisions and missed opportunities to develop services or cross-sell across our businesses.

How do we manage it?

- We use available customer and market data, supported by manual analysis and regular competitor and market reviews, to align products and services. Clear escalation and decision-making processes support responses to changes, while customer feedback informs continual service improvement within trading teams.
- Initiatives to regain customers, retain members and re-engage lapsed members are supported by continued development of the membership proposition and pricing incentives. Regular communications maintain contact with customers.
- Planned investment in customer relationship management is intended to integrate data, improve customer insight and support timely decisions on products, services and the member offer. Targeted communications and performance analysis will support member recruitment and retention, responses to competitor openings and assessment of returns from marketing and supplier advertising.

Risk Direction



11. Death or serious injury of a customer, employee or third party			Executive risk owner: GS&GC	
Link to our purpose:	**What is the risk?**	**Potential impact?**	**How do we manage it?**	**Risk Direction**
	Workplace hazards, unsafe premises or inadequate safety arrangements could cause death or serious injury to colleagues, customers or third parties. Weak adherence to procedures, insufficient training and underreporting of incidents or near misses could increase exposure.	• Fatalities or life-changing injuries, with lasting consequences for those affected and their families. • Legal action, regulatory prosecution, penalties and compensation costs. • Operational disruption, effects on colleague wellbeing and reputational damage, particularly within local communities.	• Formal safety policies and procedures are reviewed regularly and supported by mandatory training and refresher programmes. • Site inspections, audits and Health and Safety Committee oversight provide checks on working practices and follow-up of identified issues. • The refresh of the Health and Safety strategy will focus on clearer accountability, consistent incident and near-miss reporting, and assurance activity targeted at the greatest risks.	

Health, safety & security

Keeping our colleagues, members, and customers safe remains a priority for Lincolnshire Co-op. Over the year, we recorded a 16% reduction in reported colleague accidents and a 25% reduction in colleague incidents reportable under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Accidents involving customers, contractors and visitors fell by 16%, although the rate relative to customer footfall increased slightly. We continue to examine the causes of incidents and work with local teams to address the risks at their locations.

Reported threats and abuse towards colleagues fell by 31%, while reported theft reduced by 21%. Body-worn cameras in our food stores and pharmacies help protect colleagues and provide evidence for police investigations. We continue to work closely with local policing teams, using reports from colleagues to identify where additional security measures are needed.

Keeping people safe relies on everyone understanding their responsibilities and feeling confident to raise concerns. Fewer hazard and near-miss reports were received during the period, so we will place greater emphasis on reporting and acting on concerns before someone is harmed. Over the coming financial year, we will relaunch our Health and Safety strategy 'Protecting What Matters', clarify responsibilities for safety across the Society and focus inspections and assurance work on the areas of greatest risk. This will help colleagues and managers understand what is expected of them and where further support is needed.

Data security and ethics

The Society has continued to strengthen its data protection and privacy framework, further embedding accountability and responsible data use across the Society. Our focus this year has been on supporting business transformation while ensuring privacy, security and regulatory compliance remain integral to decision-making.

Throughout the year, we have worked closely with colleagues across the Society to ensure privacy considerations are incorporated into strategic initiatives, operational processes and the adoption of new technologies.

A key area of focus has been developing our governance and assurance arrangements, including enhanced oversight of third-party data processing and supplier due diligence activities. This has strengthened our understanding of privacy risks across the wider supply chain and reinforced the Society's commitment to protecting personal information wherever it is processed.

Recognising the growing role of emerging technologies, we have continued to develop our approach to artificial intelligence through guidance, awareness activities and governance measures that support responsible innovation while maintaining appropriate safeguards for personal data.

Building a strong privacy culture remains a core priority. Through training, awareness campaigns and practical support, colleagues have been equipped with the knowledge and confidence to manage personal information responsibly.

Looking ahead, we will continue to strengthen our privacy programme, respond to evolving regulatory expectations and support the Society's strategic objectives through effective data governance, maintaining trust through transparency, accountability and continuous improvement.

Whistleblowing

How we behave matters. The Board recognises that 'doing the right thing' depends on creating a culture where colleagues and other stakeholders feel confident to speak up when something does not seem right. We will support those who raise genuine concerns, even where those concerns ultimately prove to be mistaken. During the year, the Society reviewed and strengthened its Whistleblowing Policy and refreshed communications to provide greater clarity about when and how concerns can be raised, alongside the protections and support available to those speaking up.

The Board's Whistleblowing Champion works closely with the Group Secretary & General Counsel, supported by the Audit & Risk Committee, to oversee the effectiveness of the Society's arrangements and ensure that concerns are appropriately assessed, investigated and followed through.

Colleagues have a number of routes through which they can raise concerns, including internal reporting channels and Safecall, which continues to provide an independent and confidential external reporting service.

Anti-bribery

At Lincolnshire Co-op, we conduct all our business in an honest and ethical manner, in line with our THRIVE values. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We implement and enforce effective systems to counter bribery and corruption. We will never permit or authorise the offering, making, or receiving of a bribe. No reported instances of bribery were recorded during the year ending 5 September 2026.

Money laundering, fraud and other financial crime

Money laundering is the process whereby criminals attempt to conceal the true origins and ownership of the proceeds of criminal activity. Their objective is to make the proceeds of crime appear legitimate by integrating them into the financial system. We take seriously our responsibility for ensuring that the Society is not used as a conduit for the proceeds of financial crime.

Chair report: Audit & Risk Committee

Committee membership (as at 5 September 2026):

Ian Haldenby (Chair), **Jeremy Hodson, Jackie Munn, Lesley Robinson**

Committee purpose:

"Monitor and review the financial reporting process, internal control and risk management systems, and the effectiveness of the assurance framework. Ensure that there is proper consideration and assessment of future risks ensuring that management develop appropriate strategies to mitigate the risks that the Society is exposed to."

A full copy of the Committee's Terms of Reference can be found at:
lincolnshire.coop/about-us/board-of-directors

Chair's summary



Ian Haldenby

"As the Society continues to deliver its Purpose Beyond Profit 2030 strategy, effective risk management, internal control and assurance remain central to the work of the Audit & Risk Committee. During the year, we have continued to strengthen our approach to principal risk and risk appetite, while maintaining particular focus on cyber security and operational resilience as the Society progresses its programme of technology and infrastructure investment. Internal Audit has continued to provide constructive challenge across key areas of the Society, with the Committee closely monitoring agreed actions and the improvements made in response. We have also maintained oversight of financial reporting, regulatory compliance and the integrity of the Society's wider reporting. The Committee is satisfied that the Annual Report and Accounts are fair, balanced and understandable and provide members with a clear and transparent assessment of the Society's performance, position and principal risks."

Going concern assessment

During the year, the Committee received reports from the Chief Financial Officer outlining the basis on which it is reasonable for the Society to continue to prepare its financial statements on a 'going concern' basis. In simple terms, going concern means that the Society will continue to trade and meets its liabilities as they fall due.

As part of its assessment, the Committee has taken into consideration changes affecting the macro-economic environment, including cost of living challenges, supply chain pressures and more.

Forvis Mazars, as the Society's external auditor, have reported on year-end financial statements and the Committee considered the external auditors report prior to recommending approval of the financial statements to the Board. Forvis Mazars has reported to the Committee on the work carried out in relation to the most significant areas of audit risk and where accounting assumptions and estimates have been applied by management. Management confirmed to the Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. Forvis Mazars calculated its materiality levels, which were presented to and approved by the Committee at the planning stage.

The external auditor provided the Committee with a summary of any misstatements which exceeded that threshold which had been identified during the course of the testing and no material amounts remain unadjusted. The Committee is also responsible for considering the annual external auditors' management letter and monitoring progress being made by management to address any such findings.

After reviewing reports by management and after consulting with the external auditor, the Committee was satisfied that the financial statements appropriately address the critical judgements and estimates. The Committee also satisfied itself that the significant assumptions used for determining the value of the Society's assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Annual Report

The Audit & Risk Committee is responsible for considering on behalf of the Board whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary to members to assess the group's performance, business model and strategy. In justifying this statement, the Committee has considered the robust process which operates in creating the Annual Report and Accounts, which includes the following:

- Changes to regulatory requirements, including the Co-operative Code, are considered on an ongoing basis.
- Key accounting judgements are presented to the Audit Committee for approval.
- Whether the description of the Society's business model is accurate; whether the narrative reports explain the financial statements; whether the principal risks and uncertainties faced by the Society are clearly described, together with mitigating actions and whether the Society's liquidity position over the next year is adequate to support the going concern assessment.
- Whether there are any significant control weaknesses, or failings which should be brought to the attention of the Society's Members.
- A thorough process of review and evaluation of the inputs into the accounts to verify accuracy and consistency, including review by senior management.
- A meeting of the Audit & Risk Committee to review and consider the draft Annual Report and Accounts in advance of the final sign-off.

The Chair of the Audit & Risk Committee reports its conclusions for final sign-off by the Board of Directors. As part of the Committee's assessment of the Annual Report and Accounts, prior to reporting to the Board on this topic, the Committee draws on reports prepared by and discussions with the Chief Financial Officer. The Committee is satisfied that senior members of the Finance team are fully familiar with the fair, balanced and understandable requirement. The Committee receives assurance from members of the Executive Leadership Team that they consider the content for which they are responsible is fair, balanced and understandable.

Auditor independence

The Audit and Risk Committee is responsible for assessing the effectiveness of the annual audit process, monitoring the independence and objectivity of the external auditor and making recommendations to the Board in relation to the appointment, reappointment, remuneration and removal of the external auditor.

As part of its annual assessment of the effectiveness of the external audit process, the Committee conducts a formal review whereby members of the Committee consider the performance, qualifications, expertise, resources, independence and objectivity of the external auditor. The results of the review are discussed by the Committee without the external auditor being present and any actions or suggestions about the external process are subsequently discussed with the external auditor.

The Committee has reviewed and approved the external auditor's overall work plan which further ensures that the process is effective. In order to safeguard auditor objectivity and independence, the Committee maintains a formal policy which governs the engagement of the external auditor for non-audit services. The policy is designed to ensure that the provision of such services does not have an impact on the external auditor's independence and objectivity. This policy identifies services which can only be undertaken with appropriate authority from the Committee where non-audit fees will exceed pre-set thresholds. The external auditor may only provide such services if the associated advice does not conflict with their statutory responsibilities and ethical guidance. The Committee receives regular information on the fees paid for non-audit work to the audit firm, an annual report on the non-audit services being provided and the cumulative total of non-audit fees. Details of the audit fee can be found on page 63.

The Society's Control Framework and Internal Audit Programme

Internal audit is a vital source of assurance for the Audit & Risk Committee and, ultimately, the Board that the delivery of the Society's purpose and trading activities is undertaken in line with settled risk appetite and tolerances, and within a robust internal control framework. The Society performs independent reviews of regulatory, operational, and financial control procedures across the business and reports its findings to the Audit & Risk Committee. Progress against management action plans to overcome internal control weaknesses and business risks is also monitored and reported to the Audit & Risk Committee. A summary of the internal audit activity undertaken in the financial year is as follows:

- Payroll Audit
- Wastage and Leakage
- Procurement
- Funeral Group Audit

Internal Audit has continued to provide constructive challenge across key operational areas, identifying opportunities to strengthen accountability, management information and control effectiveness. The Committee closely monitors management actions arising from these reviews and seeks assurance that improvements are implemented and sustained.

Cyber security and resilience

Cyber security and operational resilience continue to form part of the Committee's oversight of the Society's wider risk and control environment. During the year, the Committee has received regular updates on the programme of activity being undertaken to strengthen the Society's cyber security arrangements and address recommendations arising from previous assurance work.

The Committee has been encouraged by the progress made during the year, supported by continued investment in technology, strengthened cyber security capability and improvements to the Society's monitoring, detection and response arrangements. This has included enhancements to vulnerability management, threat monitoring, access and software controls, alongside the continued modernisation of the Society's technology infrastructure.

Recognising that cyber security remains an evolving risk for all organisations, the Committee will continue to maintain appropriate oversight of the Society's cyber risk position and the delivery of further improvements, with a focus on ensuring that arrangements remain proportionate to the changing external environment and support the resilience of the Society's operations.

Risk management

During the year, the Committee oversaw further development of the Society's risk management framework, including clearer articulation of principal risks, risk appetite and target risk positions. This provides greater visibility of where risk exposure sits outside agreed appetite and supports more effective prioritisation, challenge and management action. Further details regarding the Society's risk management framework, assessment and principal risks can be found on pages 26-31.

Sustainability

Over the course of the year, the Committee has also maintained oversight of the integrity of the Society's sustainability reporting and associated risks, including progress against independently validated Science Based Targets. On pages 16-19 you will find further information regarding the Society's Sustainability Strategy and action undertaken in this fiscal year.

Approval

This report is approved by the Audit & Risk Committee and signed on its behalf by:



Ian Haldenby
Chair of the Audit & Risk Committee

Chair Report: Remuneration Committee

Committee membership (as at 5 September 2026):

Claire-Jayne Green (Chair), **David Cowell, Julie Dows** (with effect from July 2026), **Jackie Munn** (until July 2026), **Lesley Robinson**

Committee purpose:

"Ensure that Remuneration policies, principles and practices are appropriate to enable the business to attract, retain and reward people with the right skills, experience, knowledge and behaviours to support achievement of the Society's purpose, goals and objectives."

A full copy of the Committee's Terms of Reference can be found at:
lincolnshire.coop/about-us/board-of-directors

Chair's summary



Claire-Jayne Green

"This has been a demanding year for Lincolnshire Co-op and its colleagues. The Society has had to make difficult organisational changes to protect its long-term sustainability. The Committee has been clear that decisions of this kind must be supported by sound evidence, handled responsibly and remain consistent with our co-operative values.

Against that background, the Committee has maintained a deliberate and consistent focus on the performance of the Executive Leadership Team. We have strengthened the discipline around objectives, progress and outcomes, so that the Board can see clearly where performance is on track, where further action is required and how individual and collective accountability is being applied. This scrutiny is not an end in itself: it is intended to support better decisions and delivery for members, colleagues and the communities we serve.

The year has also demonstrated the value of constructive employee relations. Despite the scale and pace of change, the Society's relationship with its recognised trade union has remained strong. That is a credit both to the union representatives supporting Lincolnshire Co-op colleagues and to the teams across the Society who have engaged openly and professionally. Constructive challenge has been important, particularly where proposals have had a direct impact on people's roles and working lives.

The Committee has continued to oversee executive remuneration, performance-related reward and the wider approach to fair pay. In reaching its conclusions, it has considered the Society's financial performance and affordability, the experience of the wider workforce, external market evidence and the need to retain capable leadership through a period of significant change. Our aim remains to ensure that reward is fair, transparent and proportionate, and that it supports sustainable performance rather than short-term outcomes."

Committee responsibility and membership

The Committee's responsibility is to ensure that remuneration policies, principles and practices enable the Society to attract, retain and reward people with the skills, experience, knowledge and behaviours needed to deliver its purpose, goals and objectives.

During the year, the Committee's work included:

- Maintaining regular scrutiny of executive leadership team performance against agreed objectives and the society's strategic priorities
- Reviewing executive pay and performance-related reward in the context of business performance, affordability and the experience of the wider workforce
- Considering the people implications of organisational change and the quality of engagement with affected colleagues and the recognised trade union
- Overseeing the continuing application of the society's pay and grading framework and its approach to fair pay
- Reviewing the CEO pay ratio, colleague bonus and profit share arrangements, and gender pay gap reporting
- Considering leadership capability, succession and the organisational capacity needed to deliver the society's long-term plans

Executive performance and accountability

The Committee has placed greater emphasis this year on the clarity and consistency of executive performance oversight. Objectives have been considered against the Society's strategic priorities and the need to improve long-term financial sustainability. Progress has been reviewed during the year, not simply assessed retrospectively when remuneration decisions are made.

This approach has enabled more purposeful discussion about delivery, leadership behaviours and the collective effectiveness of the Executive Leadership Team. It has also allowed the Committee to distinguish between external factors affecting performance and those matters within management's control. Where delivery has fallen short of expectations, the Committee has sought clear recovery actions, ownership and timescales.

The Committee recognises that a year of significant organisational change places additional demands on leaders. It has therefore considered not only what has been delivered, but how change has been led, communicated and experienced by colleagues. Executive reward must reflect sustained contribution and responsible leadership as well as financial outcomes.

Organisational change and employee relations

The Society has undertaken reorganisations during the year to reduce cost, improve effectiveness and support its long-term sustainability. These have involved difficult choices and have had a real impact on colleagues. The Committee has received updates on the rationale for change, the people and organisational implications, and the approach to consultation and implementation.

Throughout this period, the relationship between the Society and its recognised trade union has remained constructive. The Committee wishes to record its appreciation for the professionalism of union representatives in supporting colleagues, testing proposals and helping to maintain meaningful dialogue. It also recognises the work of leaders, managers and People teams across the Society in engaging with the union and with colleagues during a challenging period.

A strong relationship does not mean an absence of disagreement. It means that difficult issues can be addressed openly, with respect for the respective roles of the Society and the union and with proper attention to the interests of colleagues. That has been particularly important this year.

Directors' remuneration

The Board must ensure that the Society's approach to Directors' remuneration is fair, transparent and aligned with co-operative values and principles. The Co-operative Corporate Governance Code recommends that Directors' remuneration is reviewed regularly and at least every three years. Directors must not take part in determining their own remuneration.

The existing published fee structure remained unchanged during the year:

Role	Fees effective 1st July 2024
Base Director Fee	£9,500 p.a.
Board Chair	£25,000 p.a.
President	£11,400 p.a.
Chair of A&R Committee	£2,500 p.a.
Chair of Remuneration Committee	£1,500 p.a.
Chair of Search & Governance Committee	Covered by additional Board Chair fee.
Chair of Member Engagement Committee	No additional fee
Committee Membership Fee	£750 p.a. for each committee.

Director remuneration continued

Individual Directors' total gross remuneration for the year is shown below, together with the prior-year comparison. Directors may also claim mileage, public transport fares and reasonable expenditure for parking, meals and accommodation in accordance with the Society's Expenses Policy.

Director	Year ended 5 September 2026	Year ended 6 September 2025
David Cowell	£27,331	£27,179
Julie Dows[2]	£1,879	-
Mark Fields[3]	£8,251	£10,250
Claire-Jayne Green	£11,861	£10,250
Tracey Latham-Green	£10,706	£1,870
Richard Griffiths[2]	£1,937	-
Ian Haldenby	£12,884	£12,819
Jeremy Hodson	£11,065	£1,915
Debbie Meredith[2]	£1,879	-
Jane Moate[1]	£11,003	£11,542
Jackie Munn	£11,376	£11,000
Claudia Nel	£10,796	£10,575
Lesley Robinson	£12,289	£10,152
Mike Wistow[4]	£8,725	£10,033
Ash Wilks	£10,306	£9,704
Nicola Berry	-	£8,947
Richard Wills	-	£10,419

[1] Term ended with effect from June 2026.

[2] Elected with effect from June 2026.

[3] Ceased to be a Director in June 2026.

[4] Ceased to be a Director in February 2026.

Executive remuneration

The remuneration packages of the Chief Executive Officer and the Group Secretary and General Counsel are determined by the Board on the recommendation of the Remuneration Committee and in accordance with the remuneration principles and policy agreed by the Board. Neither individual takes part in the consideration or determination of their own remuneration.

Responsibility for determining the remuneration packages of other Executive Leadership Team members is delegated to the Chief Executive Officer, who discusses the approach and conclusions with the Committee. The Committee considers the overall position, including internal fairness, market evidence, affordability, performance and the experience of the wider workforce.

The emoluments of Executive Leadership Team members in post at the year end, including salary, performance-related pay, pension contributions and taxable benefits relating to the financial year are shown below.

ELT emoluments

The table below show those in ELT position on 5th September 2026 and 6th September 2025 and represents the total emoluments earned in relation to that financial year.

2026	Salary and Benefits	Bonus*	Total
Robert Allen	£178,597	£0	£178,597
Karen Bennett	£196,599	£0	£196,599
Laura Dunne	£145,153	£0	£145,153
Alison Hands	£498,228	£0	£498,228
Paul Howard	£210,668	£0	£210,668
Andrew Warman	£194,507	£0	£194,507
Total	£1,423,752	£0	**£1,423,752**

2025	Salary and Benefits	Bonus*	Total
Robert Allen	£172,082	£13,508	£185,590
Karen Bennett	£0	£0	£0
Laura Dunne	£128,030	£5,778	£133,808
Alison Hands	£496,715	£38,130	£534,845
Paul Howard	£208,716	£17,502	£226,218
Andrew Warman	£162,996	£10,726	£173,722
Steve Leach	£258,740	£0	£258,740
Total	£1,427,279	£85,644	**£1,512,923**

*Bonuses are reported in the financial year that they were earnt in. Actual payment is made after the year end, which is the same principle as profit share bonus for all colleagues.

This reporting represents a change from the previous report, where bonuses were reported in the year they were paid, rather than the financial year that they related to.

Salary and benefits have been combined together due to the roll out of salary sacrifice for pension contributions, lowering salary for those opting in to it, this is offset within benefits.

Colleague pay and reward

The Committee has considered colleague pay in the context of the continuing pressure on household costs, changes to the National Living Wage and National Insurance, the Society's financial position and the need to remain a responsible and competitive employer. We continue to pay at least 15p above the National Living Wage.

The Society continues not to apply lower age-related National Minimum Wage rates. Colleagues are paid the adult rate for the job regardless of age. The Committee supports this approach as consistent with fair pay and the Society's values.

The pay and grading framework introduced in the previous year has provided a clearer basis for pay decisions, career progression and internal fairness. The Committee will continue to monitor how consistently the framework is applied and how it supports the Society's employee value proposition.

Bonus and profit share arrangements

Management bonuses are intended to recruit, retain and motivate leaders and to recognise performance against agreed objectives. Colleague profit share provides a separate mechanism through which eligible colleagues can share in the Society's success when the performance conditions agreed by the Board are achieved.

Frontline colleagues received a profit share payment in December 2025, this related to our financial performance in 24/25. The management bonus, which applies to around 5% of colleagues including those leading the Society's outlets, was initially dependent on receipt of the insurance settlement relating to the Co-op Group cyber-attack. Following confirmation of the settlement, and with Board agreement, a minimum management bonus was paid to recognise the work of colleagues in responding to external pressures and leading change to support the Society's long-term sustainability.

In reviewing outcomes for the year, the Committee has considered the Society's financial performance, affordability, the delivery of strategic priorities and the quality of leadership through change. Performance-related awards must be supported by evidence and remain proportionate to the experience of members and the wider workforce. The Committee has exercised judgement where a purely formulaic outcome would not have reflected the full circumstances of the year.

CEO pay ratio

The CEO pay ratio provides a snapshot of the relationship between the Chief Executive Officer's total remuneration and colleague pay at the 25th percentile, median and 75th percentile. The calculation includes salary, variable pay, pension contributions and taxable benefits. The audited ratios are shown alongside the prior year and will be considered in the context of the Society's wider approach to pay, reward and progression.

Year	Method	25th percentile	Median	75th percentile
2026	Option B	18.6	17.1	13.9
2025	Option B	23.6	22.0	21.1

The Committee will consider whether the 2026 ratio is consistent with the Society's wider approach to pay, reward and progression and with relevant co-operative and retail comparators.

Gender pay gap

The Society publishes statutory gender pay gap information each year. The Committee reviews both the headline measures and the underlying workforce patterns that influence them, including representation across grades, working patterns, recruitment, development and progression.

A gender pay gap is different from equal pay. Equal pay concerns whether men and women receive the same pay for the same or equivalent work; the gender pay gap measures differences in average earnings across the organisation. The Society's mean and median hourly pay gaps and bonus pay gaps are shown below, with comparison to 2025.

Measure	2026	2025
Mean hourly pay gap	13%	21%
Median hourly pay gap	4%	14%
Mean bonus pay gap	45%	43%
Median bonus pay gap	23%	35%

External advice

The Committee keeps its need for external remuneration advice under review. Specialist support is commissioned where it adds value, provides independent market evidence or is needed to address a particular legal, economic or governance issue. Any external advisers engaged during the year will be disclosed in the final audited report together with the nature of their work.

Priorities for the coming year

The Committee's priorities for 2026 and 2027 will include maintaining robust oversight of executive performance and accountability; ensuring that reward remains aligned with sustainable delivery and affordability; monitoring the people consequences of organisational change; reviewing leadership succession and capability; and continuing to test the fairness and effectiveness of the Society's wider pay and reward arrangements.

The Committee will also continue to monitor the quality of engagement with colleagues and the recognised trade union. The experience of this year has reinforced the importance of relationships that are sufficiently strong to support both constructive challenge and practical progress.

Approval

This report is approved by the Remuneration Committee and signed on its behalf by:

Claire-Jayne

Claire-Jayne Green
Chair of the Remuneration Committee

Chair Report: Search & Governance Committee

Committee membership (as at 5 September 2026):

David Cowell (Chair), **Jeremy Hodson** (with effect from July 2026), **Tracey Latham-Green**, **Debbie Meredith** (with effect from July 2026), **Jane Moate** (until June 2026)

Committee purpose:

"To ensure that the Board is of an appropriate size and balance of knowledge, skills and experience to lead the Society. Oversee orderly succession to Board positions ensuring that there is a diverse pipeline for succession. Lastly, overseeing the Society's compliance with, and approach to all applicable regulation and guidance related to corporate governance matters."

A full copy of the Committee's Terms of Reference can be found at:
lincolnshire.coop/about-us/board-of-directors

Chair's summary



David Cowell

"Good governance is fundamental to the Society's long-term success and must continue to evolve as our strategy, activities and operating environment change. During the year, the Committee has focused particularly on ensuring that the Board continues to have the skills, experience and support required to provide effective leadership and oversight of the Society.

We have made significant progress in developing a more structured approach to Board succession planning, continued to strengthen our election and assessment processes and introduced further improvements to Director induction, development and mentoring. Our annual Board Effectiveness Review has again provided valuable insight into areas of strength and opportunities for further improvement, helping ensure that governance continues to develop alongside the Society's ambitions.

Throughout this work, we have sought to maintain the right balance between continuity, capability and the democratic principles that sit at the heart of our co-operative governance model."

Board succession planning

A significant focus for the Committee during the year has been strengthening the Society's approach to Board succession planning. The democratic nature of our governance model is an important strength, but inevitably creates less certainty over future Board composition than would be experienced by organisations where all Directors are appointed. The Committee has therefore considered how the Society can better plan for continuity, skills and future leadership while protecting the principle of member democracy.

This work was informed by the annual Board Effectiveness Review, which again identified succession planning as an area requiring further development. In response, the Committee has developed a formal Board Succession Planning Policy and Framework which introduces a more structured and forward-looking approach to anticipated Board changes, future skills requirements, succession for key leadership positions and contingency planning for unexpected vacancies. The framework also connects succession more closely with the Director Skills Matrix, individual Director reviews and ongoing development.

The Committee has been particularly mindful of ensuring that any future arrangements achieve an appropriate balance between continuity and renewal. External input has also been sought from Co-operatives UK, which raised no material concerns regarding the principles underlying the framework. Further work, including any necessary amendments to the Society's Rule Book, will continue beyond this fiscal year and would be subject to the appropriate Board and member approvals.

Society elections

This year saw a contested election for three positions on the Board. The Society saw very high expressions of interest from eligible members and was the highest in recent history for the Society. We were pleased to welcome three new Directors who introduce new skills and experience within the Board.

The Committee has continued to oversee the Society's Director election process, seeking to ensure that it remains transparent, accessible and rigorous while protecting the democratic right of members to elect their representatives to the Board.

Changes to candidate eligibility introduced ahead of the 2026 election reduced the previous financial spend requirement and provided an alternative route for members able to demonstrate meaningful contribution to organisations or activities aligned with the Society's purpose. This helped broaden accessibility to the process, with a greater proportion of applications meeting the eligibility requirements than in the previous year.

Member participation in the election reduced compared with the previous year and the Committee will continue to consider how the Society can encourage greater participation in its democratic processes while ensuring that future elections remain proportionate, accessible and engaging.

Each vote resulted in £1 donated to the Society's Community Champions causes, resulting in a grand total of £8,827 by the end of the election period.

Members wishing to stand for election to the Society's Board should initially contact the Society's Group Secretary & General Counsel. Details about standing for election to the Society's Board can also be found on the Society's website at: lincolnshire.coop/boardofdirectors.

Board effectiveness and director development

The annual Board Effectiveness Review continues to provide an important opportunity for Directors to reflect collectively on how effectively the Board operates and where further development would add value. The 2025/26 review combined quantitative assessment with qualitative feedback and individual Director review discussions, providing the Committee with a rounded view of Board performance.

The review identified particular strengths as well as areas for development such as succession planning discussed earlier in my report. In response, a structured improvement plan was formulated with progress being overseen by the Committee throughout the year.

Alongside the formal evaluation process, the Committee has continued to strengthen the support available to individual Directors. A structured induction programme introduced during the year was refined following feedback from recently appointed Directors, while a Board mentoring framework has been developed to support new Directors and those preparing for additional Board responsibilities. A programme of shorter 'Board Essentials' development sessions has also provided focused learning on areas including co-operative governance, risk management, financial information and health and safety.

These initiatives form part of a broader commitment to continuous development, helping Directors build the knowledge, confidence and understanding required to contribute effectively as the Society continues to evolve.

Approval

This report is approved by the Search and Governance Committee and signed on its behalf by:

David Cowell

David Cowell
Chair of the Search and Governance Committee

Chair Report: Member Engagement Committee

Committee membership (as at 5 September 2026):

Ash Wilks (Chair), **Richard Griffiths** (with effect from July 2026), **Jane Moate** (until June 2026), **Jackie Munn** (with effect from July 2026), **Claudia Nel**, **Mark Fields** (until July 2026)

Committee purpose:

"The role of the Member Engagement Committee is to oversee and promote the active engagement with the Society's members."

A full copy of the Committee's Terms of Reference can be found at:
lincolnshire.coop/about-us/board-of-directors

Chair's summary

"This year, the Committee has continued to focus on strengthening the relationship between the Society and its members, ensuring that member voice remains at the heart of how we evolve. A significant area of focus has been Membership of the Future, where members and local people have helped shape our thinking from the outset through research and engagement exploring what matters to them at different stages of life. This work is helping us consider how membership can evolve beyond a principally transactional relationship and better connect members with the breadth of what the Society does and the difference it makes across our communities. We have also continued to challenge ourselves on how we engage with members, seeking to move beyond simply communicating with them towards creating meaningful opportunities for participation and influence. As the Society continues to change, our priority remains ensuring that members understand our direction, can contribute to shaping it and continue to see the value of belonging to Lincolnshire Co-op."



Ash Wilks

Membership of the Future

During the year, the Committee has played an active role in the Society's Membership of the Future programme, which is exploring how our membership proposition can evolve to remain relevant, distinctive and sustainable as the Society develops. A key principle has been that the future of membership should be shaped with members and local people, informed by their experiences and what matters to them, rather than developed solely from within the Society.

Independent research was undertaken to understand the physical, social, mental and financial needs experienced by people at different stages of life. This included an online survey involving 1,800 local people and a series of facilitated roundtable discussions, providing valuable insight into people's everyday experiences, the challenges they face and the factors that enable them to participate more fully in their local communities. The research highlighted common themes around affordability, access to trusted information, social connection and the importance of locally relevant support.

These insights are helping to shape the next stage of the programme and the Society's thinking about how membership can better reflect the breadth of our Purpose and activities, looking beyond a principally transactional relationship towards one which encourages greater connection, participation and involvement. The Committee has supported this direction while emphasising the importance of maintaining a clear distinction between the rights and responsibilities of Society membership and wider opportunities to engage with the Society and local community.

Member Engagement

The Committee regularly reviews membership trends to understand not only how many people become members, but how members engage with the Society over time and that successful engagement should not be measured solely through recruitment or short-term campaign responses. Our focus is increasingly on sustained participation and retention, understanding whether members continue to engage with the Society and experience meaningful value from their membership over the longer term.

Member Meetings

Regular and meaningful engagement with members is an important part of the Society's co-operative governance. The Annual Members' Meeting provides an opportunity for members to hear directly from the Board, ask questions, participate in the Society's democratic processes and understand more about its performance and future direction.

The Committee oversaw arrangements for the 2025 Annual Members' Meeting, which was held at STACK Lincoln and offered both in-person and online participation. Feedback from members was positive overall, particularly in relation to the question and answer session, business update and opportunities to engage directly with the Society. Members also provided constructive feedback on the venue, online experience, accessibility and format of the meeting.

The Committee has considered this feedback as part of planning for future member meetings. Our approach is to continue developing these events so that they provide accessible and meaningful opportunities for members to participate, challenge and engage with their Society.

The Society seeks to encourage eligible Members to participate in the AMM, either by attending in person where possible or on-line. The AMM provides Members with the opportunity to hold the Board to account through raising questions and voting either for or against any of the resolutions on the agenda at that meeting. The voting process is overseen by the Society's Group Secretary & General Counsel. The results of the vote are published on the Society's website. In accordance with the Society's rules, Notice of the AMM is published at least 14 days prior to the Meeting. All Directors attend the meeting unless their absence cannot be avoided.

Member Voice and Participation

The Committee has continued to encourage opportunities for members to have their voices heard beyond formal member meetings. This includes ensuring that member insight is considered as propositions develop, reviewing feedback from engagement activity and challenging how the Society can create meaningful opportunities for members to participate in and influence its future direction.

The Committee's ambition is to continue moving from engagement based principally on communicating information towards a more participative approach, where members are involved earlier and their insight can help shape decisions before they are made.

Community Engagement Initiatives

The Committee received regular updates from the Marketing & Membership team regarding the programme of community and engagement activity planned and implemented throughout the year. Further information about this activity is included on pages 10-13 of this report.

Approval

This report is approved by the Member Engagement Committee and signed on its behalf by:

Ash Wilks

Ash Wilks
Chair of the Member Engagement Committee

Compliance Statement

The Society complies with the Co-operative Governance Code except as set out below:

Member Voice, Participation and Engagement (Code Principle 1 Provisions 1&2): The Code requires the board to draft a statement explaining the democratic structure of the Co-operative and to develop communications that clearly define the role of members in the structure. The board informs Members about the structure and democratic nature of the Society in a number of different ways including through the Annual Report and Accounts, member meetings, via the Society's website, email and social media.

Member Value (Code Principle 2 Co-operative Leadership and Purpose Provision 2): The Code requires the Board to draft a statement providing details of the value generated for membership. No specific statement to this effect is included in the Annual Report and Accounts as the Board tells Members about the value it generates in a number of different ways including through member meetings, email, the Society's website and social media.

Remuneration Committee Report (Code Principle 6 Remuneration of the Board and Executive Leadership Provision 8): The Code recommends that the Remuneration Committee's report to be subject to an advisory vote by members at the annual general meeting. The Society does not currently put the Remuneration Committee Report forward for an advisory vote at the Annual Members' Meeting. The Society nevertheless seeks to ensure transparency in relation to remuneration through the disclosure of remuneration arrangements for both the Board of Directors and the Executive Leadership Team within the Annual Report and Accounts, enabling members to review and consider this information. Full details regarding both Board of Directors and the Executive Leadership Team remuneration can be found on pages 38-39.

The corporate governance statement set out above is signed on behalf of the Board of Directors.



Robert Allen

Robert Allen
Group Secretary &
General Counsel



David Cowell

David Cowell
Chair of the Board
of Directors



Alison Hands

Alison Hands
Chief Executive Officer

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the Group financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the income and expenditure of the Group for that period.

In preparing the Group financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the 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 the Society's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Board Certification

The financial statements on page 52 to 76 which comprise of the Group Revenue Account, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Funds Employed, Group Statement of Cash Flows and Notes to the Group Financial Statements, including a summary of significant accounting policies are signed on behalf of the Board of Directors pursuant to the Co-operative and Community Benefit Societies Act 2014.

David Cowell

David Cowell Chair of the Board of Directors

Ian Haldenby

Ian Haldenby Director

Robert Allen

Robert Allen Group Secretary & General Counsel

Independent auditor's report to the members of Lincolnshire Co-operative Limited

Opinion

We have audited the financial statements of Lincolnshire Co-operative Limited (the 'Group') for the year ended 5 September 2026 which comprise the Group Revenue Account, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Funds Employed, Group Statement of Cash Flows and Notes to the Group Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's affairs as at 5 September 2026 and of the Group's deficit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 the UK, 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

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

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.

Our responsibilities and the responsibilities of the Board of Director's with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- A satisfactory system of control over transactions has not been maintained; or
- The Group has not kept proper accounts; or
- The financial statements are not in agreement with the book of account; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Directors

As explained more fully in the Statement of Director's responsibilities set out on page 48, the Board of Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Board of 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 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, food safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Co-operative and Community Benefit Societies Act 2014.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

This report is made solely to the Group's members in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Group'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.

Other required reporting

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Jennifer Birch

Jennifer Birch (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
Three Chamberlain Square
Birmingham
B3 3AX

Year Ended 5th September 2026

	Notes	2026 (52 weeks) £'000	2025 (52 weeks) £'000
Turnover	3	**374,683**	372,770
Less: cost of sales		**(256,281)**	(254,297)
Gross profit	3	**118,402**	118,473
Less: expenses – ordinary trading	5	**(118,781)**	(112,254)
		(379)	6,219
Less: expenses – member benefits and grants	9	**(1,310)**	(1,225)
Trading (deficit)/surplus	3	**(1,689)**	4,994
Surplus on sale of fixed assets		**99**	283
Fair value losses on properties		**(1,161)**	(2,803)
Operating (deficit)/surplus		**(2,751)**	2,474
Share of profits of joint ventures	15	**129**	95
Interest receivable and similar income	7	**1,754**	2,265
Interest payable and similar expenses	8	**(964)**	(594)
Impairment and write off of loans	10	**(1,676)**	-
Exceptional items	4	**(983)**	(254)
(Deficit)/Surplus for the year before payments to and on behalf of members		**(4,491)**	3,986
Less: payments to and on behalf of members	9	**(2,421)**	(3,001)
(Deficit)/Surplus for the year before taxation		**(6,912)**	985
Taxation	11	**182**	(920)
(Deficit)/Surplus for the year		**(6,730)**	65
Attributable to:			
- Transferred to reserves		**(6,710)**	160
- Non-controlling interests		**(20)**	(95)
		(6,730)	65

The notes on pages 57 to 76 form part of these financial statements.

Year Ended 5th September 2026

	2026 (52 weeks) £'000	2025 (52 weeks) £'000
(Deficit)/Surplus for the year	**(6,730)**	65
Other comprehensive income		
Unrealised (deficit)/surplus on revaluation of properties	**(562)**	434
Actuarial loss on pension scheme including derecognition of scheme surplus	**(24,132)**	(2,409)
Share interest	**(7)**	(7)
Tax relating to other comprehensive income	**6,034**	604
Other comprehensive deficit for the year	**(18,667)**	(1,378)
Total comprehensive deficit for the year	**(25,397)**	(1,313)
Attributable to:		
- Transferred to reserves	**(25,377)**	(1,218)
- Non-controlling interests	**(20)**	(95)
	(25,397)	(1,313)

The notes on pages 57 to 76 form part of these financial statements.

As at 5th September 2026

	Notes	5th September 2026 £'000		6th September 2025 £'000	
Fixed assets					
Goodwill	12		**1,545**		1,693
Other intangible assets	12		**3,019**		3,672
Total Intangible assets			**4,564**		5,365
Tangible assets	13		**128,402**		121,251
Investment properties	14		**160,984**		145,774
Investments	15		**321**		783
			294,271		273,173
Current assets					
Stocks	18	**16,239**		15,582	
Debtors	19	**35,378**		40,840	
Cash at bank and in hand		**10,494**		20,803	
		62,111		77,225	
Creditors: amounts falling due within one year					
Creditors	20	**(67,402)**		(54,529)	
Dividend	20	**(4,378)**		(4,462)	
	20	**(71,780)**		(58,991)	
Net current (liabilities)/assets			**(9,669)**		18,234
Total assets less current liabilities			**284,602**		291,407
Creditors: amounts falling due after more than one year	21		**(1,208)**		(1,270)
Provision for liabilities					
Deferred tax liability	23	**(5,166)**		(9,143)	
			(5,166)		(9,143)
Net assets excluding pension surplus			**278,228**		280,994
Defined benefit pension surplus	25		**-**		22,769
Net assets			**278,228**		303,763
Financed by:					
Share capital	24		**3,437**		3,575
Revaluation reserve			**56,080**		54,740
Revenue reserve			**219,738**		246,455
Members' funds			**279,255**		304,770
Non-controlling interests			**(1,027)**		(1,007)
Total funds employed			**278,228**		303,763

The financial statements were approved by the board of directors and authorised for issue on 16 November 2026 and are signed on its behalf by:

David Cowell
David Cowell
Chair of the Board of Directors

Ian Haldenby
Ian Haldenby
Director

Robert Allen
Robert Allen
Group Secretary & General Counsel

The notes on pages 57 to 76 form part of these financial statements.

Society registration number IP00141R (England and Wales)

	Notes	Share Capital	Revaluation Reserve	Revenue Reserve	Members' Funds	Non-controlling Interests	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000
Balance at 8 September 2024		3,880	52,453	249,960	306,293	(912)	305,381
Year ended 6 September 2025							
Surplus/(deficit) for the year		-	-	160	160	(95)	65
Other comprehensive income:							
Revaluation of properties		-	434	-	434	-	434
Actuarial loss on pension scheme		-	-	(2,409)	(2,409)	-	(2,409)
Share interest		-	-	(7)	(7)	-	(7)
Tax relating to other comprehensive income		-	-	604	604	-	604
Total comprehensive deficit		-	434	(1,652)	(1,218)	(95)	(1,313)
Share capital contributions	24	241	-	-	241	-	241
Share interest	24	7	-	-	7	-	7
Share capital withdrawals	24	(553)	-	-	(553)	-	(553)
Transfers		-	1,853	(1,853)	-	-	-
Balance at 6 September 2025		**3,575**	**54,740**	**246,455**	**304,770**	**(1,007)**	**303,763**
Year ended 5 September 2026:							
Deficit for the year		-	-	(6,710)	(6,710)	(20)	(6,730)
Other comprehensive income:							
Revaluation of properties		-	(562)	-	(562)	-	(562)
Actuarial loss on pension scheme including derecognition of scheme surplus		-	-	(24,132)	(24,132)	-	(24,132)
Share interest		-	-	(7)	(7)	-	(7)
Tax relating to other comprehensive income		-	-	6,034	6,034	-	6,034
Total comprehensive deficit		-	(562)	(24,815)	(25,377)	(20)	(25,397)
Share capital contributions	24	207	-	-	207	-	207
Share interest	24	7	-	-	7	-	7
Share capital withdrawals	24	(352)	-	-	(352)	-	(352)
Transfers		-	1,902	(1,902)	-	-	-
Balance at 5 September 2026		**3,437**	**56,080**	**219,738**	**279,255**	**(1,027)**	**278,228**

The notes on pages 57 to 76 form part of these financial statements.

Year Ended 5th September 2026

	Notes	2026 (52 weeks) £'000		2025 (52 weeks) £'000	
Cash flows from operating activities					
Cash generated from operations	28		**5,049**		10,288
Investing activities					
Proceeds from disposal of intangibles		**-**		623	
Purchase of tangible fixed assets		**(35,835)**		(25,791)	
Proceeds from disposal of tangible fixed assets		**1,688**		3,071	
Proceeds from disposal of joint ventures		**5,000**		-	
Interest received		**181**		826	
Other income received from investments		**210**		293	
Net cash used in investing activities			**(28,756)**		(20,978)
Financing activities					
Issue of shares		**214**		248	
Redemption of shares		**(352)**		(553)	
Proceeds from new bank loans		**14,500**		-	
Interest paid		**(964)**		(594)	
Net cash generated from/(used in) financing activities			**13,398**		(899)
Net decrease in cash and cash equivalents			**(10,309)**		(11,589)
Cash and cash equivalents at beginning of year			**20,803**		32,392
Cash and cash equivalents at end of year			**10,494**		20,803

The notes on pages 57 to 76 form part of these financial statements.

1 Accounting policies

General information

Lincolnshire Co-operative Limited (the 'Society') is a registered society under the Co-operative and Community Benefit Societies Act 2014 incorporated in the UK. The address of the Society's registered office is Stanley Bett House, 15-23 Tentercroft Street, Lincoln, LN5 7DB.

1.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The financial statements are prepared on the historic cost basis except that property is stated at fair value.

At 5 September 2026, the Group had net assets of £278,228,000 and net current liabilities of £9,669,000. The Group had cash at bank of £10,494,000 and a committed £60,000,000 revolving credit facility, of which £14,500,000 was drawn at the year end. The Group has adequate resources to continue in operational existence for the foreseeable future.

The directors have prepared detailed cashflow forecasts for an 18 month period from the year end date, which take into account the Society's liquidity and its available banking facilities, including the financial covenants attached to those facilities. In preparing this assessment, the directors have considered reasonably plausible downside scenarios which reflect any ongoing impacts from the current economic challenges including cost of inflation for the Society and potential impacts on sales revenue due to customer spending habits changing. The plausible downside forecasts indicate that the Group has sufficient liquidity, and the ability to operate within its financial covenants throughout the going concern period, such that it is able to continue to meet its liabilities as they fall due.

Accordingly, the directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the going concern period, and the directors therefore continue to adopt the going concern basis in preparing these financial statements.

1.2 Basis of consolidation

The Group Financial Statements consolidate Lincolnshire Co-operative Ltd and its subsidiaries.

A subsidiary is an entity that is controlled by the Society. The results of subsidiary undertakings are included in the Group Revenue Account from the date that control commences until the date that control ceases. Control is established when the Society has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

A joint venture is a contractual arrangement in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits of jointly controlled entities is included in the Group Revenue Account and its interest in their net assets is recorded on the Group Balance Sheet using the equity method.

1.3 Turnover

Turnover is measured at fair value of the consideration received or receivable, net of value added tax, discounts, and incentives.

For the sale of goods, turnover is recognised at the point of sale.

For the provision of services, turnover is recognised when the service is performed.

For travel commissions, turnover is recognised on an agency basis at the point of a holiday booking with a reduction to allow for future cancellations.

For property rental income, turnover is recognised over the lease term on a straight line basis net of any lease incentive.

1.4 Intangible fixed assets

Purchased goodwill and pharmacy licences are capitalised and amortised over their estimated useful life which is deemed to be a maximum of 20 years.

When there is an indication of impairment, the carrying amount of goodwill and other intangibles are compared to the recoverable amount, with any difference being charged to the Group Revenue Account.

1.5 Tangible fixed assets

Trading properties are included at current fair values after being subject to depreciation at the appropriate rate and to impairment charges where appropriate.

Surpluses on Trading property revaluations are recognised in the Group Statement of Comprehensive Income and are accumulated in the Revaluation reserve, except to the extent that they reverse a previously charged impairment of the same asset, in which case the reversal is recorded in the Group Revenue Account.

Deficits on Trading property revaluations are recognised in the Group Statement of Comprehensive Income to the extent of any previously recognised revaluation increases accumulated in the Revaluation reserve. If a revaluation deficit exceeds the accumulated revaluation surpluses accumulated in the Revaluation reserve of the same asset, the excess is recorded in the Group Revenue Account.

Other fixed assets are stated at their acquisition cost less impairment and are depreciated over their expected useful lives to their estimated residual values by equal instalments based on the following minimum rates:

Freehold land	Nil
Freehold and long leasehold buildings	2% p.a.
Fixtures, fittings and plant	5 - 33% p.a.
Transport	14 - 33% p.a.

1.6 Investment properties

Investment properties are measured at current fair value with any change in value recognised in the Group Revenue Account and are not subject to depreciation.

Surpluses on Investment property revaluations are transferred from the Revenue reserve to the Revaluation reserve.

The fair value valuations for both Investment properties and Trading properties are carried out in accordance with the Royal Institution of Chartered Surveyors ("RICS") valuation standards by external valuers.

1.7 Fixed asset investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value. Investments held as current assets are stated at the lower of cost and net realisable value.

1.8 Stocks

Stocks are valued in line with the lower of cost and net realisable value.

Cost is based on the first in first out principle and includes expenditure incurred in acquiring the stocks, production costs and other costs in bringing them to their existing location and conditions where appropriate.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs to sell. Provision is made where necessary for slow moving and defective stocks.

1.9 Cash and cash equivalents

Cash, for the purpose of the Group Cash Flow Statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Bank overdrafts and loans are measured at amortised cost and shown within borrowings in current liabilities.

1.10 Financial instruments

Basic financial assets

Debtors, as basic financial assets, are initially measured at transaction value. Such assets are subsequently measured at amortised costs less any impairment.

Basic financial liabilities

Creditors, as basic financial liabilities, are initially measured at transaction value and thereafter measured at amortised costs using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at value.

Financial liabilities are recognised on the trade date. Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires.

1.11 Taxation

The charge or credit for taxation is based on the surplus or deficit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax

Current tax is charged or credited to the Group Revenue Account and is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Group Balance Sheet date.

Deferred tax

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Group Balance Sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is charged or credited to the Group Revenue Account, except when it relates to items charged to the Group Statement of Comprehensive Income, in which case the deferred tax is also dealt with in the Group Statement of Comprehensive Income respectively.

1.12 Pension costs

Defined Contribution Scheme

Following the closure of the defined benefit scheme to new entrants, the Society also operates a defined contribution scheme.

The amount charged to the Group Revenue Account represents the contributions payable to the scheme in respect of the accounting period. The assets of this scheme are held separately from those of the Group in an independently administered fund.

Defined Benefit Scheme

The Society operates a defined benefit scheme. The assets of this scheme are held separately from those of the Society. The scheme closed to new entrants in December 2012 and to future accrual in December 2020.

Pension scheme assets are measured using fair values. For quoted securities the current bid price is taken as fair value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency of the liability. The pension scheme surplus is recognised to the extent that is deemed recoverable by the employer. The movement in this scheme surplus is split between operating charges, finance items and in the Group Statement of Comprehensive Income, the actuarial gains and losses.

1.13 Leases

As lessee

Operating lease rentals are charged to the Group Revenue Account on a straight-line basis over the period of the lease.

1.14 Dividend

A charge is made to the Group Revenue Account to reflect the amount recognised as a dividend during the year. In 2024 the terminology used when communicating dividend to members was changed to "Cashback" to better engage both existing and new members. Cashback to members will be referred to as dividend for the rest of the financial statements.

The provision for unredeemed dividend in the Group Balance Sheet is based on the full redemption value of the dividend and has been shown as a current liability.

1.15 Provisions

Provisions are recognised when there is a present legal or constructive obligation arising as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

1.16 Reserves

The Revenue reserve represents cumulative surpluses or deficits or losses, net of dividends paid and other adjustments.

The Revaluation reserve represents unrecognised gains on properties. This reserve is not distributable to members until the gain is realised upon the sale of the property it relates to.

2 Judgements and key sources of estimation uncertainty

Critical judgements

Property valuation
Land and buildings are revalued each year by an external Chartered Surveyor. Valuations require the use of estimates including such matters as rental tone, market yields, disposal values and void periods. The valuations are detailed in notes 13 and 14.

Goodwill impairment
The carrying value of goodwill and other intangible assets is assessed each year against the current value of future cashflows expected, or fair values, less costs to sell as detailed in note 12.

Key sources of estimation uncertainty

Pension assumptions
The defined benefit pension scheme assets are measured at current market value, while the liabilities are estimated on assumptions as detailed in note 25.

3 Turnover

	2026 £'000	2025 £'000
Turnover		
Retail	**360,573**	357,743
Investment Property	**14,110**	15,027
	374,683	372,770
Gross profit		
Retail	**104,292**	103,446
Investment Property	**14,110**	15,027
	118,402	118,473
Operating expenses	**(120,091)**	(113,479)
Trading (deficit)/surplus	**(1,689)**	4,994

4 Exceptional item

	2026 £'000	2025 £'000
Expenditure		
Exceptional restructuring costs	**983**	254
	983	254

5 Expenses - ordinary trading

	2026 £'000	2025 £'000
Personnel costs	**74,783**	70,456
Property rents	**621**	635
Other occupancy costs	**14,108**	14,412
Hire of plant and vehicles - operating leases	**248**	70
Depreciation of tangible fixed assets	**10,584**	8,526
Amortisation of intangible assets	**801**	837
Auditors' remuneration:		
- Audit of these financial statements	**122**	117
Amounts receivable by auditors and their associates in respect of:		
- Audit of financial statements of subsidiaries	**95**	92
- Other services	**34**	20
Directors' fees	**147**	144
Other expenses	**17,238**	16,945
	118,781	112,254

6 Employees

The average number employed by the Group in the year was:	2026 Number	2025 Number
Full-time	**896**	1,037
Part-time	**1,920**	1,849
Total	**2,816**	2,886

Their aggregate remuneration comprised:	2026 £'000	2025 £'000
Wages and salaries	**63,219**	61,842
Social security costs	**7,183**	5,540
Pension costs	**4,381**	3,074
	74,783	70,456

Executive leadership team emoluments

The total executive leadership team emoluments for the year ended 5 September 2026 were £1,708,708 (2025: £1,800,980).

7 Interest receivable and similar income

	2026 £'000	2025 £'000
Interest income		
Bank and other interest	**181**	826
Interest on the net defined benefit asset	**1,363**	1,146
Total interest revenue	**1,544**	1,972
Income from fixed asset investments		
Income from participating interests - joint ventures	**198**	281
Income from other fixed asset investments	**12**	12
Total income	**1,754**	2,265

8 Interest payable and similar expenses

	2026 £'000	2025 £'000
Interest on bank overdrafts and loans	**909**	540
Interest on loan from non-controlling interest	**55**	54
Total finance costs	**964**	594

9 Membership expenses and payments

	2026 £'000	2025 £'000
a) Expenses - member benefits and grants		
Donations to charity and community groups	**418**	471
Forfeits on shares	**(44)**	(256)
Member and community activities	**936**	1,010
	1,310	1,225
b) Payments to and on behalf of members		
Dividend issued in the year	**2,421**	2,063
Further dividend paid in year	**-**	938
	2,421	3,001

Dividend of £2,421,000 (2025: £3,001,000) has been accounted for during the year. Member purchases qualifying for such distribution are determined by the Board of Directors, as is the rate of distribution. After the balance sheet date the Board of Directors have not recommended the payment of any further dividend.

10 Impairment and write off of loans

	2026 £'000	2025 £'000
Amounts written off current loans owed by joint venture	**(1,085)**	-
Deficit on disposal of joint venture	**(591)**	-
	(1,676)	-

11 Taxation

	2026 £'000	2025 £'000
Current tax		
Adjustments in respect of prior periods	**491**	(910)
Deferred tax		
Origination and reversal of timing differences	**1,790**	1,316
Taxation on pension adjustments	**342**	537
Tax losses carried forward	**(2,818)**	-
Other adjustments	**13**	(23)
Total deferred tax	**(673)**	1,830
Total tax (credit)/charge	**(182)**	920

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the surplus or deficit and the standard rate of tax as follows:

	2026 £'000	2025 £'000
(Deficit)/surplus before taxation	**(6,912)**	985
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 25% (2025: 25%)	**(1,728)**	246
Effects of:		
Unutilised tax losses carried forward	**2,818**	-
Adjustments in respect of prior years	**491**	(73)
Revaluation of property	**290**	701
Other permanent differences between items affecting tax and accounting surplus	**(1,380)**	(1,784)
Deferred tax and change in tax rate	**(673)**	1,830
Taxation (credit)/charge in the financial statements	**(182)**	920

11 Taxation (Continued)

In addition to the amount charged to the Group Revenue Account, the following amounts relating to tax have been recognised directly in the Group Statement of Comprehensive Income:

	2026 £'000	2025 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	**(6,034)**	(604)

The standard rate of corporation tax in the UK is 25%. The deferred tax balances at 5 September 2026, have been calculated at this rate, reflecting the expected timing of the reversal of the related timing differences.

12 Intangible fixed assets

	Goodwill £'000	Licences £'000	Total £'000
Cost			
At 7 September 2025 and 5 September 2026	**8,172**	**15,703**	**23,875**
Amortisation and impairment			
At 7 September 2025	6,479	12,031	18,510
Amortisation charged for the year	148	653	801
At 5 September 2026	**6,627**	**12,684**	**19,311**
Carrying amount			
At 5 September 2026	**1,545**	**3,019**	**4,564**
At 6 September 2025	1,693	3,672	5,365

13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures, fittings and plant	Transport	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 7 September 2025	94,655	1,640	84,292	6,931	187,518
Additions	2,606	511	**15,272**	-	18,389
Disposals	(168)	-	(665)	(794)	(1,627)
Revaluation	(1,367)	(498)	-	-	(1,865)
Transfers	325	-	-	-	325
At 5 September 2026	**96,051**	**1,653**	**98,899**	**6,137**	**202,740**
Depreciation and impairment					
At 7 September 2025	-	-	61,145	5,122	66,267
Depreciation charged in the year	1,233	31	8,646	674	10,584
Eliminated in respect of disposals	-	-	(554)	(695)	(1,249)
Revaluation	(1,233)	(31)	-	-	(1,264)
At 5 September 2026	**-**	**-**	**69,237**	**5,101**	**74,338**
Carrying amount					
At 5 September 2026	**96,051**	**1,653**	**29,662**	**1,036**	**128,402**
At 6 September 2025	94,655	1,640	23,147	1,809	121,251

The value of buildings depreciated was £61,041,000 (2025: £59,824,000). A valuation of trading properties was carried out by Eddisons Incorporating Banks Long & Co., Chartered Surveyors, of 26 Westgate, Lincoln as at 5 September 2026 which valued all of the Group's trading land and buildings at current fair value in accordance with the RICS Red Book valuation standards.

14 Investment properties

	2026 £'000
Fair value	
At 7 September 2025	145,774
Additions through external acquisition	17,867
Disposals	(1,211)
Transfers	(325)
Net gains or losses through fair value adjustments	(1,121)
At 5 September 2026	**160,984**

14 Investment properties (Continued)

The carrying value of land and buildings comprises:	2026 £'000	2025 £'000
Freehold	**159,519**	144,354
Long leasehold	**1,465**	1,420
	160,984	145,774

A valuation of investment properties was carried out by Eddisons Incorporating Banks Long & Co., Chartered Surveyors, 26 Westgate, Lincoln as at 5 September 2026. The valuation was carried out in accordance with the RICS Red Book valuation standards on a fair value basis. The total historic cost of land and buildings included in notes 13 and 14 is £202,608,000 (2025: £187,329,000).

15 Fixed asset investments

	Notes	2026 £'000	2025 £'000
Investments in joint ventures	17	**31**	493
Unlisted investments		**290**	290
		321	783

Movements in fixed asset investments	Shares in joint ventures £'000	Other investments £'000	Total £'000
Cost or valuation			
At 7 September 2025	493	290	783
Share of trading profit after tax	129	-	129
Disposals	(591)	-	(591)
At 5 September 2026	**31**	**290**	**321**
Carrying amount			
At 5 September 2026	**31**	**290**	**321**
At 6 September 2025	493	290	783

16 Subsidiaries

Details of the Society's subsidiaries at 5 September 2026 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held direct
Lincoln Corn Exchange and Markets (1991) Ltd	1	Property investment	Ordinary	100.00
Lincoln Co-operative Chemists Ltd	1	Retail chemist shops	Ordinary	100.00
LCS Property Ltd	1	Property holding company	Ordinary	100.00
LCS Retail Ltd	1	Post Office Services	Ordinary	100.00
Gadsby's of Southwell Ltd	1	Bakery	Ordinary	100.00
South Lincolnshire Crematorium Ltd	1	Crematorium	Ordinary	100.00
LC Funeral Plans Ltd	1	Funeral administrative	Ordinary	100.00
Lincoln Science and Innovation Park Ltd	1	Science Park Development	Ordinary	75.00

Registered office addresses (all UK unless otherwise indicated):

1 Stanley Bett House. 15-23 Tentercroft Street Lincoln LN5 7DB

Subsidiary audit exemptions

Lincolnshire Co-operative Limited has issued guarantees over the liabilities of the following companies at the year end under Section 479 of Companies Act 2006 ("the Act") and these entities are exempt from the requirements of the Act relating to the audit of Individual Financial Statements by virtue of Section 479A of the Act.

Name of undertaking	Company Number
LCS Retail Ltd	3171397
South Lincolnshire Crematorium Ltd	8091277
LC Funeral Plans Ltd	14170261

17 Joint ventures

Details of joint ventures at 5 September 2026 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held direct
LC Community Projects Ltd	Stanley Bett House. 15-23 Tentercroft Street Lincoln LN5 7DB	Property developments	Ordinary	50.00

(i) LC Community Projects Ltd. is a property development company and a joint venture of Lincolnshire Cooperative Limited and Lindum Group Limited. At the year end £327,000 (2025: £327,000) was owed to Lincolnshire Co-operative Limited and £Nil (2025: £Nil) was owed to Lindum Group Limited, both as interest free loans.

(ii) On 30 April 2026 Lincolnshire Co-operative Limited disposed of their 50% share in joint venture of Lincoln Waterside Centre Ltd.

18 Stocks

	2026 £'000	2025 £'000
Raw materials and consumables	**82**	77
Finished goods and goods for resale	**16,157**	15,505
	16,239	15,582

19 Debtors

Amounts falling due within one year:	Notes	2026 £'000	2025 £'000
Trade debtors		**20,921**	21,631
Corporation tax recoverable		**-**	837
Amounts owed by joint ventures		**327**	6,237
Other debtors and prepayments		**10,965**	11,700
		32,213	40,405
Amounts falling due after more than one year:			
Deferred tax asset	23	**3,165**	435
		3,165	435
Total debtors		**35,378**	40,840

20 Creditors: amounts falling due within one year

	Notes	2026 £'000	2025 £'000
Bank loans	22	**14,500**	-
Trade creditors		**34,075**	36,627
Other taxation and social security		**1,370**	1,332
Member benefits and grants		**42**	42
Accruals and deferred income		**17,415**	16,528
Dividend		**4,378**	4,462
		71,780	58,991

Included within creditors is an amount of £Nil (2025: £51,000) held on behalf of Birchwood Big Local as Lincolnshire Co-operative is its Local Trusted Organisation.

21 Creditors: amounts falling due after more than one year

	2026 £'000	2025 £'000
Amounts owed to non-controlling interests	**1,082**	1,080
Accruals and deferred income	**126**	190
	1,208	1,270

The amounts owed to non-controlling interests are due for repayment in November 2027 and attract interest at 5% per annum.

22 Loans and overdrafts

	2026 £'000	2025 £'000
Bank loans	**14,500**	-
Payable within one year	**14,500**	-

The Group has a £60,000,000 revolving credit facility expiring on 15 August 2029. At 5 September 2026, £14,500,000 was drawn, comprising £10,000,000 repayable on 17 September 2026, subsequently extended to 19 January 2027, and £4,500,000 repaid on 10 September 2026. Interest is charged at daily compounded SONIA plus a margin.

The facility is secured by fixed and floating charges over certain assets of the Society and Group. Financial covenants are tested quarterly, with no breaches during the period.

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group:

	Liabilities 2026 £'000	Liabilities 2025 £'000	Assets 2026 £'000	Assets 2025 £'000
Accelerated capital allowances	**5,132**	3,407	**184**	249
Tax losses	**-**	-	**2,818**	-
Other timing differences	**34**	43	**163**	186
Pension scheme	**-**	5,693	**-**	-
	5,166	9,143	**3,165**	435

23 Deferred taxation (Continued)

Movements in the year:	2026 £'000
Liability at 7 September 2025	8,708
Credit to Group Revenue Account	(673)
Credit to other comprehensive income	(6,034)
Liability at 5 September 2026	**2,001**

The deferred tax asset relating to capital losses on property revaluations has not been provided in the accounts as it cannot be recovered against future trading surpluses. Included in 'other timing differences' are amounts relating to differing treatment of member benefits and provisions between the accounts and the current tax provision.

24 Share capital

	2026 £'000	2025 £'000
At 7 September 2025	**3,575**	3,880
Contributions	**207**	241
Interest	**7**	7
	3,789	4,128
Withdrawals	**(352)**	(553)
At 5 September 2026	**3,437**	3,575

i) The whole of the share capital comprises £3,437,000 non-equity shares of £1 attracting interest at the rates of 0.25% on balances of £20 or more.

ii) Shares are withdrawable on periods of notice from demand to two weeks depending on the amount.

iii) Every member who has been a member of the Society for not less than six months and holds a minimum of one share is entitled to one vote.

iv) In the event of a winding up, any balance remaining, after meeting all liabilities will be distributed subject to the Society's rules.

v) Dividends to members are paid by way of issue of dividend onto cards and by payments of dividend into members' share accounts.

25 Retirement benefit schemes

Defined contribution scheme	2026 £'000	2025 £'000
Charge to Group Revenue Account in respect of defined contribution scheme	**4,381**	3,074

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Retirement benefit schemes (Continued)

Defined benefit scheme

The Society operates a pension scheme providing benefits based on pensionable pay. The latest full actuarial valuation was carried out at 30 September 2024 and was updated to 5 September 2026 by a qualified independent actuary. The scheme was closed to new entrants in December 2012 and to future accrual from 31 December 2020.

Following the purchase of a bulk annuity insurance policy ("buy-in"), the surplus is no longer considered recoverable and as a result the pension surplus has been derecognised. The adjustment to remove the previously recognised surplus is included in other comprehensive income. The scheme's assets, liabilities and unrecognised surplus continue to be disclosed below.

Key assumptions	2026 %	2025 %
Discount rate	**6.4**	6.0
Rate of increase in payment of pre 1997 pensions	**2.5**	2.5
Rate of increase in payment of post 1997 pensions	**2.9**	2.7
Rate of revaluation of deferred pensions	**3.1**	2.9
Inflation assumption - RPI	**3.1**	2.9
Inflation assumption - CPI	**2.9**	2.6

Mortality assumptions

Assumed life expectations on retirement at age 65:	2026 Years	2025 Years
Current pensioner aged 65:		
- Males	**21.0**	20.4
- Females	**23.4**	23.1
Future retiree upon reaching 65:		
- Males	**22.2**	21.7
- Females	**24.8**	24.5

The amounts included in the balance sheet arising from the Society's obligations in respect of defined benefit plans are as follows:

	2026 £'000	2025 £'000
Present value of defined benefit obligations	**86,006**	91,949
Fair value of plan assets	**(97,833)**	(114,718)
Surplus in scheme	**(11,827)**	(22,769)
Restriction on scheme assets	**11,827**	-
Total liability/(asset) recognised	**-**	(22,769)

25 Retirement benefit schemes (continued)	2026 £'000	2025 £'000
Amounts recognised in the Group Revenue Account		
Net interest on net defined benefit liability/(asset)	**(1,363)**	(1,146)

Amounts recognised in the Group Statement of Comprehensive Income	2026 £'000	2025 £'000
Actual return on scheme assets	**10,565**	11,437
Calculated interest element	**6,675**	6,309
Return on scheme assets excluding interest income	**17,240**	17,746
Actuarial changes related to obligations	**(4,935)**	(15,337)
Effect of changes in the amount of surplus that is not recoverable	**11,827**	-
Total costs	**24,132**	2,409

Movements in the present value of defined benefit obligations	2026 £'000
Liabilities at 7 September 2025	91,949
Benefits paid	(6,320)
Actuarial gains and losses	(4,935)
Interest cost	5,312
At 5 September 2026	**86,006**

The defined benefit obligations arise from plans funded as follows:	2026 £'000
Wholly unfunded obligations	-
Wholly or partly funded obligations	86,006
	86,006

Movements in the fair value of plan assets	2026 £'000
Fair value of assets at 7 September 2025	114,718
Interest income	6,675
Return on plan assets (excluding amounts included in net interest)	(17,240)
Benefits paid	(6,320)
At 5 September 2026	**97,833**

25 Retirement benefit schemes (continued)

The actual return on plan assets was (£10,565,000) (2025: (£11,437,000)).

Fair value of plan assets	2026 £'000	2025 £'000
Debt instruments	**9,295**	112,815
Cash and cash equivalents	**2,532**	1,903
Qualifying insurance policy	**86,006**	-
	97,833	114,718

26 Capital commitments

Outstanding contracts for capital expenditure not provided for in the accounts amounted to £1,454,000 (2025: £1,175,000) and capital expenditure and acquisitions authorised by the Directors for which no contracts have been placed totalled £11,358,000 (2025: £42,687,000).

27 Operating lease commitments

As lessee

At the reporting end date the group had commitments payable under non-cancellable operating leases on land and buildings and vehicles as follows:

	2026 £'000	2025 £'000
Within 1 year	**685**	585
Years 2-5	**1,687**	1,707
After 5 years	**2,455**	2,451
	4,827	4,743

As lessor

The group also had monies receivable under non-cancellable operating lease commitments as follows:

Future amounts receivable:	2026 £'000	2025 £'000
Within 1 year	**11,012**	9,419
Years 2-5	**22,408**	16,615
After 5 years	**15,652**	9,915
	49,072	35,949

28 Cash generated from group operations

	2026 £'000	2025 £'000
Operating (deficit)/surplus	**(2,751)**	2,474
Adjustments for:		
(Gain)/loss on disposal of tangible fixed assets	**(99)**	52
Gain on disposal of intangible assets	**-**	(335)
Fair value loss on investment properties	**1,161**	2,803
Amortisation and impairment of intangible assets	**801**	837
Depreciation and impairment of tangible fixed assets	**10,584**	8,526
Exceptional items	**(983)**	(254)
Impairment provision	**(1,085)**	-
Additional pension contribution	**-**	(1,000)
Payments to and on behalf of members	**(2,505)**	(3,074)
Income taxes refunded	**346**	484
Movements in working capital:		
Increase in stocks	**(657)**	(922)
Decrease/(increase) in debtors	**2,310**	(4,155)
(Decrease)/increase in creditors	**(2,073)**	4,852
Cash generated from operations	**5,049**	10,288

29 Analysis of changes in net funds/(debt)

	7 September 2025 £'000	Cash flows £'000	5 September 2026 £'000
Cash at bank and in hand	20,803	(10,309)	**10,494**
Borrowings excluding overdrafts	-	(14,500)	**(14,500)**
Net cash/(debt)	20,803	(24,809)	**(4,006)**

	2022	2023	2024	2025	**2026**
	52 Weeks	52 Weeks	53 Weeks	52 Weeks	**52 Weeks**
Membership	296,077	292,108	288,984	303,231	**305,359**
Revenue Account	£'000	£'000	£'000	£'000	**£'000**
Turnover	339,797	353,942	375,559	372,770	**374,683**
Gross profit	107,040	113,790	120,874	118,473	**118,402**
Gross profit %	*32%*	*32%*	*32%*	32%	**32%**
Members' benefits and grants	1,506	2,137	1,264	1,225	**1,310**
Trading surplus/(deficit)	16,562	12,101	10,835	4,994	**(1,689)**
Trading surplus %	*5%*	*3%*	*3%*	1%	**0%**
Revaluation of property movement through revenue profit/(loss)	(628)	(20,526)	4,257	(2,803)	**(1,161)**
Dividend paid in the year	3,585	3,780	3,805	3,001	**2,421**
Transfer to reserve	11,767	(12,239)	12,992	65	**(6,730)**
Balance Sheet	£'000	£'000	£'000	£'000	**£'000**
Total property	246,494	222,459	233,594	242,069	**258,688**
Total tangible assets	263,710	242,919	254,867	267,025	**289,386**
Net current assets/(liabilities)	22,062	27,485	29,529	18,234	**(9,669)**
Pension surplus	29,612	22,099	23,032	22,769	**0**
Net assets	310,531	289,634	305,381	303,763	**278,228**
Capital Expenditure/ Receipts	£'000	£'000	£'000	£'000	**£'000**
Total fixed assets cashflow (capital spend)	(20,954)	(25,242)	(15,716)	(25,791)	**(35,835)**
Total fixed assets cashflow capital receipts	18,371	16,294	5,007	3,694	**1,688**

Dividend paid in the year includes amounts approved or proposed for approval and members funeral benefit.

Our auditor

Forvis Mazars LLP, Chartered Accountants,
3 Chamberlain Square,
Birmingham, B3 3AX


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co
op