

Creating a New Society

Bringing together the Midcounties and Central Co-operatives to deliver greater value for our members, colleagues and communities

Central coop

your
coop

The Midcounties
Co-operative

Contents

- 03 Introduction
- 04 About Central and Midcounties
- 05 What is being proposed?
- 05 Why are we making these proposals now?
- 06 Meeting the challenges we face
- 07 The case for creating a new Society
- 08 What does this mean for members?
- 09 What does this mean for colleagues?
- 10 What does this mean for communities?
- 11 Building financial strength for the future
- 12 What will the new Society look like?
- 13 What happens next?



Introduction

On 1 October 2025 we told our members that the Boards of Midcounties and Central Co-operatives were in advanced discussions about a merger that would bring together the two largest independent co-operatives in the UK.

We can now confirm that our members will be asked to vote on proposals that would bring about this merger. The respective Boards of Midcounties and Central believe that a merger will create a new Society that is stronger, more resilient and better able to deliver greater value for our members, communities and colleagues.

As co-operatives, it is for our members to decide whether they want to take this step, and the purpose of this document is to provide you with the necessary information to make an informed decision. We have also published a number of FAQs for members, which can be found [here](#).

In addition, we will be holding several information and Q&A sessions for members to ask questions of your Board and Executive team before you are asked to vote on the proposals. Details of these events and how to register can be found at the end of this document.

We hope the information provided in this document is useful and makes it clear why we see enormous opportunity in bringing our two fantastic Societies together. We look forward to discussing this further with members in the coming weeks.



Irene Kirkman

President
The Midcounties Co-operative



About Central and Midcounties

Central **coop**

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Central and Midcounties are leading, independent, purpose driven consumer co-ops, with heritages stretching back to the mid-19th century.

The co-operative movement was started in the 19th century by people who wanted access to good quality produce at fair prices, and that is what inspired the forerunners of both Societies. This spirit continues today as food retailing is at the heart of both Societies.



Midcounties has businesses in food, travel, early years care, post offices, energy and telecommunications. The Society has more than 430 trading sites - from its heartlands in the Midlands, Oxfordshire, Gloucestershire and Wiltshire, to the North East of England and the South Coast; its travel, energy and telco businesses trade nationally.

Central has businesses in food, funeral, floral, masonry and property investment, serving customers across more than 450 trading sites in 22 counties.



Central Co-op has over 6,700 colleagues and annual sales of around £1 billion and was formed by the merger of the Anglia and Midlands Co-operative Societies in 2014. In September this year, Chelmsford Star Co-op joined Central as well.

Midcounties has just celebrated its 20th anniversary, having been formed by the merger of Oxford, Swindon & Gloucester and West Midlands Co-operative Societies in 2005. The Society has more than 6,200 colleagues and annual sales of over £0.8 billion.



Central and Midcounties are the two largest independent consumer co-ops in the UK, with shared values and principles, and a long history of working together to support communities and help grow the co-operative movement.

What is being proposed?

We believe that by merging we will create a Society for the future, with the scale to deliver greater value for our members, colleagues, customers and communities.

The proposals come after a long history of co-operation between our two Societies and many months of positive discussions about how we can benefit our members through even closer ties

The merger will create a new Society with over one million active members, 13,000 colleagues and annual revenues of around £1.8 billion.

Together we will have more than 500 food stores, 170 funeral homes, 70 travel agencies, almost 50 early years nurseries and more than 500 commercial and residential investment properties across the country. The new Society will also be the UK's only provider of co-operative phone, broadband and energy tariffs.

At a time when people are looking for businesses to help tackle societal challenges and have a

purpose beyond profit, our new Society will have a greater ability to shape policy and will be committed to helping other co-ops to thrive and grow in line with the government's pledge to double the size of the co-operative sector.

The merger of two co-operatives, each with a rich heritage and shared values, will create a stronger and more resilient Society; one able to navigate challenging economic headwinds and invest for the future, while providing greater value to our members and the communities we serve, and offering rewarding and sustainable careers for our colleagues.

Through greater economies of scale and efficiency our new Society is expected, over time, to generate millions of pounds in additional resources every year, which can be invested in opening new sites, developing new products and services, increasing member rewards, and focusing on the causes that matter most to our members and colleagues.

Why are we making these proposals now?

We have a common vision covering four themes:



Being financially and commercially strong to allow us to grow sustainably, innovate and invest for the future. This means being able to develop new services, expand and improve our businesses with more sites, stores and branches and being able to do more to support our members and the communities we serve.



Having shared co-operative values. We are committed to having an empowered democratic membership, ethical sourcing and fair business practices, and aim to set an example for others to follow.



Being powered by our colleagues and members. We want to give our colleagues more opportunity to build rewarding careers with us and empower our members to make a difference in their communities and on the issues that matter to them.



Acting as a beacon of co-operation. We believe passionately in the power of co-operation to help tackle many of the challenges we see in the world around us. By merging and combining our strengths, we can have a greater voice to help drive change and support the growth of co-operatives in the UK and across the world.

Meeting the challenges we face

Our businesses operate in a challenging landscape. This includes significant financial headwinds such as increased energy, logistics and supply chain costs, as well as the impact of inflation and increased national insurance payments.

At the same time, cost-of-living pressures and the ever-increasing competition across our businesses mean consumers are looking for better value and have greater choice. Combining will help us to compete more strongly.

We have also seen first-hand the impact of technological change, whether that's the need to invest further to keep pace with new technology or managing the risk of potential disruption from cyber-attacks and other unforeseen events.

Crucially, merging to create a new Society will provide greater economies of scale, while combining our rich heritages and experience. It will unlock the ability to invest for the future and deliver value for our members, communities and colleagues in many ways.

We will be more competitive and more financially resilient.

We will be able to invest in new technology to be more efficient and reduce unnecessary duplication of technology costs.

We will be able to give our colleagues more opportunities to build a long-term and rewarding career with us.

It will create a platform for growth, where we can invest in expanding our businesses, opening and improving stores, branches and sites, and allow us to reach more people in more communities.

We will be able to offer more benefits, more services and a richer experience for our members across a wider range of businesses.



The case for creating a new Society

There are clear and compelling
co-operative and commercial benefits
for bringing our two Societies together.



What does this mean for members?

By creating a stronger and more financially resilient Society we will provide greater security for our members.

Merging the two Societies will create efficiencies that will deliver cost savings in the medium and longer term, creating the potential for better member benefits.

Our shared co-operative values and commitment to democracy mean that members will always be at the heart of how we operate, and will continue to shape the strategic direction of our new Society.

By bringing together the two largest independent co-operative Societies in the UK we will give our members access to a wider range of improved services and products in more areas of the country.

A stronger financial footing will allow us to invest in new and improved stores, branches and sites as well as new products and services.

We will engage our members closely throughout the transition process and into the future.



What does this mean for colleagues?

A stronger and more financially resilient Society will provide greater long-term job security for our colleagues.

Access to improved systems and technologies will support better ways of working.

There will be more opportunities for career development and progression within a larger, more diverse organisation and more opportunities to collaborate across different functions and regions within our new Society.

We will ensure a strong colleague voice, with enhanced forums for input and engagement.

We recognise that change at this scale can be unsettling. As we bring our two societies together, it creates the opportunity to explore areas where we are able to operate more efficiently, including in our support service functions. While the vast majority of colleagues will be unaffected, we are committed to consulting on any proposed changes and providing full support to any colleagues impacted throughout the transition process.



What does this mean for our communities?

Our new Society will operate in more communities, allowing us to engage with and provide support to more people in more areas of the country.

Both Societies have made strong Net Zero and sustainability commitments – our new Society will have the ability to be even more ambitious in this area.

By increasing our scale and bringing our two fantastic Societies together, we can also increase our voice and create a stronger platform for us to lead on the issues and causes that matter most to our members.

We will be able to invest more in community and environmental programmes to benefit our local communities and the world around us.

We will be able to do more to help build local economies, whether that's through employment, increasing our partnerships with local suppliers, or supporting more grass-roots, community-based initiatives.

Crucially, we will always preserve our local roots, respecting and promoting the importance of regional identity – that's the best way to create positive impact in the communities where we operate.

We can better support other co-operatives to develop and grow, building the co-operative movement in the UK and across the globe, whether that's through partnerships, supplying goods or services or simply providing advice and support.

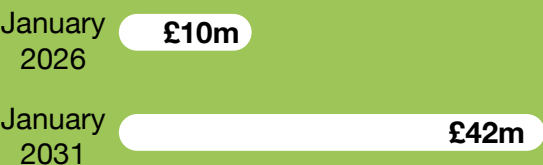


Building financial strength for the future

The commercial benefits of creating our new Society are clear. The economies of scale resulting from the merger and opportunities to operate more efficiently will allow us to increase profit, generate savings and reduce debt so we can invest more for the future.

We have developed a five-year business plan for the new Society which forecasts that, over time, the merger will deliver a stronger and more stable foundation for our new Society. Over the course of the five years, we expect:

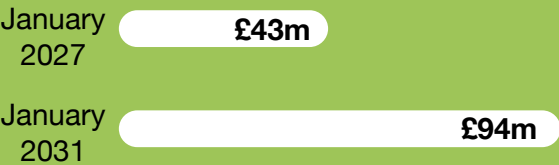
Our combined trading profit to increase



Our combined net assets to grow



Our operating cash flow to more than double



Our plan identifies a number of ways in which the synergies between our two Societies will help build that stronger financial foundation:

- Increased purchasing power through a larger family of businesses.
- Bringing together IT systems and infrastructure to reduce complexity, deliver a better experience for members and customers, and enhance security.
- Creating a consolidated leadership team and Board.
- Reviewing support functions to identify efficiency opportunities.

In the long term, these actions are expected to save up to £16.5m each year – money which can be reinvested in the new Society to help its development and growth.

But this won't happen immediately. Some elements, such as the integration of IT systems, will need to be phased over a few years. We are also going to need to spend money now to bring in the improved systems, technologies and infrastructure that allows these savings to be made.

Over the course of the next three years, we have estimated the new Society will need to invest around £23m to realise all the benefits the merger promises. As a result, the financial benefits of the merger will begin to be seen in 2027 and are then expected to accelerate from 2028 onwards.

The appendix has more detail on the financial case.



What will our new Society look like?

The merger will create a new Society with:



Over one million
active members



13,000
colleagues



Annual revenues of
£1.8 billion



More than 500
food stores



170 funeral
homes



70 travel
agencies



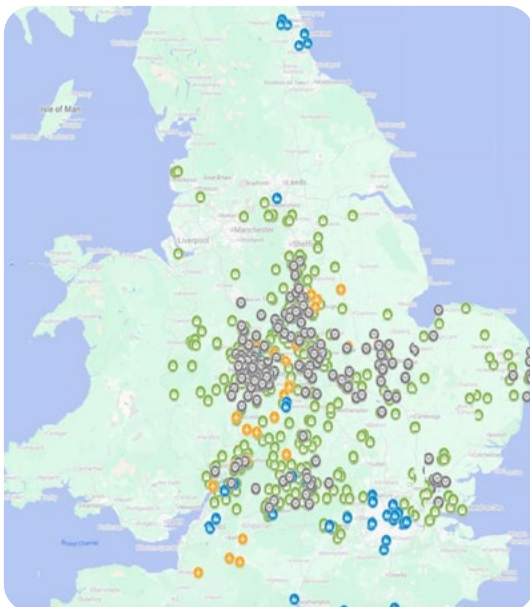
Almost 50 early
years nurseries



More than 500
investment properties
across the country



The UK's only provider
of co-operative phone,
broadband and energy tariffs



Funeral



Food



Travel



Early Years

How does the merger happen?

To bring our two Societies together, we will use a process called a 'transfer of engagements'. This is a standard legal process that co-operatives often use when they merge and it is the most efficient and recognised way for two Societies to become one.

In this case, The Midcounties Co-operative would transfer its engagements into Central Co-op. This is a legal mechanism that doesn't change the intent of the merger or the spirit in which it is being created. The purpose remains the same - to build a new, stronger Society for the future.

The merger is designed to create a new Society with:

- A new name
- A Board with representation from both Societies
- Shared values and culture
- Combined ambition

We recognise that bringing together two Societies of this scale will take time and careful planning and the hard work of integration will begin immediately should members approve the proposals. Ultimately, we firmly believe that the benefits of the merger far outweigh the challenges.

Governance arrangements

A Transitional Board will oversee our new Society while a Governance Committee develops a long-term governance structure.

With the agreement of both Boards, the Transitional Board will include seven directors from Midcounties' current Board and 13 from Central's current Board. All Directors will have obligations to our new Society, rather than to their former Societies and will make decisions in the best interests of the new organisation.

Several committees will support the Transitional Board, all with equal representation from both Societies.

A key committee will be the Governance Review Group, led by an independent Chair, which will propose the long-term governance structure for the new Society. Its recommendations will go to the Transitional Board in late 2026, with the final proposal presented to members for approval in January 2027. If approved, the new structure will come into effect at our new Society's AGM in May 2027.





What happens next?

We will be giving members the opportunity to hear directly from your Board and Executive team, ask questions, and discuss the proposed merger in detail at a series of information and Q&A sessions in November, ahead of two Special Members Meetings where you will be asked to vote on the proposals.

Midcounties members are being asked to vote on a transfer of engagements to Central, and Central members on a rule change that would facilitate this.

Details of when the sessions and votes are taking place and how you can register to join can be found [here](#).

What happens after the vote?

If approved by members, legal completion of the merger is expected by late January 2026.

This would be followed by a phased period of integration – bringing together the technical operations of the two Societies, and, as a matter of priority, creating a new name, brand and purpose for our new Society; one that reflects our shared values and culture and supports our ambition to deliver greater value for our members, colleagues and communities.