

## **Transcript: Steve Murrells' colleague briefing on 2017 annual results– Friday 6 April 2018**

The thing that really has struck a chord is school academies - the best example about what a co-op is all about. We know that we've got the swimlane of being successful as a society, but if we are it does then allow us to do the other swimlane of good stuff which is examples like school academies.

And SATs scores are now at the top of the table; attendance rates go off the Richter scale; and it's a great story - and so why wouldn't we want to treble that over the next three years?

This morning we bought the second largest probate business in the country. It will accelerate our later-life products, but more importantly it makes this link from that difficult moment of arranging a funeral to the conversation that follows around probate. That conversation will be made a lot easier now as a consequence of us really getting into this sector.

The most important measure in Food is it's into its fourth year of consecutive growth. I'll say that again because there will be very few other retailers that can say that: four years of consecutive growth.

Our flat revenue is still very good given that we disposed of nearly 300 stores to McColl's and it's because our like-for-like measure - same store sales - continues to grow and grow.

This is quite an interesting number here: so operating profit of £126m is down versus the previous year of a £148m. We could have taken the £74m that we put in members' pockets and their communities, and put it on top of that number - could have done that, most PLCs would have done that. And, you know, it would have been a complete clean sweep on profit line. But we don't - we choose to put it into members' pockets because members allow us to run the society as we do and that's really important.

So those were the numbers, that's the stronger Co-op theme. The other part of, we know, is this stronger communities point. We've got our mojo back around campaigning and what was really great is that everybody's woken up to the campaigns that we got ahead around way back: so the Jo Cox Foundation, loneliness with British Red Cross, modern slavery, water poverty. Those are things that we have championed and everybody else now is getting very much involved.

That's a good thing. We don't do it for the reason of competitive advantage, we do it because we think it's important and we want others to follow.

All of this then comes back to what we've been talking to you about on the road shows, the new five-year plan that says: if we can do a great job becoming a stronger business - a stronger society - generating more profits then that will allow us to then do more and more good things in communities and what they need.

It's worth saying that we shouldn't, kind of, leave the room thinking this is easy. We are where we are because of all the hard work that you and your teams put in and we have a massive plan this year, next year, the year after, the year after that.

That's it. Hopefully that was sharp, snappy, gave you a real sense for the morning. Have a good weekend, thanks very much.

[Applause]

[ENDS]