



Scottish Midland
Co-operative Society Ltd

Annual Review & summary financial accounts

for year ended 27 January 2018



Scotmid
co-operative

turnover down

£2.5m to £374m

trading profit down

£0.5m to £4.8m

growth in net assets of

£8m to £99.6m

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Solid performance despite increased cost challenges

I am pleased to report that the Society delivered a solid performance in the 52 weeks ended 27 January 2018. During the year the Society experienced unprecedented external cost increases (£2m) and mixed retail market conditions which were mitigated by a range of positive actions to record a trading profit of £4.8m compared to £5.3m last year. Society turnover reduced by £2.5m to £374m as a result of the sale or closure of some loss-making stores. A very successful diversification of our property investment portfolio and a strong residential property market in Edinburgh helped the Society's asset base to grow by £8m, re-enforcing the strength of the Society's £99.6m balance sheet.

In the year ending January 2018, the Scottish Retail Consortium reported average like-for-like sales up by only 0.3%; a mixed picture with growth in food offset by a very challenging non-food market. Scotmid's food business had a sound performance with sales growth underpinned by food-to-go, however the main challenge was the weight of external cost increases. The impact of the Scottish rates revaluation and Apprenticeship Levy "tax" added extra pressure on top of UK wide cost rises such as the National Living Wage. Semichem sales and cost initiatives helped to mitigate the pressure on margins from the weaker pound in the poor non-food market for retailers. The closure of loss-making Semichem stores and the trial of a new concept store represented an initial step to realign the business and provide a sustainable solution to the challenges of today's retail market.

Scotmid Property performed strongly with rental income at record levels, achieved in the year when the Society completed a major sale and reinvestments in-line with our diversification strategy. Scotmid Funerals had a strong finish to the year recovering from a challenging first half.

The primary focus of co-operative development activity for the Society in 2017 was our Community Connect scheme. After success in the North Region, the trial has been extended to the West Membership Region with an encouraging number of new members joining the Society. Based on member feedback we are trialling an enhancement to the scheme in the North Region with both in-store and AGM voting made available.

Last year-end I highlighted the external cost pressures faced by the Society. The Society delivered another solid response to these challenges despite a largely unhelpful retail market, particularly for Semichem. Although some of the significant political uncertainties eased, there is still the cloud of an uncertain Brexit hanging on the horizon. The Society also continues to face increasing levels of regulation, all of which add cost. I expect 2018 to be yet another difficult year for retailers generally with ongoing structural changes and no significant easing of cost challenges and more regulatory changes. The resilience the Society has shown over the last few years will continue in 2018 as we tackle both new and existing challenges, using our continuous improvement philosophy.

Food Retail



The food convenience business bore the brunt (£1.9m) of the external cost increases in the year, driven by the National Living Wage, Apprenticeship Levy, increased business rates and pensions auto-enrolment. The Society responded to this challenge with our “make it simple” programme. This is an ongoing project to reduce unproductive tasks and implement process simplification and efficiency improvements. “Make it simple” initiatives completed in the period included the installation of upgraded cash solutions in 51 stores, new stock handling trolleys in 160 stores, which help to reduce double handling and self-checkout tills in another 24 stores.

In a very competitive market, sales in our convenience stores were driven by the continued benefit of an improved Coop product range and offer, together with our own Scotmid product differentiation programme. Food-to-go was the main focus of the differentiation programme, helping the business to deliver growth in like-for-like sales. Sales also benefited from a programme of activity including additional promotional space, locally sourced products across key categories and support for the Scottish Government’s “Eat Better Feel Better” campaign.

The year in summary



Children from Gallowhill Primary School helped us celebrate reaching the £136,000 fundraising mark for Childline.



Scotmid supported Edinburgh Fairtrade Festival 2017.



Our food-to-go range was further developed in the year, supported by an investment in store infrastructure. Scotmid's market-leading bacon roll and coffee offer was heavily promoted to increase awareness. Upgraded "backline" store preparation areas have now been installed in 183 stores, which has enabled us to trial new offers of soup, baguettes, slushee, hot chicken and hotdogs (pictured above). This has been supported by a comprehensive programme of food-to-go training.

The Coop buying group's "range reset" programme was completed successfully and during the year we adapted to changes in the Coop distribution network including flexible store delivery times and the re-alignment of fresh food picking.

As well as investment in food-to-go infrastructure the Society continued to invest in the general store estate. A number of stores were re-fitted in the year, including work focused on the alignment of our fresh offer and a major extension to one of our stores in East Calder. The energy efficiency drive continued with new ceiling lights, LED signage and fridge lights being installed across the estate. We have also invested in additional selling footage across the stores including side-stacks, increased promotional shelving and the introduction of wine towers (pictured above).

Overall, it has been a busy year for the Society's food convenience business managing the significant challenge of the external cost pressures in a highly competitive market.

February - March 2017



Scotmid helped Chapelhall allotments to grow through the Community Grant Scheme.



Scotmid scooped two Scottish Grocer Awards.



Semichem



The non-food retail market in Scotland was very challenging with average like-for-like non-food sales reported by the Scottish Retail Consortium down by an average of 3.1% in the Society's financial year. Weak consumer confidence and rising inflation has taken its toll on non-discretionary spend this year, particularly for high street retailers. In the health & beauty and household market, Semichem is positioned in a better place than many others but is not immune to the pressures on the high street. So in this challenging year it was important for Semichem to respond with tight control of the cost base and careful management of the balance between driving

sales or margin. Our major suppliers also reacted to the market uncertainty by consolidating their brands, increasing prices and tightly managing stocks of new product and clearance lines.

Semichem continued to benefit from growth in the sales of private label ranges and earlier in the year a number of our stores in Northern Ireland experienced growth in cross-border trade due to the weaker pound. Overall, with the careful management of deeply discounted customer offers, the business delivered a like-for-like sales performance well ahead of the non-food market. In addition, in-store efficiencies together with savings in business rates

The year in summary



The Community Connect trial in the North was launched by cyclist Mark Beaumont.



Scotmid wheel-y helped St Andrew's First Aid's Cycle Squad with 15 new bikes.



Scotmid was awarded the Shopper's Most Trusted & Ethical Convenience Retailer for 2017.



and advertising have helped to offset the increase in costs from the National Living Wage and the Apprenticeship Levy. Central buying and stock management support has also been simplified. Negotiations have continued to reduce rents but where not agreed, it has been necessary to take the difficult decision to close loss-making stores.

A review of the brand proposition, product offer and the supply chain has commenced, supported by the first store trial with a refit of our Bathgate Store (pictured above). Work started with a range review and a managed reduction of product lines, bringing simplification and in-store productivity benefits and

helping to reduce stock by over £2m. The decision was also taken early in 2017 to focus on our stores so the Semichem on-line offer has been converted to a promotional website.

Other investment in the Semichem business in the year included nine mini-refits, renewal of the distribution vehicle fleet with more environmentally friendly trucks and the installation of ATM's in 15 stores. Investment was also made in new hands-free headsets and changes to the layout of stock in the warehouse to increase picking rates and enhance productivity.

April - May 2017



Pirng food store relaunched following refurbishment.



Society President, Harry Cairney (left) wishes Head of Corporate Communications Malcolm Brown a fond farewell on his retirement.



The Scotmid Community Grant helped Team Jak's Foundation.

Funeral



Scotmid Funeral staff took part in filming for a television advert that ran during the autumn and winter.

Scotmid Funerals had a slow start in the first half but recovered in the second half with a strong finish to the year. Growth in the second half appears to have been driven by market factors but was also supported by increased advertising. In-line with the market trend, our competitively priced funerals became more popular with our clients.

Scotmid's funeral plans are individually tailored to the needs of our clients and provide a comprehensive guarantee to provide peace of mind. Our funeral plan package has been well received with a significant increase in the number of funeral plans written in the year, including Society members who took advantage of a member loyalty reward to celebrate Scotmid Funeral's 90th anniversary.

The focus on improving the quality of facilities and service we offer to our clients continues. We opened new funeral offices in Dunfermline and Clermiston (Edinburgh) and we have also completed refurbishment works at our Angle Park, Leith and Fountainbridge funeral offices in Edinburgh and the Dundas Fyfe funeral office in Motherwell.

The funeral market is becoming increasingly more competitive and price aware. Scotmid continues to provide a caring and high quality trusted service to our clients and members but has also led the way on the transparency of our prices. Our strategy will continue to focus on a caring quality service but will also include some additional areas of focus in response to the evolving market.

The year in summary



The new-look Scotmid store in Gorebridge.



Scotmid again sponsored the Young Farmers stand at the Royal Highland Show.

Property



Scotmid's Property business had a very positive year driven by growth in both residential and commercial rental income. This growth was achieved in the year when the Society completed the successful reinvestment of the proceeds of sale of our highest valued commercial property in Morningside Road, Edinburgh. To avoid an over-concentration of value in one single asset and to reduce our holdings of retail investment property, the Morningside site let to Marks & Spencer was sold in June 2017. Proceeds from the sale were successfully reinvested in high quality assets comprising central Edinburgh offices, 8 modern residential flats and two industrial properties.

Other development activity in the year included the completion of the conversion of the former Seaton Valley head office into four modern two bedroom flats. We also completed the successful sale of the vacant former head office of Penrith Society which has generated further funds for re-investment in the portfolio.

Commercial portfolio rental income was marginally ahead of the previous year despite the lost income from the disposal of Morningside Road in the middle of the year. As well as income from the two newly acquired industrial properties, underlying growth was achieved by lettings of void properties, most notably two lettings of the Society's refurbished Newbridge warehouse units.

Occupier demand remained strong in the private rented sector and residential income growth was achieved through a combination of new investment and rental growth. There was new income from the acquisition of the block of 8 flats in Edinburgh and the four flats in Seaton Delaval together with the annualisation of rental income from 15 two-bedroom flats in Hamilton (acquired in mid-2016).

The strength of the residential market in Edinburgh and successful commercial lettings saw the (like-for-like) valuation of the investment property portfolio increase by £3.9m.

June - July 2017



Scotmid helped Keep Cash For Kids' 'Mission Christmas' on target.



Scotmid finished its partnership with Childline, raising £345,000 for the charity.



Newhaven Food store relaunched.

Corporate Matters & Central Support



The Society's surplus for the financial year was £5.5m. This result was supported by a number of non-recurring items including a £3.9m unrealised revaluation gain from our investment property portfolio. The strong performance of Scotmid Pension Plan's investments in the year helped to deliver a £3.2m reduction in the Society's pension deficit. Overall, with the benefit of these items, the net assets on the Society's balance sheet increased by £8m to £99.6m. The Society had a £0.7m cash outflow in the year mainly due to the timing differences on sales/purchases of investment portfolio properties.

The Society's franchise trial with Conviviality Retail continued. The Bargain B's trial stores have seen an improvement in sales mix and margin during the year and Conviviality are continuing to tailor the franchise concept to meet the specific needs of the Scottish market. Planning approval has now been granted for two new stores which are due to open in April 2018.

As part of the Society's complimentary diversification strategy, Scotmid made an investment in the Start-up Drinks Lab. A Scottish business that will provide product development, bottling and manufacturing

The year in summary



The Society launched its new charity partnership with Samaritans.



Scotmid awarded Fair Tax Mark for a second successive year.



The relaunch of the Thornhill store gathered a lot of attention.



services to craft soda soft drinks companies. The business will start trading in premises in Port Glasgow in the summer. The Society is backing this local business to tap into the long-term potential for growth in the craft soft drinks market similar to the way that the local craft beer market has developed. There is also the possibility of developing Scotmid's own private label soft drinks.

A key priority for the support teams over the last six months has been the "Make it Simple" programme, rolling out a range of process improvements to save task in our retail stores. Intelligent counter cache

machines to simplify cash processing, were installed in 51 stores and 160 stores received purpose built stock cages to make stock replenishment more efficient. Night shift deliveries were trialed in selected stores and 24 further stores received the new model of self-scanning tills. Other projects and initiatives included the further rollout of electronic product tagging (pictured above), pensions auto-enrolment, energy efficiency measures and the upgrade of the Society's network.

Colin McLean, Chief Operating Officer left after 12 years and the Society thanks him for his service.

August - September 2017



Society Profit Protection Officer, Jane Parker won the Outstanding Contribution Award at the Retailers Against Crime event in Glasgow.



Scotmid helped celebrate Golden Wonder's 70th Anniversary.



Scotmid co-operated with a local college by donating £5000 worth of equipment.

Governance, Membership & Community



Society Director, John Anderson (centre) celebrates the first ever Community Connect Award with the winning community group "18 and Under" from Dundee.

The Directors of Scotmid are pleased to present a summary report on the Society's governance, membership and community activities for the year ended 28 January 2017.

Governance

Scotmid continued to improve and evolve the operational practices of the Society's Board and Regional Committees. In 2017 an external review of Board Skills was undertaken together with the annual planning and review process for the Regional Committees. The annual review confirmed that changes made in recent years (e.g. the introduction of business briefings) have been a positive addition to the Regional Committee calendar and a limited number of additional operational enhancements arose from the process this year. Planning work has also progressed on the Society's response to the General Data Protection Regulation (GDPR) which comes into force in May 2018.

Scotmid continues to report on Co-operatives UK key social performance indicators. Comprehensive details are provided in the Society's full annual report. A highlight this year was a substantial increase in the Society's investment community initiatives, with a wider reach supported by the proceeds of sale of single use carrier bags. It was also notable to see a reduction in the total waste recycled while maintaining the proportion recycled at 98%. Colleague training hours per employee increased with no temporary vacancies in our training team this year and also with the benefit of the cyclical nature of our three year training e-learning programme.

The year in summary



"18 and Under" community group from Dundee became the first winners of the Community Connect scheme.



Fun charity children's book on sale at Scotmid, written by Channel Island's Co-op CEO.



Scotmid Community Grant supported the Christmas 'Toy Giveaway'.



Social Bite, a charity for the homeless, was provided with funds for a community hub within their village for the homeless.

Membership Development

Implementation of the Society's updated Membership Strategy has progressed with an emphasis on three main projects: development of active membership in the Lakes & Dales area; cleansing of the Society's database; and development and delivery of the new community engagement initiative, Community Connect.

A new membership officer in the Lakes and Dales area has been recruited and work is underway to develop member engagement in that area with the ultimate aim of forming a regional committee. In preparation for the introduction of the General Data Protection Regulation (GDPR), the Society has taken the opportunity to review our member data. Consistent with the Society's membership strategy,

this has re-enforced the need for a cleanse of old non-active membership accounts in-line with Society rules. An update on progress of the Community Connect scheme is provided in the next section of the report. From a membership development perspective the trial has been very successful with an encouraging number of new members joining the Society and increased attendance at the North AGM.

Community and Charitable Activities

During the year the Society progressed with our Community Connect trial which is an exciting new regional extension to the Society's community strategy. The trial was initially introduced in Scotmid's North Member Region with funding generated from the sale of single-use carrier bags. Members collect their community votes when they shop in a Scotmid

October 2017 - January 2018



In partnership with Forth One Scotmid launched the "Kid in the Kitchen" joke book for charity.



Scotmid helped to extinguish litter problems at Edinburgh's Hogmanay.



Community Connect new short-listed good cause groups announced.

Governance, Membership & Community continued



store and then vote for one of three nominated groups at a Member meeting. In addition, members are entered into a monthly prize draw each time they shop in store to win up to £100 in Society vouchers. Dundee-based charity “18 and Under” who were the first-ever winners, received a £15,000 award. The trial has since been extended to the West Member Region with plans to introduce the initiative into the East Member Region in 2018. Based on member feedback we are also trialling a potential enhancement to the scheme in the North Region with both in-store and AGM voting made available.

During 2017 the Society's Regional Committees Scheme distributed over £110,000 of Community Grants to over 1000 community groups across our trading areas, a list is provided on pages 13 to 15. For over a decade, the Society has been committed to the promotion of Fairtrade across all our trading areas. Fairtrade Fortnight 2017 culminated with a special Festival event at the Eric Liddell Centre in Morningside, Edinburgh sponsored by Scotmid. The Society contributed to dozens of events across our trading areas and organised a number of large events which were well attended by a range of people from across the community.

At the end of August 2017, Scotmid concluded our Charity of the Year partnership with the NSPCC's Childline and, thanks to the efforts of members, colleagues and customers, the Society raised an impressive £345,000 (pictured above). From September, the Society's new charity partner became the Samaritans. The Society aims to raise £300,000 for the charity, as well as recruit local volunteers and increase awareness of mental health issues. Funds raised could help Samaritans listen to 60,000 more calls from people in crisis.

Scotmid also supported a number of charities with the proceeds of the 5p single use carrier bags. Social Bite, a charity for the homeless, was provided with funds for a community hub within their village for the homeless. Erskine Hospital, a charity, which cares for military veterans, received funding for three multi-purpose vehicles, and 15 bicycles and equipment were given to St Andrew's First Aid for their cycle response team.

On behalf of the Directors I would like to thank all members, customers and colleagues for their support over the year.

Harry Cairney
Society President

Organisations that have benefited from Scotmid's support during the year

102 Field Squadron • 106 Partnership Committee • 1143 Squadron • 1756 (Broxburn) Squadron ATC • 1st Burnhead Company • 1st Inverberrie Scout Group • 1st Law Boys Brigade • 1st Step Café • 224th City of Edinburgh Brownies • 22nd Fintroy Scout Group • 2nd Seaton Delaval Scout Group • 36th Edinburgh Rainbow Unit • 3rd Bathgate Rainbows • 3rd Peebles Guides • 44th Dundee Boys Brigade • 46th Glasgow Guides • 53rd Duke Street Brownies • 5th Hamilton Brownie, Guides & Rangers • A Very Moray Community Christmas • Aaron House Care Home • Abbey Playgroup • Abbeyfield Scotland • Abbeyhill Colonies of Artists Exhibition • Abbeyhill Primary School • Abbie's Army • Abercromby Primary School • Aberdeen Concert Band • Aberdeenshire Showcase Companies • Aberlour Child Care Trust • Aberlour Children's Charity • Aboyne Canoe Club • ACES Netball Club • Acre St Serfs Care Home • Action for Alex • Actionpots • Adoption UK • African Adventures • Age UK • Ageingwell • Aird Explorer Scouts • ALMA • Altogether Archaeology • Alyth & Senior Citizens Lunch & Socialising Club • Alyth Friends of Guiding • Alyth Youth Partnership SCIO • Alzheimer Scotland • Amnesty International • Andover PS Christmas Fayre • Angus Autism Awareness Team • ANGUSalve • Anipals • Annette Street Primary School • Anthony O'Brien Quinn Memorial Trust • Antonine Primary School • Apex Highland - Recovery Walk • Arbroath Bowling Hub • Arbroath Fairtrade Action Group • Arbroath Relay For Life • Argyll & Sutherland Highlanders Association • Armadale Children's Galadry • Armadale Community FC 2009 • Armadale S.W.R.I. • Arniston Rangers Youth Football Club • Ashgill Community Group • Ashley Theron • Assisted Cycling Events (Scotland) • Asthma UK Scotland • Astley Park Mens Bowling Club • Astro Gymnastics • Auchenblae Defibrillator • Auchinraith Primary School • Auchlochan Garden Village • Auld Kirk Nursery • Autism Awareness • Ayrshire Cancer Support • Ayrshire Film Co (CIC) • Ayrshire Infinity Choir • Balerno & Currie Pram Race • Balerno Children's Gala Association • Balerno Fairtrade Village Group • Balgreen Nursery • Balgreen Playgroup • Ballantrae Bowling Club • Ballantrae Church Summer Fair • Ballantrae Festival of Food & Drink • Ballantrae in Bloom • Ballantrae Playpark Development Group • Balloan FC • Balloch Community Council • Balloch Fundraising Group • Balloch Primary School • Balloch Village Trust • Balornock Primary School • Banavie Primary School • Banchory & District Initiative Ltd • Banchory & District Men's Shed • Banchory Fire Station • Banchory Ternan East Church of Scotland • Band F Day Centre • Banff Playgroup and Toddlers • Bankie Beats Youth Choir • Bankier-Helping Hands • Bankview Nursing Home • Bannockburn High School • Bannockburn Primary School • Barlanark Family Centre • Barnardos • Barnton Pharmacy • Bates Cottages Cricket Club • Bearsden Primaries Joint Working Group • Beatson Cancer Charity • Beeslack High School • Befriending Caithness • Bellrock Nursery School • Bellshill Academy • Benriach Distillery Co. Ltd • Bield Housing & Care • BIEN Cancer Research • Birdston Day Care Centre • Birkenshaw Fun Day • Birkenside Community Partnership • Bishopmill Mutual Improvement Association • Blackburn Children's Gala Day • Blackburn Swimming Club • Blackburn United Community Football Club • Blackhall Playgroup • Blackridge Primary School Parent Council • Blackwood Primary School • Blairgowrie 2008 • Blairgowrie and Rattray Illumination Committee • Bliss • Blue Triangle • Blyth Rescue Lifeboat • Boghall Primary School • Bo'ness Rugby Club • Bonnybridge Gala Bridge Fayre • Boots - Save The Children • Bopath Scotland • Borneo Charity Expedition • Borrowfield Christmas Concert • Borrowfield Primary School • Borrowfield Summer Fayre • Bothwell Castle Pipe Band • Bounce Higher • Bowl Cancer UK • Boys Brigade - Highland Battalion • Braeview Academy • Braidwood Playgroup • Bravo Brechin Halloween Group • Breast Cancer Care • Breast Cancer Care Scotland • Breast Cancer Now • Brechin Community Pantry • Brechin Garner Memorial • Brechin in Bloom • Brechin Rugby Club • Bridgend Primary School • Brigidi Primary School • Brimmond School • British Heart Foundation • British Red Cross • British Red Cross Jingle • Broxburn Athletic Colts Ladies • Broxburn Boxing Club • Broxburn Gala day • Broxburn Parish Church • Broxburn Pre-School Playgroup • Broxburn Primary School • Broxburn Whites 2004 Football Team • Buchanan High School • Budhill and Springboig Allotment Association • Bumblebee Babies • Burghhead Church of Scotland Guild • Burghhead in Bloom • Burghhead OAPs Christmas Party • Burghhead Primary School • Burghhead Community Centre • Burnhead Toddler Group • Burrelton and Woodside Senior Club • Burrelton Tennis Club • Bute House Care Home • Buy Benaiah • BUYMSH Appeal • Cairneyhill Children's Gala • Cairneyhill Primary School • Calderbraes FC • Calderbraes Football Club • Calderglen Nursery • Calderside Nursery Centre • Calderwood Community Centre • Caledonia Housing Association • Cambuslang Cubs • Cambusnethan Boxing Club • Camerom Thistle FC • Camerom House Circle Of Friends • Canal View Primary School • Cancer Charities Fundraiser • Cancer Research UK • Bingo Night • Cancer Research, Stockbridge • Capital Allstars Cheer & Dance • Capital Connections Social Club • Care Experience Young People • Carers Group Dewar House • Caring Operations Joint Action Council • Carlisle & District Gala • Carlisle Fun Run • Carlisle Rovers • Carlisle Thistle AFC • Carmunnock Autumn Club • Carr Gomm • Carrick Knowe Parish Church • Carse of Gowrie Men's Shed • Cash For Kids • Castle Douglas Civic Week • Castlehill Bowling Club • Castlemilk Day Nursery • Castlemilk Youth Complex • Castlevale Youth Development Club • Cat Protection League • Catterline Primary School • Central Radnor Park • CFINE Ltd • Challenge Ministries Swaziland • Chapelhall Primary School • Charity Connections • Charleston Academy PTA • CHAS • Cheerleading Club Eagleham • Cherry Road • Childline • Childreach International • Children 1st • Christ The King Primary School • Christian Aid • Christmas in Queensferry • City of Aberdeen Gymnastics • City of Edinburgh Basketball Club • City of Play • City Star Majorette Troupe • Civil Service Strollers Football Club • Clan Cancer Support • Clarkston Nursery • Cleland Amateurs FC • Clepington Primary School • CLIC Sargent • Clovenstone Community Centre • Clydebank TLC Group • Clydemuir Primary School • Clyderunners • Coalburn Pipe Band • Coaltown of Balgonie Children's Gala • Coldside Parish Church • Colinton Village Events • Colliers Basketball • Community Enterprise Ltd • Community Relations Cheques • Connor Whiskey Galore Film Event • County Air Ambulance • Coupur Angus Gala • Coupur Angus Pipe Band • Cradellhall Primary School • Cradellhall Care Home • Craigburn Boys Club • Craigduh Primary School • Craigminty & Lochend Playgroup • Craigminty Primary School • Craigiebarns Primary • Craigmillar Community Arts • Crumond Kirk • Crumond Primary • Crawforddyke Primary School • Crisis • Croglin Village Hall • Croileagan Grianach • Crosshouse Church Hall • Crosshouse Primary • CRUK • Cullen Past & Present Volunteers Group • Culross Abbey Fete • Cults Primary School • Cumbernauld & Kilsyth Nursery • Currie High School • Currie Parish Horticultural & Industrial Society • Currie Star 2003 Youth FC • Currie Star FC • Cycle for Sam Brain Tumor Charity • Cystic Fibrosis Trust • Dads Work • Daft as Brush • Dalkeith & Monktonhall Brass Band • Dalkeith Foodbank • Dalmeny Parish Church • Dalmeny Primary School • Darcys Equine Assisted Learning Centre • Deaf Action • Deaflympics • Dean Fundraising • Dean Steele Memorial Football Match • Deans Fundraiser • Deans Gala Day Committee • Deans Primary School • Dechmont Infant School • Deepark Primary School • Dementia Fundraiser Creiff Hydro • Dementia UK • Dennylothead Community Hall • Deveronside Juveniles FC • Doodle Bugs Macduff Under 5's • Doodlebugs • Dove Centre • Drakes Primary School • Dream Coach HR Community Interest Company • Driving Force • Drumlithie Gala • Drumnaidochit Piping Society • Drumsagard Football Team 2010/2011's • Drylaw Rainbow Club Day Center • Dudley Bowling Club Senior Section • Dunbartonshire Epilepsy Support Group • Duncan Forbes Primary • Dundee & Angus College • Dundee Fair Trade • Dundee ICF Projects • Dundee Museum Of Transport • Dundee Relay For Life • Dundee Science Centre • Dundee Therapy Garden • Dundee Thistle FC 2006 • Dundee Women's Aid •

Organisations that have benefited from Scotmid's support during the year - continued

Durham Mini Police • Dynamite Gymnastic Clubs • Eadar Glinn Care Home • Eagleham Bowling Club • Eaglesham Fair • Eaglesham Memory Lane • Eaglesham Primary School • East Ayrshire Carers Centre • East Calder Gala • East Calder Scout Group • East Mains Community Council, East Kilbride • Eastbank Netball club • Easterhouse Community Church • Easterhouses Boys Club Kids School • Echline Primary School • EDEN (East Dundee Environment Network) • Eden Animal Rescue • Edinburgh & Leith Secretarities Bowling Associatio • Edinburgh & Lothians Regional Equality Council • Edinburgh Cat & Dog Home • Edinburgh Children's Hospital Charity • Edinburgh City YFC • Edinburgh City Youth Café • Edinburgh Community Solar Co-op • Edinburgh Dog and Cat Home • Edinburgh Fairtrade Steering Group • Edinburgh Headway Group • Edinburgh Inline Hockey Club • Edinburgh March Riding Association • Edinburgh School Uniform Bank • Edinburgh Sick Kids • Edinburgh University Hockey Club • Edinburgh Young Walkers (EYV) • Edzell Woods Community Trust • Elgin High School • Elgin Youth Development Group • Elm Befriending Service • Eldon Avenue Surgery • Emma Beggs Fundraising • Enable Scotland South Queensferry • Enactus Edinburgh Enactus Edinburgh • Epilepsy Scotland • ESTEEM Clydesdale • Ethan Philbin Charity Support • Evie Fundraiser • FACT • Fairtrade Midlothian • Fairview Care Home • Falkirk Community Trust • Falkirk Football Club • Falkirk Junior Gaelic Choir • Family Project • Fauldhouse Children's Gala Day • Fauldhouse Community Development Trust • Fauldhouse Monday Club • Fauldhouse Playgroup • Fauldhouse Young at Heart • FC Kirkwood • Ferniegair Gala • Ferry Fair • Ferrylee Care Home • Fife Housing Group • Finlarig 61 Social Club • Fimhill Centre • Firpark Primary School • First Step Community Project • Flutterby FUNdraisers • Fochabers Bowling Club • Fochabers Gala Day • Food Train West Lothian • Ford's Road Care Home • Forehill Primary School • Forfar Airways • Forfar Community Bus Trust • Forth Dimension Musical Productions • Forth Valley Community Focus • Forth Valley Disability Sport • Forth Valley Flyers • Fortrose Senior Badminton Club • France Wright Pre School • Fraserburgh Sea Cadets • Fraserburgh Surf Life Saving Club • Frazer Allan Fundraising • Friends of Blackness • Friends of Bloemfontein Primary School • Friends of Denlethen • Friends of Doocot • Friends of Drakes PS • Friends of Inverleith Park • Friends of Lake District Calvert Trust • Friends of Orton Primary School • Friends of Plumpton School • Friends of Simeon • Friends of St Herbert's School • Friends of Stonehaven Open Air Swimming Pool • Friends of the Pentlands • Frosterley Primary School • Fun Little Poland • Galloway Thiddle Youth Football Club • Garmouth and Kingstoun Bowling Club • Gartconner Primary School • Gateside Tenants & Residents Ass • Gemma Vares • Girvan Community Sports Hub • Glasgow Children's Hospital Yorkhill • Glasgow South Diabetes Scotland Group • Glen Urquhart Care Centre • Glen Urquhart High School • Glenbervie PS Partnership • Glencryan School • Glenurquart Primary School • Glenurquhart Childcare Centre • Glenurquhart Highland Games • Goodtrees Community Centre • Goodwill Growth Africa • Gordon Veterinary Surgery • Gorebridge Gala Day • Gorgie Mills Bowling Club • Gourdon Coastal Rowing Club SP94 • Gracemount High School • Graham Pest Control • Grampian Pain Support • Granton Primary School • greenhead moss Community Group • Gregor Girls Fundraising • Grove Community Garden • Guildtown Village Playgroup • Hamilton District Arts Guild • Hamilton Grammar School • Harestanes Primary • Harestanes Toddler and Parent Group • Harlaw Monday Group • Harlow's Helping Hand • Harmer Athletic Club • Harthill community • Heart Of Africa • Helensburgh Winter Festival • Help for Heroes • Hermitage Park Primary School • High Blantyre Primary School • Highland Cross • Highland Hospice • Highland School of Skating • Hill of Banchory Primary PTA • Hillcrest House • Hillhead Nursery • Hillside 106th Scout Group • Hillside School • Hillside Scouts • Hillview Court • HIPY • HM Frigate Unicorn • Holiday Project • Holy Cross RC Primary • Holy Trinity Church Annual Garden Party • Holy Trinity Primary School PTA • Holytown Parish Church • Holywell County First School Parents Association • Holywell In Bloom • Holywell Village First School • Home Start • Home-Start Edinburgh • Hope for Blake • Hope Paton Bowling Club • Hopeman's Community Association • Hospice At Home • Hub Arts Group • Hutchison Vale FC • I-Kick Martial Arts • Inch Community Centre • Interact • International Womens Day • Inverbervie & District Probus Club • Inverbervie Day Centre • Inverbervie Pre-School & Burgh Hall • Invercain Community Council • Inverclyde Care & Help at Home • Inverclyde Woodturning Club • Invergowie Christmas Lights • Invergowie Parent Council • Inverkeithing Community Council • Inverkeithing High School • Inverness Royal Academy • Inverness Trampoline Club • Iskate • Isla Ward Stobhill Hospital • James Hutton Institute • Jameson Place Shittered Housing • Jason Lyons Memorial Trophy • JC Glitter White • JDRF Montrose • John King Memorial Cup Fundraiser • Just Giving Susan Logan • Kennoway Football Team • Keswick Beer Festival • Keswick Rotary Club • Keswick Victorian Fayre • Kids Cancer Awareness • Kids Love Clothes • Kieran McDade Foundation • Kildrum Family Learning Centre • Kilmallie Community Centre Ltd • Kinnylies Primary • Kirkcaldy Shotokan Karate • Kirkhill Primary School • Kirkliston & South Queensferry FC • Kirkliston Playgroup • Kirkliston Primary School • Kirkmuirhill Football Club • Kirknewton & East Calder Church • Kirkton Primary School • Kirky Samba Sisters • Knockbain Community Council • KS Dance Academy • Laburnum Family Learning Centre • Lanark Gymnastics Club • Lanarkshire Additional Support Team • Largs Community Resilience Team • Larkhall & District Volunteer Group • Laurencekirk Bowling Club • Laurencekirk School • Law Baby and Toddler Group • Law Village Community Fun Day • Lazonby Bowling Club • Lazonby C of E School • Lazonby Primary School • Learn with Fred • Leith Academy School Fund Account • Leith Festival Association • Leiththeatre • Lent Lunches • Lesmahagow High School • Lesmahagow Highland Games • Leuchars Primary School • Liberton Rugby Club • Libertus • Lifeline • LIFT • Light Up The Dales • Link Up Whitfield Volunteer Dundee • Linkwood Primary School • Lisa Shore (Post Office) • Little Monster Mashup • Little Princess Trust • Little Sisters of the Poor • Livingston Ladies Probud Club • Livingston Station Playgroup • Loanhead Children's Gala Day Association • Loanhead Miners Youth Football Club • Lochce United Amateur FC • LO-GYGymnastics • Lothian Laryngectomee Group • Love Learning Scotland • Low Port Primary School • LS Divas • Lugar Boswell Thistle Football Club • Luthermuir School Community Group • Lyle Cornet Fundraising • Lyndos School of Dance • Lyvennet Community Pub • Machan Trust • Machanhill Primary School, Larkhall • Mackie Academy • Macmillan Club • Maggie's Centre Dundee/Look Good Feel Better • Maggie's Glasgow • Magic Gymnastics • Make A Wish • Manchester Relief Fund • Marchmont & Sciennes Community Council • Marchmont Midsummer Madness Garden Party • Marchmont Playgroup • Marie Curie • Mark Scott Leadership • Mary's Meals • MASA • Mayfield & Easthouses Youth 2000 Project (Y2K) • Mayfield and Easthouses Piping and Drumming Society • McLean Primary School • McMillan Cancer Research • Mearns & Coastal Healthy Living Network • Mearns Academy Parent Council • Mearns Camera Club • Mearns Heritage Services • Mearns Skatepark • Mearns Youth FC • Meikleour Village Hall & Institute • Melomona Cancer Fundrasier • Meningitis Research Foundation • Menstrie Parish Church • Merrylee Primary School • Mid Calder Primary • Mid Deeside Church Foodbank Christmas Tree • Mid-Lin Day Centre • Midlothian Gymnastics Club • Midlothian Sure Start • Milesmark Primary Gala • Military Museum Scotland • Mill United Blacks 2003 • Milnes High School PTA • Milnes Nursery Fochabers • Milngavie Tennis Club • Milton Rovers Youth FC • Miltongrange Nurcing Home • Moghissi Laser Trust • Monikie Primary School PTP • Montrose Academy • Montrose District Seals ASC • Montrose Fair Trade Forum • Montrose Old & St Andrews • Montrose Sailing Club • Montrose Town Hall Bowling Club • Montrose YM • Monymusk Playgroup • Moray School Bank • Morison Duncan Hall • Mossdodloch Parent & Toddler Group • Muiredge Primary School • Multiple Sclerosis Fundraising • Munloch Christmas Lights • Murdostoun Neurological Care Centre • Murieston United Football Club • Murrayburn Primary School • Murrayfield Primary School • Murrayfield Junior Ice Hockey Club • Musselburgh Horticultural Society • Musselburgh Seacadets • Muthill Pre-School • MYFC Girls Under 13s Team • Myrtfield District Brownies Girl Guides • Nairn & District Gardening Club • Nairn Bowling Club • Nairn Drama LTD • National Autistic Society • Netball Fever • Nether Currie Primary School • New Age Kurling • New Cumnock Early Childhood Centre • New Cumnock Bowling Club • New Cumnock Community Charity Fun Day • New Directions West Lothian • New Elgin JFC • New Elgin Primary School • New Farm Primary School • New Hartley First School • New Hartley In Bloom • New Hartley Kids Club • Newhaven Scout

Group • Newmains Primary School • Newmilns and Galston Brass Band • Newport In Bloom • Newton Community Education Association • Newton Stewart Young Players • Newtongrange Silver Band • NHS Rehab • NHS Tayside Raffle • Ninewells Community Garden • Noblehall Community Centre • North Air Ambulance • North Ayrshire Athletics Club • North Edinburgh Arts • North Kincardine Rural Community Council • Northern Oesophago Cancer Fund • NorthPens Writers • Oakburn Park Day Centre • Oban High School • Ogilvie School Campus • Old Kilpatrick Bowling Church • Oldmachar Community Preschool • One Stop Community Shop • One Voice Volunteer Group Association • Operation Wallacea • Orchard Care Centre • Orchard Primary LCSC Support Group • Ordiqhull School • Ordtotz Baby Toddler Group • Orla Higgins Fundraising • Orton Primary School • Our Lady of Lourdes Primary School • Outdoor Nursery Edinburgh • Ovarian Cancer Research • Oxbangs Neighbourhood Centre • PAMIS • Park Run Ltd • Parkhead Childrens Gala Day • Parkhead Primary School • Parkinsons UK • Parkview Primary School • Partizan FC • Pass IT On • Patna Primary School • Patrick Sweeney • Pentlands Book Festival • Penumbra • People First • People First Fraserburgh • Percy Hadley Fund • Perth & Kinross Initiative • Peza Trust • Pilrig Park School • Pinochios Childrens nursery • Pinyoscot Bulldogs • Place & Platform Art Collective • Place2Be • Places For People • PMC Lunch Club • Polbeth & West Calder Community Garden • Polwarth Church Fairtrade • Poppy Scotland • Portgordon Primary School PTA • Portobello High School • Preston Lodge High School • Prestonpans After School Club • Prestonpans Infant School • Prestonpans Primary School • Pride in Meigle 2015 • Pride of Place Coupar Angus • Priorsford Primary School PTA • Project Ability • Puffin Playgroup • Pumpherston Senior Citizens Club • Pumpherston Uphall Station Community Primary School • Queen Margaret University • Queensferry HS - charity football tournament • Queensferry Lifeboat Station • Queensferry Parish Church • RAF Turfiff 1296 Squadron CWC • Raigmore Primary School • Rainbow Nursery • Rannoch Lodge Nursing Home • Raploch Primary School • Ratho Childrens Gala Day • Ratho Primary School • Ratho Station Residents Association • Rattray Blair Half Marathon • Ravelrig Riding for the Disabled • Renaissance Care • Reno Nevada Championships • Residents McDonald/Carnegie Court Social Fund • Resonate Arts House • Richmond's Hope • Ricki's fundraiser • River Kids • RNLI Eyemouth • RNLI Loch Ness • RNLI Macduff • Ronald McDonald House • Rosebank Primary School • Rosebery Playgroup • Roslin Men's Shed • Rosslyn Bowling Club • Rotary Club of Montrose • Row Porty • Roxburgh House • Roy Castle Lung Cancer Foundation • Royal Air Force - Air Cadets • Royal Blind • Royal British Legion • Royal British Legion Scotland - Montrose Branch • Royal Naval Association Rosyth & west Fife Branch • Royal Tarlair Golf Club • RRC Grantown • RUSH • Ruth Grace Fundraising • Saline Golf Club, Ladies Section • Salvation Army • Salvation Army Prestonpans • SAMH • SAMH - Macduff Bowling Club • SAMs Charity • Sandcastle Playgroup • Sandend Amenities Council • SANDS • Saughtonhall Community Summer Fete • SAYE • Scotland Deaf Childrens Society • Scott Avenue Community Garden Group • Scottish Africa United • Scottish Families Affected by Alcohol & Drugs • Scottish Fighters of WKA • Scottish Pensions Association • Scottish Spina Bifida Association • Seagull Trust Cruises Ratho • Seaton Delaval Church Fayre • Seaton Delaval Dynamos Football Team • Seaton Delaval First School • Seaton Delaval Ladies Bowling Club • Seaton Delaval Pantomime Society • Seaton Sluice In Bloom • Seaton Sluice Middle School • Shannon Hughes Foundation • Shannon Miller Fundraising • Shap Evergreen Club • Shap Playgroup • Shazam Theatre Company SCIO • Shona Douglas Fundraiser • Sick Kids Friends Foundation • Sighthill Bowling Club • Sighthill Community Centre • Silverknowes Golf Club • silverwood primary • Simba • Simpson Special Care Baby Unit • Singing for Lung Health • Sister of St. Peter Claver • Skelton Show • Skylark IX Recovery Trust • Sleep in the Park • Social Bite's Sleep in a Park • South Ayrshire Escape from Homelessness (SeAscape) • South Parks Primary School • South Queensferry Clean Up • South Queensferry Rotary Club • Special Needs Adventure Playground • Speymouth Hall • Speyside High School • Spinning Tops (Seaton Delaval) • Springburn Community Council • Spynie Care Home • St Andrew's Church Youth Café • St Andrews Hospice • St Andrews Primary School • St Catherine's Argyle • St Columba's Hospice • St Cyrus Primary School • St Devenicks Playgroup • St Elizabeth's Primary School • St George's • St John Baptist PS, Fauldhouse • St John Paul II Primary School • St John The Baptist Over 50 Group • St John the Baptist Primary School • St John's Chapel Luncheon Club • St John's RC Primary School Parent Council • St Joseph's Church, Broomhouse • St Joseph's Primary School • St Joseph's RC Primary School • St Kentigern's Church • St Lukes RC School • St Margarets High School • St Margaret's Primary School • St Margaret's RC Primary School Parent Council • St Mark's Primary School • St Mark's RC Primary School Parent Council • St Mary's Church Holywell • St Mary's Primary School • St Mungos Old Folks Wellbeing Centre • St Mungos Primary • St Nicholas PS, Broxburn • St Ninians R C Church • St Patrick's Primary School • St Paul's Primary School • St Paul's PS, East Calder • St Peter & St Pauls Parent Council • St Peter's Church • St Peter's Primary School • St Philomena's RC Church • St Pius Primary School • St Pius RC Nursery School • St Roch's Childcare Services • St Ronan's Primary School • St Thomas of Aquinas • Stanhope Agricultural Society • Stanhope Barrington Primary School • Stanhope Cricket Club • Stanhope Scouts • Stanhope Toddler & Baby Group • Stanley Burnside Primary School • Starter Packs Glasgow • Starter Packs Inverclyde • Steins Thistle Club • Stenhouse Primary School • Stobhill Primary School • Stockbridge Colonies Yard sale • Stonehouse Jubilee Club • Stoneburn Community Education Association • Strathaven Academy • Strathaven Agricultural Exposition • Strathaven Balloon Festival • Strathaven Round Table • Strathcare • Strathmore Centre for Youth Development - SCYD (SC • Stroke Association • Studio 75 • Sunny Harbour Cat Rescue • Supporting Autism in Lanarkshire • SWI Fettercairn & The Sandpaper Trust • Tannoachse Primary School • Tayport Ferryport-on-Craig Community Council • Tayside Children's Cancer Charity • Tayside Council On Alcohol • TeamLeyle • Teardrop • Teenage Cancer • TESOL Thailand • The 1.30 Club • The ARCHIE Foundation • The Bathgate Band • The Big Bear's Picnic • The Big Pedal • The Big Sleep Out • The Butterfly Trust • The Cawdor Bowling Club • The Edinburgh Singers • The Friary Community Garden • The Friends of Cross Hill Nursing Home • The Friends of the Polwarth Canal Garden • The Haven • The Jack and Jill Parent/Carer Support Group • The Jam Cheerleaders • The John O'Byrne Foundation • The Kieran McDade Foundation • The Leprosy Mission • The Meeting Place • The Mixing Lowl Aberdeen • The MOOD Project • The Preshal Trust • The Shack Street Food • The State (Leith) CIC • The Strathmore Rugby Club Community Trust • The TLC Group • The Waggy Dog Project • The Way Through Project • The Yard • Thomas's Fundraiser • Threshold Edinburgh • Tillydrone Community Flat • Tilly's Raffle • Time for a Cuppa • Tiny Lives • Tollcross Primary School • Tore Primary School • Torphins Bowling Club • Torphins Community Council • Torphins Primary School • Torrance Community Initiative • Townhill Primary School • TREE • Treetop Family Nurture Centre • Tri Angus Ltd • Trust Jack Foundation • Tullichevan Tenants & Residents Association • Turriff Citizens Advice Bureau • Tynecastle High School • Tyneside Gymnastics • Uddington Bowling and Tennis Club • Uddington Bowling Club • Uddington Grammar School • Uddington Pride • Unicorn Preservation Society • UNISON Kinneil Band • Uphall Station Pensioners Association • Urquhart Baby Toddler Group • VESA • Victoria House Care Home • Viewpark Children's Christmas Party • Viewpark Garden Allotments • Vision Africa • VOCAL (Voice of Carers Across Lothian) • Voluntary Action Angus • Wardyldes Primary School - Christmas • Warrior Mums Project • Weardale Community Choir • Wee Do Club • Weir Black Belt Academy • West Calder United FC • West Grasses Carol Singing • West Dunbartonshire Community Foodshare • West Kirk of Calder • West Lothian 50+ Network • West Lothian Schools Pipe Band Fundraising Commitment • West Park United 2002's • Whitdale Primary School • White Horse Darts Team • Whitlets Victoria Futsal Club • Whitley Bay Barbarians • Williamwood Parish Church • Willowbrae/ Uddington Residents Association • Wing Tsjun Hilton Group • Wireless Hub Drama Group • Wish Upon a Star • Wishaw Bowling Club • Wishaw General • Wishes Women's Group • WLFIN (SCO) • Wolsingham Show • Women's Aid • womens Guild Tillcoutry • World Cancer Research • Wormit Playgroup • Yes U Are Partnership • Yorkhill Children's Charity • Yorkhill Children's Hospital • Young at Heart Blackburn • Your Big C and Me • Ziggy's 8 Day Challenge

Summary Group Profit and Loss Account for the year ended 27 January 2018

This is a summary of the information in the Society's Annual Accounts

	2017-18	2016-17
	52 Weeks to 27 Jan 2018 £000	52 Weeks to 28 Jan 2017 £000
turnover	373,712	376,169
cost of sales	(274,708)	(277,554)
gross profit	99,004	98,615
other income	5,219	5,745
net expenses	(99,409)	(99,051)
trading profit	4,814	5,309
exceptional items	(2,284)	(432)
investment property revaluation	3,947	5,134
surplus/(loss) on disposal of fixed assets	1,447	(276)
operating profit	7,924	9,735
net finance charges	(1,363)	(1,476)
surplus before distributions	6,561	8,259
distributions		
share interest	(66)	(80)
grants and donations	(537)	(556)
surplus before taxation	5,958	7,623
taxation	(411)	(1,371)
surplus for the financial year	5,547	6,252

Trading Profit is calculated by reference to Operating Profit but excluding exceptional items, surplus/loss on disposal of fixed assets and investment property revaluation. See accounting policy provided in the Society's annual report and financial accounts.

Summary Group Balance Sheet as at 27 January 2018

This is a summary of the information in the Society's Annual Accounts

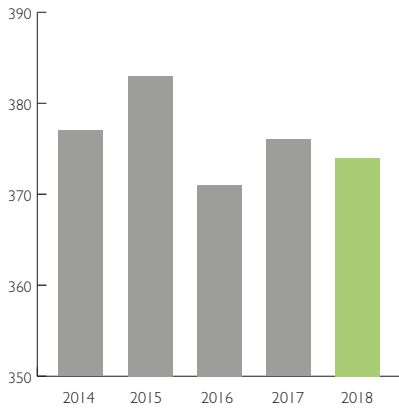
	2017-18		2016-17	
	£000	£000	£000	£000
fixed assets				
intangible assets		20,497		22,374
tangible assets		132,584		126,711
investments		12,700		10,686
		<u>165,781</u>		<u>159,771</u>
current assets				
stocks - goods for resale	23,315		24,933	
debtors and prepayments	14,550		15,416	
cash at bank and in hand	7,205		9,137	
	<u>45,070</u>		<u>49,486</u>	
current liabilities				
amounts falling due within one year				
creditors	(41,355)		(44,930)	
net current assets		3,715		4,556
total assets less current liabilities		<u>169,496</u>		<u>164,327</u>
long term liabilities				
amounts falling due after more than one year				
creditors		(48,510)		(48,870)
provisions for liabilities and charges				
other provisions		(2,090)		(1,341)
net assets excluding pension liability		<u>118,896</u>		<u>114,116</u>
net pension liability		(19,340)		(22,585)
net assets		<u>99,556</u>		<u>91,531</u>
financed by				
share capital		6,050		6,039
non-distributable reserve		30,570		34,176
revenue reserve		62,936		51,316
shareholders' funds		<u>99,556</u>		<u>91,531</u>

Summary Group Cash Flow Statement for the year ended 27 January 2018

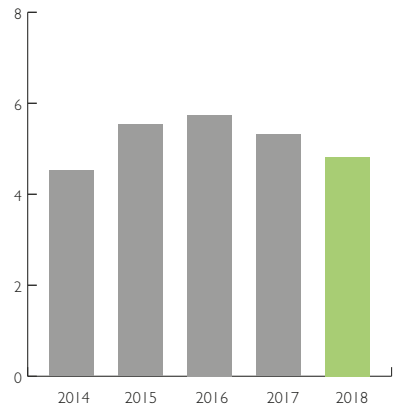
This is a summary of the information in the Society's Annual Accounts

	2017-18	2016-17
	52 Weeks to 27 Jan 2018 £000	52 Weeks to 28 Jan 2017 £000
net cash inflow from operating activities	9,496	13,882
cash flows from investing activities		
purchase of equipment	(19,173)	(10,156)
other investing activities	<u>9,531</u>	<u>(163)</u>
	(9,642)	(10,319)
cash flows from financing activities	<u>(1,786)</u>	<u>(2,734)</u>
	(1,786)	(2,734)
(decrease)/increase in cash	<u>(1,932)</u>	<u>829</u>
reconciliation of net cash flow to movement in net debt		
(decrease)/increase in cash for year	(1,932)	829
cash outflow from change in net debt and lease financing	1,194	2,149
movement in net debt for the year	<u>(738)</u>	<u>2,978</u>
opening net debt	(32,003)	(34,981)
closing net debt	<u>(32,741)</u>	<u>(32,003)</u>

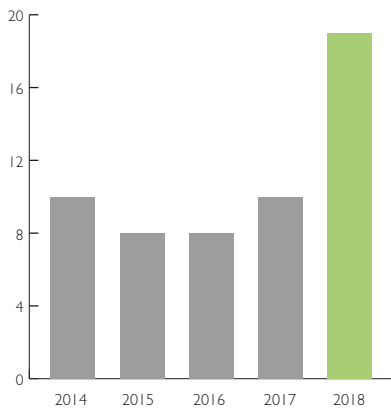
Turnover (£ millions)



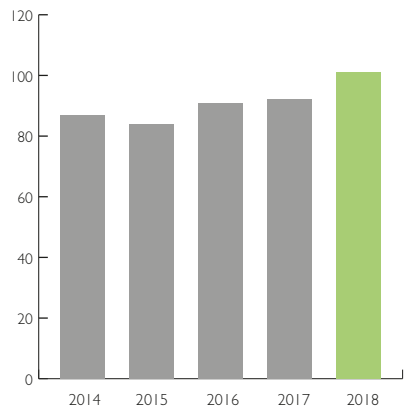
Trading profit (£ millions)



Purchase of fixed assets (£ millions)



Net assets (£ millions)



Statement of Directors' responsibilities in relation to the Summary Financial Accounts

The Summary Financial Accounts comprise the Summary Group Profit and Loss Account, Summary Group Balance Sheet and Summary Group Cash Flow Statement of Scottish Midland Co-operative Society Limited (the 'Society').

The Summary Financial Accounts presented with the Annual Review do not constitute the full Financial Accounts of the Society for the financial year ended 27 January 2018 but represent extracts from them. These extracts do not provide as full an understanding of the financial performance and position, or financial and investing activities, of the Society as the full Financial Accounts of the Society.

The full Financial Accounts for this year has been reported on by the Society's independent auditor. The reports of the auditor were:

- (i) unqualified; and
- (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report.

The Directors of the Society have accepted responsibility for preparing the Annual Review and for preparing the Summary Financial Accounts included therewith by extracting the financial information included in the Group Profit and Loss Account, Group Balance Sheet and Group Cash Flow Statement for the year ended 27 January 2018 directly from the Society's full Financial Accounts. The full Financial Accounts are available on request.

The Summary Financial Accounts were approved by the Board of Directors and signed on their behalf on 22 March 2018.

Independent statement of KPMG LLP to Scottish Midland Co-operative Society Limited

We have examined the Summary Financial Accounts of Scottish Midland Co-operative Society Limited ('the Society') for the year ended 27 January 2018 set out on pages 16 to 18 of the Annual Review and Summary Financial Accounts.

This statement is made solely to the Society on terms that have been agreed with the Society. Our work has been undertaken so that we might state to the Society those matters we have agreed to state to it in such a statement 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 for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Directors and KPMG LLP

As explained more fully in the Statement of Directors' Responsibilities above, the Directors have accepted responsibility for extracting the financial information within the Summary Financial Accounts from the Society's full Financial Accounts.

Our responsibility is to report to the Society our opinion on the accurate extraction of the financial information within the Summary Financial Accounts from the full Financial Accounts of the Society.

Basis of opinion

Our examination of the Summary Financial Accounts consists primarily of agreeing the amounts and captions included in the Summary Financial Accounts to the corresponding items within the full Financial Accounts of the Society for the year ended 27 January 2018.

We also read the other information contained in the Annual Review and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Accounts.

This engagement is separate from the audit of the Financial Accounts of the Society and the report here relates only to the extraction of the Summary Financial Accounts from the full Financial Accounts and does not extend to the full Financial Accounts taken as a whole.

As set out in our audit report on the Financial Accounts, that audit report was made solely to the Society's members, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and on terms that had been agreed. Our audit report was undertaken so that we might state to the Society those matters we were required or had agreed to state to it in our auditor's report, and for no other purpose. Our audit report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Society for any purpose or in any context. Any party other than the Society who obtains access to our audit report or a copy and chooses to rely on our audit report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our audit report to any other party.

Opinion on Summary Financial Accounts

On the basis of the work performed, in our opinion the Summary Financial Accounts included with the Annual Review has been accurately extracted from the full Financial Accounts of the Society for the year ended 27 January 2018.

KPMG LLP
Chartered Accountants
Castle Terrace
Edinburgh EH1 2EG
28 March 2018

Scotmid

co-operative

This Annual Review and Summary Financial Accounts represent an extract from the full Financial Accounts of the Society, which can be accessed online at www.scotmid.coop/news-and-media/annual-reports

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community films

Scottish Midland Co-operative Society Limited

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