



**MOUNT BARKER**  
**CO-OP** ERATIVE LIMITED  
ESTABLISHED 1918

**Annual Report**  
June 30 2011

## Directors' Report

The Directors of the Mount Barker Co-operative Limited are pleased to present the financial report for the year ending 30 June 2011.

### Financial

The results for this trading period are especially pleasing given the current operating environment in the retail sector. Sales for the period totalled \$26 million for the combined Co-operative Supermarket, Hardware and Fuel divisions and the inclusion of sales made under the Elders agreement for rural merchandise.

The financial results for this period show:

- An increase in divisional sales of 7.6% from \$19.6 million to \$21.1 million;
- Co-operative profit before tax, discounts and dividends of \$998,242;
- \$470,203 distributed to members in annual discounts, dividends and loyalty rewards. This represents 47.1% of Co-operative profit distributed in benefits to members;
- Transfer to reserves of \$385,150.

The strong annual trading for the Co-operative in 2010/11 has resulted in an increase in net profit before discounts and capital profits of 21.6% on the previous year.

A summary of trading shows:

- The Supermarket division continues to perform consistently with sales increasing 3.4% on the previous year.
- Although hardware sales were down 9.8% this year, the Mitre 10 business has produced a solid profit result through good management controls resulting in a 7.6% reduction in expenses. Metcash has now taken over the supply of Mitre 10 operations and we look forward to the benefits of purchasing through this major national buying group.
- The Fuel Services division has been an outstanding performer with total volume increasing by 22% on the previous year. The changes to fuel pricing and deliveries have been very positive and resulted in extremely competitive fuel prices for our customers.
- The Rural Services Agreement with Elders continues to be very beneficial for both the Co-operative and our rural customers. Although seasonal conditions in 2010/11 were very challenging for the rural sector, the outlook for the current period is very positive. The agreement with Elders has now been renewed for another five-year period.

The Co-operative continues with its commitment to offer competitive pricing, product range and quality service to members and customers within our community and to reward members for trading with their Co-operative.

## Distribution to Members

The following financial benefits were distributed to Members:

	2011	2010
Trading Discount	\$255,240	\$230,784
Loyalty Rewards	\$68,207	\$67,185
<b>Total</b>	<b>\$323,447</b>	<b>\$297,969</b>
Dividends	\$146,756	\$110,577
<b>Total Distribution to Members</b>	<b>\$470,203</b>	<b>\$408,546</b>

## Share Capital and Reserves

As at 30 June 2011 the number of members in the Co-operative stands at 2,375. Issued Capital totals \$3,690,456.

After returns to members and provision for taxation, \$385,150 has been transferred to Reserves. The total of Reserves is \$4,965,802 as at 30 June 2011.

## Business Development

The Co-operative continues to invest in the infrastructure necessary to support and position the business for future growth.

### Future plans include:

- Redevelopment of the old cool store area located between the current supermarket and hardware. Preliminary work in this area has now commenced.
- The application for a liquor store license has been lodged and is awaiting a decision from the Director of Liquor Licensing.
- The transition to the new Co-operatives Act 2009 (WA) is expected to take place in 2011/12 following approval of the new rules by the Registrar and members.

## The Co-operative in the Community

The Co-operative continues to support the local community through the Sponsorship and Donations programme. Last year the level of donations amounted to in excess of \$36,275 to approved applicants. In addition to this the Co-op was also pleased to support sporting groups through our IGA Local Heroes program. The Mount Barker Bullets Netball, Mount Barker Junior Football and the Ladies Soccer Team were allocated over \$3,500 in funds.

Our strong support for the Mount Barker Community College has continued with sponsorship including:

- Mount Barker Co-operative Excellence Award – 2010 winner Nathan Standish.
- Mount Barker Co-operative Traineeship was awarded to Rachel Williams.
- Country Week T/Shirts sponsored by the Co-op.

## **Management and Staff**

The Board would like to express appreciation for the hard work and dedication of all senior management and staff members of the Co-operative over the past financial year. Special mention should be made of General Manager, Mr Norm Mills, whose strong financial management and commitment has been instrumental in achieving such positive results in a challenging trading environment. We also congratulate those staff nominated for the Employee of the Year award: Margaret Greeney, Maria Jenkins, Danielle Stoneham, Syd Anning, Christine Barker and the winner of the award, Pat Topping.

The Board would also like to recognise Peter Gatward for his continued excellent management of our supermarket in very difficult trading conditions.

## **Board**

Mr Stephen Carter resigned as a Director in June 2011. Stephen has been a well-respected Director since 2003 and we thank him for his professionalism and contribution to the Board and the Co-operative.

I thank all Directors for their dedication to the Board this year. The growth in the business and solid profit results in challenging financial times are testimony to the sound decision-making and strategic direction provided by the Board.

## **Conclusion**

The Mount Barker Co-operative is now ranked at number 56 in the top 100 of Co-operatives, Credit Unions and Mutuals. The distribution of over \$500,000 to members groups and organisations highlights the benefit of this co-operative to our community.

Please continue to support your local Co-operative, supporting your local community.

We take this opportunity of thanking all members for their business conducted with the Co-operative over the past 12 months and we look forward to another successful year ahead in 2011/12.

*Chris Enright*

*Chairman of the Board*