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Co-operative Group Holdings (2011) Limited

Financial statements

Registered number 28501R

Period ended 3 January 2026

Corporate Information

Directors	Dominic Kendal-Ward Simon Nuttall
Secretary	Caroline J Sellers (resigned 31 March 2025) Yasmin Sidat (appointed 31 March 2025)
Auditors	Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3EY
Registered Office	1 Angel Square, Manchester, M60 0AG

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Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Co-operative and Community Benefit Society Law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Under that law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of the income and expenditure of the Society for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Society financial position and financial performance;
- in respect of the financial statements, state whether applicable UK Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Independent auditor's report to the members of Co-operative Group Holdings (2011) Limited

Opinion

We have audited the financial statements of Co-operative Group Holdings (2011) Limited (the "Society") for the 52-week period ended 3 January 2026 which comprise the Income statement, the Statement of other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 22 including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Society's affairs as at 3 January 2026 and of its profit for the 52 week period 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 Society 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 as applied to listed public interest entities, 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The Society has amounts owed to it by Group undertakings of £1,890m and is party to a Group MASS account arrangement operated by Co-operative Group Limited's Treasury Department. As a result, the Society is reliant on financial support from Co-operative Group Limited ("the Group"). We obtained an understanding of the process the Board of the Society undertook to evaluate whether the Group had the financial resources to be able to honour their commitments to the Society. We read the letter of support provided from the Group to corroborate management's expectation that the Group has the intent and the ability to provide support and will do so for the period to 31 December 2027.

Our evaluation of the Directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process, including the cash forecast for the going concern period which covers the period to December 2027 and considered the existence of any significant events or conditions beyond this period.
- Verifying model inputs against board-approved forecasts. We challenged the appropriateness of the key assumptions in management's forecasts, including revenue and margin growth, comparing to historical forecasting accuracy.
- Challenging management over the completeness of key factors and the downside scenarios identified, considering other factors impacting the group, such as the impact of significant cost pressures including increased national living wage costs and other accounting estimates.
- Assessing the plausibility of the downside scenarios and whether these were appropriately severe in light of the group's performance, focusing on Food performance in 2026 to date, and the possibility that the financial objective of the cost out programme is not met. We performed sensitivity analyses on the assumptions to assess the impact on headroom, including the possibility of a cash outflow resulting from an adverse legal matters outcome.
- Testing the clerical accuracy of cash flow calculations, evaluating the appropriateness of the methodology applied by management, including forecast liquidity under base and downside scenarios.
- Obtaining and inspecting the agreement for the £350m term loan issued in June 2025, which remains undrawn at year end, to be used to repay the maturing bond in July 2026. We assessed the continued availability of facilities to the group through the going concern period and ensured the completeness of the covenants identified by management. We inspected the short-term covenant alleviation agreement reflecting the estimated direct impacts of the cyber security incident due to its one-off nature. There is forecast covenant compliance in 2026, even without the alleviation.
- Engaging an EY debt advisory specialist who concluded the group had realistic prospects of accessing the capital markets if required before July 2026. However, given this is uncommitted as at the date of approval of the financial statements, we excluded the £300m assumed by management in their model, from the EY modelling, but noted sufficient covenant and liquidity headroom even excluding the facility.
- Evaluating the mitigating factors which are within the control of the group, including a review of the feasibility of capital expenditure reductions. We excluded an assumed sale and leaseback mitigation included in management's model, given it was only partially in the control of management, but noted this did not make a significant difference to the forecast covenant and liquidity headroom.
- Reviewing management's reverse stress testing in order to identify and understand the likelihood of factors that would lead to the group running out of all available liquidity during the going concern period.
- Reviewing the group's going concern disclosures included in the annual report in order to assess that the disclosures are consistent with the basis upon which the Directors have concluded, and in conformity with the reporting standards.

Independent auditor's report *(continued)*

Conclusions relating to going concern *(continued)*

Key observations arising with respect to our evaluation of management's going concern assessment:

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 Society's ability to continue as a going concern for the period to 31 December 2027 given the ability to rely on the parental support.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Society's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Estimated credit losses on Intercompany receivables • Valuation of Investment in Food Wholesale business
Materiality	• Overall materiality of £38m which represents 2% of equity.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Society. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Society and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Society. The Group has determined that the most significant future impacts from climate change on their operations will be indirectly through their holdings in a food retail store business, a food wholesaling business, and a funeral plan and funeralcare business which materially comprise the operations of the Group entity. Directly the impact of climate change is not anticipated to be material to the Group or this Society.

The most significant future impacts from climate change across the entities where investments are held will be a lack of raw material availability and reduced access to key facilities (depots & data centres). The material future transition risks arising from climate change are potential damage to consumer sentiment in the market and impairment of technological assets as a result of negative impacts from the transition to a more sustainable business.

These are explained in the Group's financial statements for the 52-week period ended 3 January 2026 on pages 106 to 113 in the required Task Force on Climate Related Financial Disclosures and on pages 47 to 51 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Independent auditor's report *(continued)*

Climate change (continued)

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in their financial statements for the 52-week period ended 3 January 2026 within the Accounting Policies and Basis of Preparation section and in Note 10 and 12 their articulation how they have reflected the impact of climate change in their financial statements, including how this aligns with their commitment to become a net-zero business in their operations by 2035 and across their full value chain by 2040. Significant judgements and estimates relating to climate change are described within the section "Material accounting judgements, estimates and assumptions in relation to climate change".

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 106 to 113 and the significant judgements and estimates disclosed within section "Material accounting judgements, estimates and assumptions in relation to climate change" and whether these have been appropriately reflected in asset values where these are impacted by future cash flows and associated sensitivity disclosures (see notes 10, 12 and 25), following the requirements of UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, which included a review of the most recent Sustainability Report produced by the Group and a review of "Co-op's Climate Plan" updated in March 2024, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit. We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: Valuation of Investments. Details of the impact, our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Directors
Estimated Credit Losses on Intercompany Receivables **Refer to the Trade and other receivables note** **The balance sheet includes intercompany receivables of £1,890 million (2024: £1,983 million) which are primarily due from the Society's parent undertaking, Co-operative Group Limited. There is a risk that the receivables may be impaired.** **Management has applied the expected credit loss model under IFRS 9: "Financial Instruments" to determine whether a provision is necessary.** **The risk has remained unchanged in the current period.**	• We obtained an understanding of and documented the key processes and controls by performing a walkthrough of the processes for expected credit loss provisioning. • We have agreed the intercompany balances from the trial balance for the entity to the intercompany matrix. • We inspected a paper prepared by management to demonstrate the ability of group companies to settle their intercompany positions, and, in turn, the recoverability of the intercompany receivables held by the Society, if required. • We reperformed an expected credit loss calculation considering the change in credit risk from initial recognition and the exposure at default, probability of default, and loss given default. • We searched for contradictory evidence to management's key assumptions, such as the ability to make asset sales within a twelve-month period, and ran sensitivities to assess the appropriateness of the assumptions. • We read the disclosure and concluded over the appropriateness of the disclosure in line with the requirements of accounting standards.	We concluded that the expected credit loss provision recorded by management was appropriate and within our acceptable range.

Independent auditor's report *(continued)*

Key audit matters (continued)

Valuation of Investments (2025: £217 million, 2024: £217 million) **Refer to page 22 under the Investments note** **The balance sheet includes an investment in the Group's Food Wholesale business of £126 million (2024: £126 million). There is a risk that the investment might be impaired.** **The risk relating to the carrying value of the investment has remained the same in the period.**	• We obtained an understanding of and documented the key processes and controls by performing a walkthrough of management's impairment processes. • We have read management's impairment assessment of the investment in the Food Wholesale business • We have performed a detailed impairment assessment of the valuation of the investment by assessing: - management's forecasting accuracy by comparing historic forecasts to historic results across the prior three accounting periods. - key assumptions within the forecasts such as projected growth rates,customer contract wins, losses and renewals and discount rates and corroborating to external benchmarks where available. • We performed a sensitivity analysis on both the discount rate and sales volumes and performed an analysis on EBITDA to evaluate the headroom. • We read the disclosures included within the financial statements and concluded on their appropriateness in line with accounting standards.	We did not identify an impairment in the carrying value of the Society's investment in the Food Wholesale business.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Society to be £38 million (2024: £37 million), which is 2% (2024: 2%) of equity. We believe that equity provides us with an appropriate performance metric on which to base our materiality calculation. This is due to the principal activity being a holding entity for group subsidiaries and for debt financing. Therefore, we concluded that equity, a capital-based measure, was appropriate to use as a performance benchmark given the focus of the users of the accounts is on the solvency of the Society in the long-term.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Society's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £29m (2024: £28m). We have set performance materiality at this percentage due to the number of audit misstatements identified in the prior period

Independent auditor's report *(continued)*

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Directors that we would report to them all uncorrected audit differences in excess of £1.9m (2024: £1.9m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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 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 this 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 the 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

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:

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Society has not kept proper books of account; or
- the Society has not maintained a satisfactory system of control over its transactions.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the 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 Directors are responsible for assessing the Society'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 Society 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 these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Society and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Society and determined that the most significant are direct laws and regulations relating to tax legislation, and the financial reporting framework i.e. Co-operative and Community Benefit Societies Act 2014 and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework".
- We understood how Co-operative Group Holdings (2011) Limited is complying with those frameworks by making enquiries with management, internal audit, and those responsible for legal and compliance matters. We reviewed specialist reports and correspondence with regulators and made enquiries of legal counsel in relation to a cyber incident.
- We assessed the susceptibility of the Society's financial statements to material misstatement, including how fraud might occur by considering the controls that the Society has established to address risks identified by the entity, or that might otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement including valuation of investments. Where the risk was higher, we performed audit procedures to address each identified fraud risk. In addition, we performed testing to address the pervasive risk of management override through testing journal postings which were outside of our expectations, searching for significant or unusual transactions, assessing related party transactions and performing sensitivity analysis over key estimates.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved; making enquiries with those charged with governance and senior management for their awareness of non-compliance with laws and regulations, inquiring about policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Society's methods of enforcing and monitoring compliance with such policies.

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

Other matters we are required to address

Following the recommendation from the Directors we were appointed by the Society on 21 May 2016 to audit the financial statements for the 52-week period ending 31 December 2016 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is ten periods, covering the 52-week periods ending 31 December 2016, 5 January 2019, 4 January 2020, 2 January 2021, 1 January 2022, 31 December 2022, 4 January 2025, 3 January 2026 and two 53-week periods ending 6 January 2018 and 6 January 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Society and we remain independent of the Society in conducting the audit.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014 and our engagement letter dated 20 February 2024. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Ernst & Young LLP

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Ernst & Young LLP
Statutory Auditor
Manchester
29 May 2026

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Income Statement
for the period ended 3 January 2026

	Notes	**For period ended 3 January 2026 £'000**	For period ended 4 January 2025 £'000
Revenue	3	**7,137**	8,040
Cost of sales		**(4,220)**	(4,763)
Gross profit		**2,917**	3,277
Change in expected credit loss provision on amounts owed by group undertakings		**(9,441)**	11,126
Change in value of investment properties	12	**2,472**	10,457
Profit on disposal of property, plant and equipment	4	**9,281**	9,876
Partial reversal of Impairment of finance lease receivable	4	**5,234**	-
Impairment of property, plant and equipment	4	**(774)**	-
Partial reversal of Impairment of property, plant and equipment	4	**-**	802
Operating profit	4	**9,689**	35,538
Investment income	6	**350**	615,853
Finance income	7	**118,597**	131,548
Finance expenses	8	**(34,272)**	(38,611)
Profit before taxation		**94,364**	744,328
Taxation	9	**(24,453)**	(11,200)
Profit for the period		**69,911**	733,128

All amounts relate to continuing activities.

Statement of other comprehensive income
for the period ended 3 January 2026

	Notes	**For period ended 3 January 2026 £'000**	For period ended 4 January 2025 £'000
Profit for the period		**69,911**	733,128
Other comprehensive income: Items that will not be reclassified to profit or loss			
Revaluation upon transfer from PPE to investment property		**-**	187
Tax impact of above		**-**	(120)
Total comprehensive income for the period		**69,911**	733,195

The notes on pages 11 to 24 form an integral part of these financial statements.

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Balance Sheet
as at 3 January 2026

	Notes	**As at 3 January 2026 £'000**	As at 4 January 2025 £'000
Non-current assets			
Property, plant and equipment	10	**10,618**	10,079
Right-of-use assets	11	**3,284**	3,074
Investment properties	12	**30,940**	31,487
Investments	14	**217,225**	217,225
Finance lease receivables	11	**14,885**	10,779
Trade and other receivables	15	**1,890,317**	1,997,176
Deferred tax asset	19	**2,898**	3,177
Total non-current assets		**2,170,167**	2,272,997
Current assets			
Trade and other receivables	15	**13,115**	10,904
Finance lease receivables	11	**4,949**	5,077
Cash and cash equivalents		**207,958**	55,970
Total current assets		**226,022**	71,951
Total assets		**2,396,189**	2,344,948
Non-current liabilities			
Loans and borrowings	16	**-**	357,360
Lease liabilities	11	**52,527**	57,220
Provisions	17	**13,964**	16,128
Derivatives	13	**-**	5,783
Total non-current liabilities		**66,491**	436,491
Current liabilities			
Loans and borrowings	16	**352,607**	-
Lease liabilities	11	**9,412**	9,299
Trade and other payables	18	**18,717**	19,781
Provisions	17	**3,688**	5,667
Derivatives	13	**1,653**	-
Total current liabilities		**386,077**	34,747
Total liabilities		**452,568**	471,238
Net assets		**1,943,621**	1,873,710
Equity			
Called up share capital	20	**522,000**	522,000
Retained earnings		**1,417,748**	1,347,887
Revaluation reserve		**3,873**	3,823
Total equity		**1,943,621**	1,873,710

The notes on pages 11 to 26 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 29 May 2026 and were signed on its behalf by:

S Nuttall
Director

D Kendal-Ward
Director

Y Sidat
Secretary

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Statement of changes in equity
for the period ended 3 January 2026

	Called up share capital £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 6 January 2024	522,000	3,756	1,269,472	**1,795,228**
Profit for the period	-	-	733,128	**733,128**
Other comprehensive income				
Revaluation upon transfer from PPE to investment property	-	187	-	**187**
Tax impact of above	-	(120)	-	**(120)**
Dividends paid in the period to parent undertaking, Co-operative Group Limited	-	-	(654,713)	**(654,713)**
Balance at 4 January 2025	522,000	3,823	1,347,887	**1,873,710**
Profit for the period	-	-	69,911	**69,911**
Transfer on disposal	-	50	(50)	**-**
Balance at 3 January 2026	522,000	3,873	1,417,748	**1,943,621**

The notes on pages 11 to 24 form an integral part of these financial statements.

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Notes
(forming part of the financial statements)

1 General information

Co-operative Group Holdings (2011) Limited is a Registered Society and is registered in England and Wales.

The address of the Society's registered office is 1 Angel Square, Manchester, M60 0AG.

The principal activities of the Society are property management, the financing of the parent undertaking Co-operative Group Limited, and holding investments in other group subsidiaries.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The Society meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' and the Co-operative and Community Benefit Societies Act 2014 for the 52 week period ended 3 January 2026. The comparative period was for the 52 week period ended 4 January 2025.

The financial statements are presented in pounds sterling and are principally prepared on the basis of historical cost. Areas where other bases are applied are explained in the relevant accounting policy in the notes. Amounts have been rounded to the nearest million. The accounting policies set out in the notes have been applied consistently to all periods presented in these financial statements, except where stated otherwise. The financial statements are prepared on a going concern basis. See later section on 'Going Concern'.

The Society is a wholly owned subsidiary of Co-operative Group Limited ('the Group'), a Registered Society under the Co-operative and Community Benefit Societies Act 2014 registered in England and Wales. The Society owns investments in the Group's food retail store business, a food wholesaling business, and a funeral plan and funeralcare businesses, which materially constitute the operations of the Group. As such, the Directors have determined the level of risk and challenges in relation to climate change to be indirectly commensurate with its ultimate parent undertaking (the Group) and continues to manage these risks in-line with the Group's approach to climate change.

The Group's overall approach to climate change is outlined in the Climate-Related Financial Disclosures (CRFD) section of the Group's 2025 Annual Report and Accounts (page 106). Climate related risks are also explained within the Principal Risks and Uncertainties (Sustainability) section of the ARA on page 51. The Group's assessment of the potential impact on the long term viability of the Group is also set out on page 102 of the Group's 2025 ARA.

As a standalone holding entity, the Society faces no other significant climate change risk given the trade of the Group's business is not the Society's principal activity.

Where applicable, the following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. The specific exemptions that the Society has taken advantage of are:

- IFRS 7 Financial instruments : Disclosures
- Para 91-99 of IFRS 13 Fair Value Measurements
- Para 38 of IAS 1 Presentation of Financial Statements in respect of comparative information
- Para 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash flows
- Para 30-31 of IAS 8 Accounting policies, changes in accounting estimates and errors
- Para 17 and 18A of IAS 24 Related party disclosures
- IAS 24 Intra-group transactions
- The second sentence of para 110 and paras 113(a), 114, 115, 118, 119(a) - (c), 120-127 and 129 of IFRS 15 Revenue from Contracts with Customers
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134 (f) and 135(c) to 135(e) of IAS 36, Impairment of Assets
- The requirements of paragraph 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

New and amended standards adopted by the Society

The Society has considered the following standards and amendments that are effective for the Society for the period commencing 5 January 2025 and either concluded that they are not relevant to the Society or adopted them and they did not have a material impact on the financial statements:

• Amendments to IAS 21 - Lack of Exchangeability

Due to the exemption applied under FRS 101 there is no disclosure for standards, amendments and interpretations issued but not yet effective.

Notes *(continued)*

2 Accounting policies *(continued)*

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key judgements:

In the process of applying the Society's accounting policies, management has made the following key judgements which have the most material impact on the financial statements:

- **Leases (note 11)** - The Society determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Society has the option, under some of its leases to lease the assets for additional terms of 5 to 10 years. The Society applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Society reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Key estimates and assumptions:

The key assumptions and areas of uncertainty around key assumptions at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Society based its assumptions and estimates on information available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

- **Investments (note 14)** - the carrying amount of investments in subsidiaries is reviewed at each balance sheet date and if there is any indication of impairment, the investment's recoverable amount is estimated. The recoverable amount is the greater of the fair value of the asset (less costs to sell) and the value in use of the asset. An impairment loss is recognised whenever the carrying amount of an investment exceeds its estimated recoverable amount.

The Society estimates the value in use of a subsidiary by projecting future cash flows into perpetuity and discounting the cash flows ('DCF') associated with that subsidiary. The key assumptions used to determine the recoverable amount for the different subsidiaries, and the sensitivity analysis that is undertaken, are disclosed and further explained in note 14.

- **Expected credit loss (ECL) on receivables owed from group undertakings (note 15)** - the Society has applied the Group's expected credit loss model to trade receivables and amounts owed by group undertakings, which focuses on whether the receivables are expected to be recoverable rather than whether an impairment loss has occurred.

In the Group's assessment of the intercompany debtor recoverability, a layered 3 tier decision tree approach is undertaken, which considers three forward-looking scenarios: 1) immediate cash settlement, 2) settlement using the Group's pooled cash arrangements, and 3) repayment over time. The third scenario is also extended to consider any potential expected credit loss that might arise should the Group itself ultimately default during any assumed repayment horizon.

The ECL is determined by multiplying together the probability of default (PD), exposure at default (EAD) and the loss given default (LGD) for the relevant time period and for each specific loan and by discounting back to the balance sheet date.

In all scenarios considered in the model, full recoverability of amounts owed by group undertakings is anticipated. This is the case whether that be immediately via cash settlement by the borrowing entity (or via immediate settlement from utilising the Group's available funding arrangements and pooled cash model) or via settlement over a longer period of time (including any potential default by the Group). Where a recovery over time scenario has been modelled, any ECL has been calculated to reflect the risk of default over the time it takes to recover the loan, calculated as the impact of discounting the loan balance over the recovery time horizon at the effective interest rate.

The primary source of estimation sensitivity is deemed to be the timing of the asset sales (and subsequent cash inflows) that would be required to achieve repayment of the intercompany debtor balances. The Group's extensive trading estate portfolio is assessed as being highly attractive to the wider retail and convenience market and so an asset sale of a proportion of our food stores or funeral homes within 12 – 24 months is deemed to be a reasonable and achievable assumption. The ECL impact of assuming asset sales that occur 6 months earlier or 6 months later is a reduction of £10m or an increase of £11m.

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Notes *(continued)*

2 Accounting policies *(continued)*

Going concern

The Society generated a profit of £69,911 in the period (2024: £733,128k) and at the balance sheet date holds net assets of £1,943,621k (2024: £1,873,710k) and net current liabilities of £160,055k (2024: net current assets of £37,204k). The Society has an inter-company receivable of £1,890m as at 3 January 2026 (2024: £1,994m).

The Society is reliant on the support of Co-operative Group Limited ("the Group") in order to meet its day to day working capital requirements because the Group operates a central treasury function. The Society meets these requirements through cash generated from its operations and participation in facility arrangements provided by external lenders to the Group and certain of its subsidiaries, including the Society ("the Group facilities").

A letter of support has been obtained from the Group as evidence of its intention to give continued financial support. The Group has confirmed that it has the ability to provide such financial support and has committed to providing such support until at least 31 December 2027.

In assessing the ability of the Group to provide financial support to the Society, the Directors of the Society have considered the going concern disclosure included in the Annual Report and Accounts of the Group issed on 27th March 2026 and included below, updated for the impact of any significant events occurring between the 27th March 2026 and the date of signing these financial statements. Based on this consideration, the Directors of the Society have a reasonable expectation that the Society and the Group have access to adequate resources to enable them to continue in operational existence for the foreseeable future, being the period to 31 December 2027. For this reason they continue to adopt the going concern basis in preparing the Society's financial statements.

Going Concern assessment for the Co-operative Group Limited ("the Group")

In assessing the Group's ability to continue as a going concern, the Group Directors have considered the Group's most recent forecasting process and specifically the Group's profitability, cashflows, covenant compliance and the Group's liquidity positions for the going concern assessment period, up to 31 December 2027. The Group operates with net current liabilities as its working capital cycle means cash receipts from revenues arise in advance of the payments to suppliers for the cost of goods sold. The Group also borrows money from banks and other funding sources, structuring its borrowings with phased maturities to manage its refinancing risk as well as maintaining sufficient levels of liquidity for the Group. As part of the going concern review, the Group has ensured that its forecasts demonstrate compliance with the terms of these agreements, for example related banking covenants and facility levels.

As part of strategic planning, the Group Directors make key assumptions about business performance and stress-test financial scenarios to ensure compliance with facility terms, even under principal risk events. Although the Group has a robust planning process, which reflects the continuing economic uncertainty and headwinds impacting the group, the Group Directors have performed additional stress testing of the going concern basis under severe but plausible downside scenarios and reflect the Group's principal risks. The results of the stress testing of severe but plausible downside scenarios provided a reasonable basis to support the Group Directors' conclusion over going concern. Although the cyber attack has had a material impact on its full year results, the Group continues to have sufficient liquidity throughout the going concern assessment period.

In arriving at the conclusion of the appropriateness of the going concern assumption, the Group Directors have considered the following:

1. Review and challenge management's base case forecast

The Group Directors have considered the Group's cash flow forecasts and profitability projections for the period to December 2027 ("Base Case"). The Group's base case forecast takes into consideration the continued uncertainty in the convenience market. The Group's Board has reviewed and approved these plans.

The key assumptions in the plan are:

a. Growth in volume and margin rate.

b. This growth is tempered with impact of continued cost headwinds on payroll, and goods not for resale inflation, being offset by operating cost efficiencies.

c. Rebuilding the balance sheet through working capital improvement, reducing net debt.

d. The new £350m loan facility secured in June 2025 will be drawn down for the purpose of repaying the £350m bond debt maturing in July 2026. The plan assumes the raising of additional funding in 2026 of £300m from the bond market, to boost our liquidity position and to keep the Group protected from known and unknown business risks that may arise in the future.

2. Ensure compliance with the terms of our bank facility agreements and covenant compliance

The potential scenarios which could lead to the Group not being a going concern are:

a. Not having enough liquidity to meet our debt liabilities as they fall due; and/or
b. A breach of the financial covenants implicit in our bank revolving credit facility.

As at 3 January 2026, the Group had gross liquidity headroom of £441m, being cash of £93m, and headroom of £348m on the Group's Revolving credit facility ("RCF"). The Base case has sufficient liquidity and bank covenants headroom over the going concern period, with the tightest point for liquidity headroom at period 6 2027, and tightest point for EBITDA at period 6 2026 to breach covenants. The Group has been in compliance with all covenants applicable to its facilities through the period and is forecast to continue to be in compliance for going concern assessment period up to December 2027.

A definition of the Group's banking covenants is provided in Note 18 of the Group's Annual Report and Accounts for 2025. Further details on capital management, financial instruments, and risk exposures are provided in Note 27 to those financial statements.

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Notes *(continued)*

2 Accounting policies *(continued)*

Going concern *(continued)*

3. Assess downside scenarios against the base case

The Group Directors have also considered the impact on forecasted performance of severe but plausible downside scenarios (“Downside Case”), including (but not limited to) the following:
a. reduction in trade volumes, margin rate and market share in our Food business;
b. market share, product mix and death rate sensitivities in our Funeralcare business;
c. reduction in the growth and cost efficiency assumptions in our Wholesale business;
d. operating cost out programme non delivery;
e. exclusion of the additional funding of £300m assumed in the base plan.

The downside sensitivities identified do not risk the validity of the Group as a going concern even before applying the mitigating actions considered below. The Group Directors have also considered a severe but plausible combination of the sensitivities happening concurrently and the Group still has liquidity and covenant headroom over the going concern assessment period.

Whilst out of line with the Group's strategic ambition, there are several options and management mitigating actions within the business' control the Group Directors could exercise, if the above risks materialised, or in the unlikely scenario of a cash outflow arising from an adverse legal matter outcome or an unpredictable event occurring similar to the cyber attack in 2025. Options include (but not limited to) the Group’s ability to control the level and timing of its capital expenditure programme, apply cost control measures across both variable and overhead budgets and sale and lease back opportunities.

4. Conduct reverse stress testing

A reverse stress test identifies the point where the model fails. Following the modelling, the Group Directors consider this scenario to be remote.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits with banks with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Society's cash management are included as a component of cash and cash equivalents.

Through its primary banking provider, the Co-operative Group operates a joint account arrangement for its subsidiary entities. Under this arrangement, the Group manages all funds through a joint MASS (Memorandum account statement system) account on behalf of all participating entities, whilst the individual entities have Memorandum accounts which are reflected in the header MASS account. All memorandum balances are grouped together in the MASS account for the purposes of applying interest from a Group perspective, but each entity records its own memorandum balance in its individual financial statements.

Each subsidiary presents the net aggregate balance of their Memorandum accounts as cash and cash equivalents as each participant is able to access their accounts as if it was a real individual bank account and is responsible for its own indebtedness as per the MASS agreement.

Property, plant and equipment and depreciation

Where parts of an item of property, plant and equipment have materially different useful economic lives, they are accounted for as separate items of property, plant and equipment. Cost includes purchase price plus any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is provided on the cost or valuation less estimated residual value (excluding freehold land) on a straight-line basis over the anticipated working lives of the assets. The estimated useful lives are as follows:

Freehold buildings	50 years

Leases

i) Right-of-use assets

The Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Society is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating a lease, if the lease term reflects the Society exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Society uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Society applies the short-term lease recognition exemption to its short-term leases of plant and machinery (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e. below £5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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Notes *(continued)*

2 Accounting policies *(continued)*

Impairment

At each reporting date, the Society reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to dispose and its value in use, is estimated in order to determine the extent of the impairment loss. Impairment losses are recognised in the income statement.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount is returned to what it would have been, net of depreciation or amortisation, if no impairment loss had been recognised.

Investment property

Properties held for long term rental yields that are not occupied by the Society or properties held for capital growth are classified as investment property. Investment properties are freehold land and buildings and Right-of-use assets. These are carried at fair value. For rural estate (plots of land held for future development and capital appreciation) fair value is determined each year by independent valuers. For all other properties (formerly trading stores and residential properties), fair value is determined internally each year in accordance with the RICS Appraisal and Valuation Manual. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in the income statement.

Transfers between investment property and property, plant and equipment, are made when there is a change in use, evidenced by the end of user occupation.
Properties reclassified from property, plant and equipment to investment property are measured at fair value with the change in value taken to other comprehensive income (initial valuation) with subsequent revaluations taken to the income statement.

If we start to occupy or trade from one of our investment properties, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Other disclosures required by IAS 40 (Investment Properties) are not considered to be material.

Dividends

Dividends payable are recognised as a liability in the period in which they are approved and shown as a distribution of reserves (in the Statement of changes in equity). Dividends received are treated as investment income (see note 6).

Investments

The Society holds investments in subsidiary Companies and Societies and these are accounted for at cost less provision for impairment. The carrying value is reviewed at each reporting date to determine any indication of impairment. If such an indication exists, then the investment's recoverable amount is measured. The recoverable amount is the greater of its value in use and its fair value less cost to sell. An impairment loss is recognised in the income statement if the carrying amount exceeds the recoverable amount.

Trade receivables

Trade receivables are initially measured as a financial asset at fair value and subsequently at amortised cost under IFRS 9 (Financial Instruments).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (for example, by customer, coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not insured or subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in trade and other receivables (note 15).

An impairment analysis is also performed at the reporting date for amounts owed by group undertakings using the expected credit loss model in IFRS 9. Where there is either no significant probability of default or there is no expected loss from default, no impairment is recognised.

Financial instruments

All financial liabilities are measured at amortised cost, except the hedged portion of the fixed rate sterling Eurobond values, which are measured at fair value through profit or loss.

This is because the Society has used interest rate swaps to hedge the impact of movements in the interest rate and the movement in the fair value of the quoted debt, which is partially offset by the fair value movement in the interest rate swaps (note 13). The un-hedged portion of the Eurobond quoted debt is accounted for at amortised cost in accordance with IFRS 9. This approach applies to those borrowings taken out prior to the adoption of IFRS 9 in 2018. Any subsequent borrowings are initially measured at fair value through the P&L and then amortised cost.

While there is a difference in accounting between the portion of Eurobond debt measured at amortised cost and the hedged portion measured at fair value through profit or loss, hedge accounting is not applied.

Derivatives

Derivative financial instruments are used to provide an economic hedge to reduce the Society's exposure to interest rate risks arising from operational, financing and investment activities. In accordance with treasury policy, the Society does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are measured at fair value and any gains or losses are included in the income statement. Fair values are based on quoted market prices in active markets, and where these are not available, using valuation techniques such as discounted cashflow models.

Interest payments or receipts arising from interest rate swaps are recognised within net financial income / (expenses) in the period when the interest is incurred or earned.

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Notes *(continued)*

2 Accounting policies *(continued)*

Provisions

A provision is recognised in the balance sheet when the Society has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Property provisions are held for running costs, excluding rental costs, of leasehold properties that are vacant or not planned to be used for ongoing operations. Property provisions are expected to be utilised over the remaining periods of the leases.

The Society considers that where it has entitlement to possession of a property, even if vacant, it retains a statutory obligation to pay the related business rates that have been determined to be levies as defined in IFRIC 21. Accordingly, the estimate of the least net costs of exiting from the contracts excludes future business rates which instead under IFRIC 21 are recognised when the event that triggers the payment of the levy arises (as a periodic cost). Property provisions are expected to be utilised over the remaining periods of the leases which range from 1 to 97 years.

Taxation

(i) Income tax

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Whilst a current tax asset / liability is presented on the balance sheet, brought forward tax attributes currently allow the group to extinguish any current tax charges / liabilities by way of group relief claims. The settlement of such group relief claims / surrenders is made by way of either cash payments or intergroup loans.

(ii) Deferred taxation

Deferred tax is provided, with no discounting, using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profits and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In the case of investment properties it is assumed that uplifts on valuation principally reflect future rentals.

Share capital

The shares are withdrawable under the Society Rules and it is at the Board’s discretion to approve any withdrawal. IFRIC 2 (Members' Shares in Co-operative Entities and Similar Instruments) determines the features that allow shares to be classified as equity capital. As the Board has an unconditional right to refuse redemption of shares, the shares are treated as equity shares.

Revenue

Rental income is recognised in the income statement on a straight line basis over the term of the lease. Rent incentives granted by the Society are spread evenly over the course of the rental term, even if the payments are not made on such a basis. The rental term is the non-cancellable period of the rental agreement, along with any further optional term, which at the inception of the rental agreement, it is reasonably certain that the tenant will exercise.

All revenue is derived from the Society's principal activity of property management.

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Notes ***(continued)***

3 Revenue

	For period ended 3 January 2026	For period ended 4 January 2025
Revenue comprises the following:	**£'000**	£'000
Property rental income	**7,137**	8,040
	7,137	8,040

4 Operating profit

	For period ended 3 January 2026	For period ended 4 January 2025
	£'000	£'000
Operating profit is stated after charging / (crediting):		
Depreciation of property, plant and equipment	**587**	551
Depreciation of right-of-use assets	**594**	444
Change in expected credit loss provision on amounts owed by group undertakings	**9,441**	(11,126)
Impairment of land and buildings	**-**	85
Impairment / (reversal) of impairment of right-of-use assets	**774**	(887)
Partial reversal of Impairment of finance lease receivable	**(5,234)**	-
Profit on disposal of property, plant and equipment	**(9,281)**	(9,876)

The auditor's remuneration of £107,510 (2024: £107,510) is borne by the ultimate parent undertaking. Non-audit fees (audit related assurance services) were £nil (2024: £nil).

5 Director's remuneration

Directors' remuneration in respect of services provided to the Society were borne by the ultimate parent undertaking in both the period ended 3 January 2026 and the period ended 4 January 2025.

The cost of remuneration paid to Directors who are also executive Directors of Co-operative Group Limited cannot be meaningfully apportioned to the Society. The full amounts of their total remuneration are fully disclosed in the annual report and accounts of Co-operative Group Limited (which can be accessed on https://www.co-operative.coop/investors/reports) and not included here.

The cost of remuneration paid to other Directors, who are employed and paid by Co-operative Group Limited but not recharged to the Society, cannot be meaningfully apportioned to the Society as the level of their qualifying services in relation to the Society are incidental and negligible compared to their main role. No emoluments are paid directly to them by the Society.

6 Investment income

	For period ended 3 January 2026	For period ended 4 January 2025
	£'000	£'000
Dividends received from Co-operative Group Food Limited	**-**	588,713
Dividends received from Co-operative Legal Services Limited	**-**	26,000
Dividends received from Coldham Windfarm Limited	**350**	1,140
	350	**615,853**

7 Finance income

	For period ended 3 January 2026	For period ended 4 January 2025
	£'000	£'000
Underlying interest income from finance lease receivables	**1,282**	1,478
Interest on intra-group receivables	**108,417**	124,293
Fair value movement on quoted debt	**1,610**	-
Fair value movement on interest rate swaps (see note 13)	**4,130**	2,797
Other interest income	**3,158**	2,980
Total interest receivable and similar income	**118,597**	131,548

8 Finance expenses

	For period ended 3 January 2026	For period ended 4 January 2025
	£'000	£'000
Interest expense on loans	**26,279**	26,110
Interest on lease liabilities	**3,830**	4,533
Fair value movement on quoted debt	**-**	3,150
Other interest expense	**4,163**	4,818
Total interest payable and similar costs	**34,272**	38,611

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Notes *(continued)*

9 Taxation

Analysis of charge/credit in period	**For period ended 3 January 2026 £'000**	For period ended 4 January 2025 £'000
UK corporation tax		
Group relief payable	**(24,174)**	(11,857)
Current tax credit - adjustments in respect of prior years	**-**	174
Total current tax charge	**(24,174)**	(11,683)
Deferred tax (see note 19)		
Deferred tax (charge) / credit - adjustments in respect of current year	**(282)**	645
Deferred tax credit / (charge) - adjustments in respect of prior years	**3**	(162)
Total deferred tax (charge) / credit	**(279)**	483
Tax charge on profit before taxation	**(24,453)**	(11,200)

Factors affecting the tax charge for the current period

The tax on the net profit before tax differs from the theoretical amount that would arise using the standard applicable blended rate of corporation tax of 25% (2024: 25%) as follows:

	For period ended 3 January 2026 £'000	For period ended 4 January 2025 £'000
Current tax reconciliation		
Profit before tax	**94,364**	744,328
Current tax charge at 25% (2024: 25%)	**(23,591)**	(186,082)
Effects of:		
Expenses not deductible for tax purposes	**(161)**	(736)
Non-taxable income	**-**	9,567
Relief for dividend paid	**-**	163,677
Transfer pricing adjustments	**-**	65
Depreciation and amortisation on non-qualifying assets	**(704)**	1,540
Profit on disposal of fixed assets	**-**	757
Adjustments to tax charge in respect of previous periods	**3**	12
Total income tax charge	**(24,453)**	(11,200)

Income tax on items in the statement of comprehensive income

	For period ended 3 January 2026 £'000	For period ended 4 January 2025 £'000
Taxation for the period	**(24,453)**	(11,200)
Other comprehensive income:		
Revaluation upon transfer from PPE to investment property	**-**	(120)
Income tax on items taken to statement of comprehensive income	**(24,453)**	(11,320)

Based on previously enacted legislation, the rate of corporation tax increased to 25% with effect from 1 April 2023. The rate of tax applicable to the whole year is therefore 25%.

The rate of tax applied to deferred tax movements in the year is also 25% on the basis that this was the enacted rate at the balance sheet date. This applies to deferred tax movements in the year and post balance sheet values.

Notes ***(continued)***

10 Property, plant and equipment

For the period ended 3 January 2026	**Land and buildings £'000**
Cost	
At 4 January 2025	21,329
Additions	1,292
Disposals	(279)
Transfers from Group undertakings	99
At 3 January 2026	**22,441**
Depreciation	
At 4 January 2025	11,250
Charge for the period	587
Disposals	(113)
Transfers from Group undertakings	99
At 3 January 2026	**11,823**
Net book value	
At 3 January 2026	**10,618**
At 4 January 2025	10,079

Transfers from Group undertakings include transfers of property from the Group's trading entities at carrying amount.

For the period ended 4 January 2025	**Land and buildings £'000**
Cost	
At 6 January 2024	29,046
Additions	860
Disposals	(4,457)
Transfers to investment properties	(4,118)
Transfers to Group undertakings	(2)
At 4 January 2025	**21,329**
Depreciation	
At 6 January 2024	15,529
Charge for the period	551
Impairment	85
Disposals	(1,663)
Transfers to investment properties	(3,251)
Transfer to Group undertakings	(1)
At 4 January 2025	**11,250**
Net book value	
At 4 January 2025	**10,079**
At 6 January 2024	13,517

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Notes *(continued)*

11 Leases

A. As a lessee

Right-of-use assets

For the period ended 3 January 2026	Property	Plant and Equipment	Total
	£'000	£'000	£'000
Cost			
At 4 January 2025	4,348	13	4,361
Additions	2,304	-	2,304
Disposals	(2,950)	-	(2,950)
Transfers from Group undertakings	1,386	-	1,386
At 3 January 2026	**5,088**	**13**	**5,101**
Depreciation			
At 4 January 2025	1,274	13	1,287
Charge for the period	594	-	594
Impairment	774	-	774
Disposals	(1,263)	-	(1,263)
Transfers from Group undertakings	425	-	425
At 3 January 2026	**1,804**	**13**	**1,817**
Net book value			
At 3 January 2026	**3,284**	**-**	**3,284**
At 4 January 2025	3,074	-	3,074

The Society leases many assets, principally it leases properties for the Group's non-trading food retail stores and non-trading funerals branches. The leases of non-trading stores are typically between 1-20 years in length.

For the period ended 4 January 2025	Property	Plant and Equipment	Total
	£'000	£'000	£'000
Cost			
At 6 January 2024	11,454	13	11,467
Additions	2,743	-	2,743
Disposals	(2,680)	-	(2,680)
Transfers to investment properties	(5,479)	-	(5,479)
Transfers to Group undertakings	(1,690)	-	(1,690)
At 4 January 2025	**4,348**	**13**	**4,361**
Depreciation			
At 6 January 2024	6,321	13	6,334
Charge for the period	444	-	444
Partial reversal of impairment	(887)	-	(887)
Disposals	(1,027)	-	(1,027)
Transfers to investment properties	(3,535)	-	(3,535)
Transfer to Group undertakings	(42)	-	(42)
At 4 January 2025	**1,274**	**13**	**1,287**
Net book value			
At 4 January 2025	**3,074**	**-**	**3,074**
At 6 January 2024	5,133	-	5,133

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Notes *(continued)*

11 Leases *(continued)*

Lease liabilities

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Current	**9,412**	9,299
Non-Current	**52,527**	57,220
Lease liabilities included in the balance sheet	**61,939**	66,519

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Lease liabilities - maturity analysis (undiscounted)		
Less than 6 months	**5,594**	5,058
6 - 12 months	**5,488**	5,003
1 - 2 years	**10,788**	9,773
2 - 5 years	**23,822**	23,635
5 - 10 years	**18,494**	19,078
10 - 15 years	**6,099**	8,292
More than 15 years	**27,238**	27,984
Total lease liabilities	**97,523**	98,823

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Opening lease liabilities	**66,519**	84,760
Additions	**2,190**	1,733
Disposals	**(1,301)**	(13,102)
Interest expense	**3,830**	4,533
Payments	**(10,356)**	(11,493)
Transfers from Group undertakings	**1,057**	88
Closing lease liabilities	**61,939**	66,519

Extension options

Some leases of non-trading retail stores contain extension or termination options exercisable by the Society up to one year before the end of the non-cancellable contract period. Where practicable, the Society seeks to include extension and termination options in new leases to provide operational flexibility. The extension and termination options held are typically exercisable only by the Society and not by the lessors.

The Society assesses at lease commencement whether it is reasonably certain to exercise the extension or termination options. The Society reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

As at 3 January 2026, potential future cash outflows of £8,544k (discounted) (2024: £8,239k) have not been included in the lease liability because it is not reasonably certain that the Society will exercise the extension option. Included within the lease liability are future cash outflows of £307k (discounted) (2024: £203k) where the Society holds termination options but it is not reasonably certain to execute those termination options.

B. As a lessor

Lease income from lease contracts in which the Group acts as a lessor is as below:

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Operating lease (i)		
Lease income	**7,137**	8,040
Finance lease(ii)		
Finance income on the net investment in the lease	**1,282**	1,478

i. Operating lease

The Society leases out its investment property. The Society classifies these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Less than one year	**4,217**	4,678
One to two years	**3,382**	3,828
Two to three years	**2,864**	3,248
Three to four years	**2,107**	3,166
Four to five years	**1,432**	3,668
More than five years	**27,034**	24,455
Total undiscounted lease payments receivable	**41,036**	43,043

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Notes *(continued)*

11 Leases *(continued)*

ii. Finance lease

The Society also sub-leases some of its non-occupied leased properties. The Society classifies the sub-lease as a finance lease, where the period of the sub-lease is for substantially the remaining term of the head lease.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Less than one year	4,949	5,077
One to two years	4,672	4,665
Two to three years	3,964	4,371
Three to four years	3,425	3,638
Four to five years	3,068	3,107
More than five years	13,233	15,607
Total undiscounted lease payments receivable	**33,311**	36,465
Less: Unearned finance income	(11,103)	(12,982)
Present value of minimum lease payments receivable*	**22,208**	23,483
Impairment loss allowance	(2,374)	(7,627)
Finance lease receivable (net of impairment allowance)	**19,834**	15,856

The finance lease receivable is split between current and non-current receivables as shown below:

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Current	**4,949**	5,077
Non-Current	**14,885**	10,779
	19,834	15,856

Impairment of finance lease receivable

The Society estimates the loss allowance on finance lease receivables at an amount equal to lifetime expected credit losses. The lifetime expected credit losses are estimated based upon historical defaults on sub-leases, the credit quality of current tenants and forward looking factors. In the current year, this is £2,374k (2024: £7,627k).

12 Investment properties

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Valuation at beginning of period	**31,487**	29,277
Revaluation surplus recognised in income statement	**2,472**	10,457
Revaluation surplus upon transfer from PPE (recognised through OCI)	**-**	187
Transfers from PPE (note 10)	**-**	2,811
Disposals	**(3,019)**	(10,695)
Transfers to group undertakings	**-**	(550)
Valuation at end of period	**30,940**	31,487

The properties are valued individually at the end of each period, and yields vary on a property-by-property basis.

The mean Estimated Rental Value yield over the whole estate is 9.47% (2024: 9.49%)

In the case of investment properties it is assumed that uplifts on valuation principally reflect future rentals.

Investment Properties as at 3 January 2026 and 4 January 2025 are land, freehold properties and non trading leaseholds.

Rental income from investment properties in the period was £2,895k (2024: £2,907k). Direct operating expenses (including repairs and maintenance) in the year arising from investment properties that did generate rental income was £310k (2024: £833k) and direct operating expenses (including repairs and maintenance) in the year arising from investment properties that did not generate rental income was £105k (2024: £207k).

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Notes *(continued)*

13 Derivatives

Derivatives held for non trading purposes for which hedge accounting had not been applied are as follows:

	As at 3 January 2026			As at 4 January 2025		
	Contractual/ notional amount	**Fair value assets**	**Fair value liabilities**	Contractual/ notional amount	Fair value assets	Fair value liabilities
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Interest rate swaps	**105,000**	**-**	**(1,653)**	105,000	-	(5,783)

Forward exchange contracts, such as the Society's interest rate swaps, are either valued at fair value using listed market prices or by discounting the contractual forward price and deducting the current spot rate. For interest rate swaps, broker quotes are used. Those quotes are back-tested using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market-related data at the balance sheet date. The Society's derivatives are not formally designated as hedging instruments but under IFRS 9 (Financial Instruments) they are used to match against a proportion of the Eurobond liabilities carried at fair value through the income statement, showing as an income of £4,130k in 2025 (2024: £2,797k) (see notes 7 and 8).

14 Investments

The Society holds investments of £217,225k (2024: £217,225k).

	As at 3 January 2026	As at 4 January 2025
	£'000	£'000
Balance as at the start of the period	**217,225**	217,225
Additions	**-**	-
Impairments	**-**	-
	217,225	217,225

The Society has more than a 5% interest in the following principal companies and societies which are all incorporated in England and Wales:

	Type of company / society	**Ownership**
Co-operative Group Food Limited	Food retailing	93% Ordinary
Co-operative Legal Services Limited	Legal services	100% Ordinary
Funeral Services Limited	Funeral directors	67% Ordinary
Co-op Funeral Plans Limited	Funeral provider	67% Ordinary
Member A (4) Limited	Holding company	100% Ordinary
Member B (4) Limited	Holding company	100% Ordinary
Co-op Wholesale Limited	Food retailing	100% Ordinary
Coldham Windfarm Limited	Wind farming	20% Ordinary

Impairment testing

In accordance with IAS 36, the Society assesses its investments at the end of each reporting period for any indicators of impairment. If any such indicators exist, the Society performs impairment testing by estimating the investment's recoverable amount. The recoverable amount for subsidiaries is the greater of the fair value of the subsidiary (less costs to sell) and the value in use ('VIU') of the subsidiary. The value in use for subsidiaries has been determined using discounted cash flow calculations.

At the end of the reporting period, an impairment indicator was identified in respect of Co-op Wholesale Limited. Accordingly, the Society performed impairment testing for this investment by estimating its recoverable amount using the assumptions described below. Based on the assessment performed, no impairment was recognised.

The key assumptions in the value in use calculations are as follows:

Assumption	**Detail**
Cash flow years / assumptions	Future cash flows derived from Board approved plan cash flow assumptions. These forecasts are based on budget for FY26, forecasted plan for FY27 to FY29 and taken to perpetuity. A long term growth rate of 1.9% has been applied beyond the four-year plan period (2024: 1.9%) reflecting the UK's long-term post war growth rate which is in-line with industry norms.
Discount rate	A post tax discount rate has been calculated for impairment purposes. For the investment in Co-operative Wholesale Limited, the Group's Food segment's weighted average cost of capital (WACC) was deemed to be an appropriate rate, subsequently grossed up to a pre-tax rate of 11.4% (2024: 10.3%). The post tax discount rate has been calculated using the capital asset pricing model. Certain inputs into the capital asset pricing model are not readily available for non-listed entities. As such, certain inputs have been obtained from industry benchmarks which carries a measure of estimation uncertainty. However, as discussed in the sensitivity section below, this estimation uncertainty level is not deemed to be material.
Sensitivities	In each of the current and comparative years, sensitivity analysis has been performed in relation to our investment in subsidiaries impairment testing, testing for a 3% increase in discount rate; within which no additional impairment was calculated. The sensitivity analysis performed considers reasonably possible changes in the discount rate assumption.

Notes ***(continued)***

15 Trade and other receivables

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Current assets:		
Trade receivables	**1,031**	1,880
Prepayments and accrued income	**2,936**	242
Other receivables	**9,148**	8,782
	13,115	10,904
Non current assets:		
Amounts owed by group undertakings	**1,890,317**	1,994,299
Other receivables	**-**	2,877
	1,890,317	1,997,176
	1,903,432	2,008,080

Amounts owed by group undertakings are due from the parent (Co-operative Group Limited). They are unsecured, have no fixed date of repayment, are repayable on demand and are subject to quarterly interest at the current Bank Rate increased by the Group's revolving credit facility margin.

Trade receivables are stated net of an impairment provision of £1,457k (2024: £1,880k).

Prepayments and accrued income as at 3 January 2026 include £2,936k of accrued income related to the Summerfield Farm proceeds.

Current other receivables includes £7,775k (2024: £8,324k) in relation to VAT receivable.

Credit risk and expected credit loss (ECL) allowance on amounts owed by group undertakings

Amounts owed by group undertakings are repayable on demand, and based on management's assessment of credit loss, the balance is stated net of an expected credit loss allowance of £43,603 (2024: £34,162k).

At the balance sheet date there were no material concentrations of credit risk.

The Society has applied the expected credit loss model to amounts owed by group undertakings under IFRS 9 (Financial Instruments) which focuses on whether the receivables are expected to be recoverable rather than whether an impairment loss has occurred.

To aid the assessment as to whether a significant increase in credit risk has occurred since inception, the Group reviews Global default rates tracked by S&P.

The Society considers receivables from group undertakings to be credit-impaired when they are no longer deemed recoverable and require ECL according to the intercompany debtor recoverability model described below.

In the Society's assessment of the intercompany debtor recoverability, a layered 3 tier decision tree approach is undertaken, which considers three forward-looking scenarios: 1) immediate cash settlement, 2) settlement using the Group's pooled cash arrangements, and 3) repayment over time. The third scenario is also extended to consider any potential expected credit loss that might arise should the Group itself ultimately default during any assumed repayment horizon.

The ECL is determined by multiplying together the probability of default (PD), exposure at default (EAD) and the loss given default (LGD) for the relevant time period and for each specific loan and by discounting back to the balance sheet date.

The debtor balances are considered to be in a default position when full recovery of the balance cannot be achieved immediately (through existing Group cash or facilities).

In all scenarios considered in the model, full recoverability of amounts owed by group undertakings is anticipated. This is the case whether that be immediately via cash settlement by the borrowing entity (or via immediate settlement from utilising the Group's available funding arrangements and pooled cash model) or via settlement over a longer period of time (including any potential default by the Group). Where a recovery over time scenario has been modelled, any ECL has been calculated to reflect the risk of default over the time it takes to recover the loan, calculated as the impact of discounting the loan balance over the recovery time horizon at the effective interest rate.

The primary source of estimation sensitivity is deemed to be the timing of the asset sales (and subsequent cash inflows) that would be required to achieve repayment of the intercompany debtor balances. The Group's extensive trading estate portfolio is assessed as being highly attractive to the wider retail and convenience market and so an asset sale of a proportion of our food stores or funeral homes within 12 – 24 months is deemed to be a reasonable and achievable assumption. The ECL impact of assuming asset sales that occur 6 months earlier or 6 months later is a reduction of £10m or an increase of £11m.

The Society's financial assets are written off when the balance is known not to be recoverable.

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Expected credit loss allowance - at beginning of period	**34,162**	45,288
Charge in the period	**9,441**	-
Release in the period	**-**	(11,126)
Expected credit loss allowance - at end of period	**43,603**	34,162

16 Loans and borrowings

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Non-current liabilities:		
£105m 7.5% Eurobond Notes due 2026 (fair value)	**-**	107,625
£245m 7.5% Eurobond Notes due 2026 (amortised cost)	**-**	249,735
	-	357,360
Current liabilities:		
£105m 7.5% Eurobond Notes due 2026 (fair value)	**106,015**	-
£245m 7.5% Eurobond Notes due 2026 (amortised cost)	**246,592**	-
	352,607	-

Terms and repayment schedule

The 2026 £350m 7.5% bond has an original value of £350m (carrying amount of £353m). This bond has been paying an additional 1.25% coupon since 8 July 2013 following the downgrade of the Group's credit rating to sub-investment grade. On maturity this bond will be repaid at par.

The bonds are listed as wholesale debt and are listed on the London Stock Exchange.

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Notes *(continued)*

17 Provisions

	Property provisions £'000
At 4 January 2025	**21,795**
Unwinding of a discount	**392**
Payments	**(4,556)**
Transfers from Group undertakings	**21**
At 3 January 2026	**17,652**

	As at 3 January 2026 £'000
Non-current	**13,964**
Current	**3,688**
	17,652

Property provisions

Property provisions are held for costs we are contractually obliged to pay for of leasehold properties that are vacant or not planned to be used for ongoing operations.
The Society considers that where it has entitlement to possession of a property, even if vacant, it retains a statutory obligation to pay the related business rates that have been determined to be levies as defined in IFRIC 21. Accordingly, the estimate of the least net costs of exiting from the contracts excludes future business rates which instead under IFRIC 21 are recognised when the event that triggers the payment of the levy arises (as a periodic cost).

Property provisions are expected to be utilised over the remaining periods of the leases which range from 1 to 97 years. The detailed breakdown of the expected timing of outflows is as follows:

	As at 3 January 2026 £'000
Less than one year	3,688
One to two years	2,674
Two to five years	2,640
More than five years	8,650
	17,652

18 Trade and other payables

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Current liabilities:		
Other payables	**2,006**	1,549
Accrued Interest	**14,629**	15,245
Accruals and deferred income	**2,082**	2,987
	18,717	19,781

19 Deferred Taxation

Deferred income taxes are calculated on all temporary differences under the liability method using the effective tax rate of 25% (2024: 25%).

	For period ended 3 January 2026 £'000	For period ended 4 January 2025 £'000
Deferred taxation asset		
At beginning of the period	**3,177**	2,814
Income statement credit in the period	**(279)**	483
Other comprehensive income charge in the period	**-**	(120)
At end of the period	**2,898**	3,177
Comprising:		
Capital allowances on fixed assets	**613**	936
Provisions	**1,906**	2,631
Rollover Relief / Gains	**(4,656)**	(4,716)
IFRS 16 Leases	**7,790**	8,458
Other timing differences	**(2,755)**	(4,132)
	2,898	3,177

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Notes *(continued)*

20 Called up share capital

	As at 3 January 2026 £'000	As at 4 January 2025 £'000
Allotted, called up and fully paid		
522,000,000 Ordinary shares of £1 each	**522,000**	522,000

There is a single class of share capital.

All shares rank pari passu in all respects.

21 Commitments and contingencies

The Society participates in the Group's single joint MASS (Memorandum Account Statement System) account arrangement and as such provides a guarantee for all members in relation to any liability on the Group's joint account arrangement. At 3 January 2026, the net overdraft position on the MASS account was £2m. As at 3 January 2026, the Society has recognised liabilities of £nil in respect of the cross guarantees for other MASS account participants.

The Group has a £400m revolving credit facility (RCF) maturing in November 2029. The Society is a guarantor under the RCF. As at 3 January 2026, the Society continued to be a guarantor of the facilities agreement. As at 3 January 2026, £50m of the facility had been drawn. There is no premium charged with respect to Co-operative Group Holdings (2011) Limited being a guarantor under the facility.

22 Ultimate parent undertaking

The Society is a wholly owned subsidiary of Co-operative Group Limited, a Registered Society registered in England and Wales. This is the smallest and largest group of which the Society is a member and for which consolidated accounts are prepared. A copy of the group accounts can be obtained from the Secretary, Co-operative Group Limited, 1 Angel Square, Manchester, M60 0AG.

22 Post balance sheet events

Revolving credit facilities (RCF) & Term loan

On the 24 April 2026, the Co-operative Group amended its existing Term Loan and RCF resulting in a transfer of £200m limit between the facilities. This reduced the Term Loan facility from £350m to £150m and increased the RCF from £400m to £600m.