

Annual General Meeting

Member Package & Fiscal 2025

Annual Report



About Us

MISSION

Our mission is to provide quality products, competitive prices, and exceptional service while building strong communities. We create loyalty through member benefits, fostering local employment opportunities, and driving operational excellence.

VISION

Together, we will be the leading co-operative retailer in British Columbia, strengthening communities and enhancing service to our member-owners across Vancouver Island.

VALUES

- People First
- Integrity
- Excellence

PRINCIPLES

We conduct our business in a manner consistent with the following principles:

- We operate on sound business principles to protect the assets of our members while providing the highest possible patronage rebate.
- We are responsive to the needs and concerns of our members and customers.
- We honour the common principles of co-operatives.
- We contribute positively to the communities where we operate.
- We meet or exceed environmental standards.
- We value honesty, fairness, professionalism, loyalty and pride among Board, Management and Staff.

Fiscal 2025 Highlights

127,000
MEMBER
OWNERS



\$300 MILLION
SALES

\$8 MILLION
NET PROFITS
ALLOCATED IN
REBATES TO
MEMBER OWNERS



450
FULL-TIME & PART-TIME
EMPLOYEES

More than Just Gas Stations



17

Gas &
Convenience
Centres



6

Electric
Charging
Stations



5

Cardlock
Locations



2

Home
Heating
Locations



15

Propane
Locations



1

Grocery
Centre



10

Liquor
Stores



The Liquor Co. 1977 Grand Opening



Proudly Canadian



Volcano Car Wash 5-Pack



Fuel Good Day

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AGM Agenda

1. Call to Order
2. Rules of Order
3. Minutes of June 25, 2024 Annual General Meeting
4. Board President's Report
5. CEO Report
6. Financial Report
7. Ordinary Resolutions
 - a) Appointment of Auditors
 - b) Results of the Director Elections
8. Special Resolutions
 - a) Board Term Limits
 - b) Housekeeping Amendments
9. Adjournment

AGM Rules of Order

In order that the Annual General Meeting may be an efficient, courteous and satisfying experience for members, please adopt the following Rules of Order.

1. The proposed agenda be adopted.
2. Floor Decorum: Members will address the Chair at all times. Upon recognition by the Chair, the member will clearly state his or her name and member number. When two or more members desire to speak at the same time, the Chair will determine the first to speak. Members must receive the consent of the Chair to place business before the meeting. All behavior must remain courteous.
3. Substantive motions must be presented to the meeting by the Board of Directors.

With the consent of the Chair, non substantive motions, such as motions of courtesy, may be submitted to the meeting without going through the Board of Directors.

The Chair will determine if a motion is substantive or non substantive.
4. Debate: Each member may speak only once on any motion or resolution except that the mover of a motion or resolution may speak a second time to close debate. No member may speak for more than 2 minutes at any time except with the permission of the Chair.
5. New Business: Members must receive the consent of the Chair to place business before the meeting.
6. Voting: Every member is entitled to vote on all matters coming before the meeting. Except where a ballot is required, voting shall be conducted when the Chair determines that the discussion has ended or that the matter under discussion has been fully debated. Unless a motion receives the majority required the motion is lost.
7. The Chair will decide if scrutineers are needed for counting of any votes.
8. Reports: If a report is presented to the meeting, which only gives information, there need not be a motion to accept, adopt or approve such a report.
9. No member or person shall make a video or audio recording of the meeting.
10. General rules: Robert's Rules of Order will be used in situations not covered by these rules.

AGM Minutes – JUNE 24, 2024

PENINSULA CONSUMER SERVICES CO-OPERATIVE ANNUAL GENERAL MEETING

WebEx
Tuesday, June 25, 2024

MINUTES

DIRECTORS:

Randy Bogle
Francois Egan
Sheila Elworthy
Pat Fafard
Ron Gaudet
Grant Hilliard
Patti Hunter
Jacques van Campen

Management:

Corey Gillon, CEO
Susan Herman, VP of Finance

Recorder: Kathryn Butler

1. CALL TO ORDER AND OPENING REMARKS

Grant Hilliard, Board President and Meeting Chair, called the AGM to order at 5:30 pm and declared a quorum. There were 39 members attending.

After a territorial acknowledgement Grant introduced the Board of Directors; representatives of Baker Tilly, Trevor Won and Deron Freer; and representatives of Korn Ferry, Wycliffe Ma and Derek Hirae.

2. APPROVAL OF THE AGENDA AND RULES OF ORDER

MOTION: To approve the Agenda and Rules of Order as presented.

MOVED: Patti Hunter

SECONDED: Member 26334

CARRIED.

3. APPROVAL OF THE MINUTES OF THE JUNE 27, 2023 ANNUAL GENERAL MEETING

MOTION: To approve the Minutes of the June 27, 2023 AGM.

MOVED: Francois Egan

SECONDED: Member 3808

CARRIED.

4. BOARD REPORTS – Grant Hilliard

Rather than reading the reports listed in the member package, Grant instead listed a few highlights from the past year. These focused on the purchase of the liquor stores in an effort to

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reduce our reliance on petroleum. The new branding to The Liquor Co., 1977 will begin shortly. New efforts to seek input from members and support for local communities will be features of the year ahead.

6. **CEO REPORT – Corey Gillon**

Corey outlined the four pillars of our strategic plan: maximizing the relationship with members; creating a great place to work; investing in retail infrastructure; and diversification of products, services and business lines. Renovations of our liquor stores start next week, to bring all the liquor stores together under The Liquor Co., 1977 brand. In addition, we are thrilled to have been recognized with recent awards for our employee culture.

7. **FINANCE REPORT – Susan Herman**

The audited financial statements have been included in the member package. This year Peninsula Coop received a clean audit opinion from auditors at Baker Tilly. The purchase of the liquor stores was the major change from last year, resulting in an increase in short-term debt for the purchase. More details are available in notes 17 and 18 of the financial statements. The rebate and loyalty program from Federated Co-op continues to be a source of income for us, and we are well-positioned to continue expanding as well as offering rebates to our members.

8. **RESOLUTIONS**

Appointment of Auditors

MOTION: Be it resolved that Baker Tilly Victoria Ltd. be appointed auditors of the Association, to hold office until the close of the next Annual General Meeting or until their successors are duly appointed, and the Board of Directors be authorized to fix the remuneration of the auditors.

MOVED: Sheila Elworthy

SECONDED: Member 3535

CARRIED.

2024 Ordinary Resolution:

WHEREAS:

- A. Section 75 of the Cooperative Association Act and Section 111 of the Rules of Peninsula Consumer Services Co-operative require that the remuneration of directors and what will be allowed to them for expenses be determined from time to time by ordinary resolution of the members.
- B. Peninsula Consumer Services Co-operative obtained a market study of retail Co-operatives, credit unions and other comparable organizations, prepared by Korn Ferry Ltd.
- C. The study found that Peninsula Co-op's annual Director retainers are significantly lower than the market average, while per-meeting fee rates met the market average.

The current annual remuneration for Peninsula Co-op directors, as approved by ordinary resolution in June 2015, is:

Annual retainer

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Chair	\$5,958
Vice Chair	\$2,979
All Directors, except Chair and Vice Chair	\$2,979
Committee Chair	\$1,192

Meeting fee for attendance at scheduled Board and Committee meetings be as follows:

- Meetings of four hours or less: \$288.50
- Meetings over four hours: \$577.00

- D. As per Korn Ferry's recommendation, the Directors propose that, effective July 1, 2024, the compensation for Directors be adjusted over a three-year period to meet average market compensation by July 2026.

THEREFORE BE IT RESOLVED THAT:

The following remuneration of the directors of Peninsula Consumer Services Co-operative be approved, effective July 1, 2024:

1. Annual retainer

	July 1, 2024	July 1, 2025	July 1, 2026 and thereafter
Chair	\$15,000	\$22,500	\$30,000
Vice Chair	\$7,500	\$11,750	\$16,000
All Directors, except Chair and Vice Chair	\$6,000	\$9,250	\$12,500
Committee Chair	\$1,700	\$2,450	\$3,200

2. Annual retainers be payable in equal instalments, at the discretion of the Directors.
3. Meeting fee for attendance at scheduled Peninsula Consumer Services Co-operative Board and Committee meetings, Federated Co-operative Limited general meetings, conferences and district meetings, and local/regional meetings of Co-op directors be as follows:
- Meetings of four hours or less: \$288.50
 - Meetings over four hours: \$577.00
4. The meeting fees be adjusted automatically according to Federated Co-op's per diem rate, whereby a meeting of four hours or less is 50% of Federated Co-op's per diem rate, and automatically adjusted whenever Federated Co-op changes its rate.
- MOVED: Sheila Elworthy
- SECONDED: Member 119247

DISCUSSION:

In response to questions the membership was informed that, while the Vice Chair position is not new, it does now have a list of duties and responsibilities. This expanded role will offer more support for the Chair and value for Peninsula Co-op. The meeting fee is an odd amount because it reflects FCL's per diem fee.

AGM Minutes – JUNE 24, 2024

CARRIED.

9. RECOGNITION OF DIRECTORS

Departing Board members Cathie Ounsted and Ron Gaudet were thanked for their commitment to the Co-op. Directors Sheila Elworthy, Francois Egan and Ron Gaudet were recognized for reaching years-of-service milestones.

10. ELECTION RESULTS

This year four positions (three 3-year terms, one 1-year term) were available to six candidates. Sheila Elworthy, Pat Fafard and Adrian Nyland were elected to 3-year terms, while Nichola Wade was elected to the 1-year term, based on the number of votes.

Acceptance of election results

MOTION: To accept the election results of the 2024 Board of Directors election.

MOVED: Randy Bogle

SECONDED: Member 135890

CARRIED.

Destruction of election ballots

MOTION: To authorize the destruction of ballots cast in the 2024 Board of Directors election.

MOVED: Jacques van Campen

SECONDED: Member 26334

CARRIED.

14. DISCUSSION AND QUESTIONS

No further questions.

The Annual General Meeting was adjourned at 6:14 pm.

Board President's Report

It is with gratitude and pride that I present this year's President's Report. As a proudly Canadian co-operative, our identity is rooted in the values that define our nation: inclusivity, community, resilience, and mutual support. These are not just ideals we aspire to—they are the foundation of how we operate, how we serve our members, and how we continue to grow together.

This past year, we have faced challenges, seized opportunities, and continued to adapt. But through it all, our purpose has remained constant: to build a better, fairer future for our members, guided by the uniquely Canadian values that bind us.

In 2025, our Co-op demonstrated resilience and financial strength, achieving a net income before tax and patronage refunds of \$9.5 million across our group of companies. This performance was achieved through the efforts of our staff and management and the continued support of you our members.

Our total sales reached \$291 million; this is despite the continued decline in petroleum sales due to electrification of automobiles as well as increasing efficiency of gas vehicles. Our market share continues to remain one of the highest in the communities we serve.

Our Co-op's commitment to community remains steadfast; we contributed nearly \$600,000 to charities and non-profits. This level of support to the community is unmatched by our competitors in the petroleum, liquor and grocery business.

As we continue to navigate an ever-evolving economic and social landscape, our Co-op remains committed to adapting in ways that benefit our members and strengthen our long-term sustainability.

Looking ahead, we will continue to explore opportunities for business diversification—expanding into new sectors and acquiring lines of business that align with our values and mission. These initiatives are not simply about growth; they are about enhancing the range and quality of services we offer our members, ensuring that we remain responsive to their changing needs.

Whether through partnerships, innovation, or acquisitions, we are focused on building a stronger, more resilient organization—one that reflects the cooperative spirit and Canadian values we are proud to represent.

Grant Hilliard, Board President



Grant Hilliard
Board President



Finance & Audit Committee Report

While the Financial Report addresses the fiscal year ending March 29, 2025, this report to the membership of Peninsula Consumer Services Cooperative covers the period up to and including the Annual General Meeting on June 25, 2025.

The Finance and Audit Committee was composed of voting board members: Randy Bogle (Chair), Sheila Elworthy, Francois Egan, Adrian Nyland, Jacques van Campen, and Grant Hilliard. Corey Gillon, CEO, and Susan Herman, VP Finance, participated in a non-voting capacity. The Committee meets five to seven times annually and operates according to a general workplan.

On behalf of the Board of Directors, the Committee reviews and comments on ongoing financial results and key performance indicators in comparison to budget targets, market conditions, and within the context of strategic planning.

Since the last AGM, the Committee has addressed several ongoing financial matters, including:

- Determining the level of patronage rebates to members
- Reviewing policies on bad debts, which remain minimal
- Allocating funds for Member Relations activities and employee Profit-Sharing
- Reviewing managements' Cyber and IT Security report
- Assessing the financial implications of strategic initiatives

In addition, the Committee reviewed Financial Policies and Terms of Reference, recommending updates for Board approval.

The Committee is also responsible for managing the relationship with the external auditors on behalf of the Board, and for recommending the appointment of auditors to the membership. In line with governance best practices, the Committee requests that management issue a Request for Proposal (RFP) for audit services every five years. An RFP has been issued for the five-year period beginning with the 2025–2026 fiscal year. A recommendation for auditor appointment will be presented at the Annual General Meeting.

Respectfully submitted,

Randy Bogle, Finance & Audit Committee Chair



Randy Bogle
Finance & Audit
Committee Chair



AUDITED FINANCIAL STATEMENTS

PENINSULA CONSUMER SERVICES CO-OPERATIVE

Consolidated Financial Statements

For the Year Ended March 29, 2025

Peninsula Consumer Services Co-operative

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For the Year Ended March 29, 2025

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INDEPENDENT AUDITORS' REPORT

To the Members of Peninsula Consumer Services Co-operative

Opinion

We have audited the consolidated financial statements of Peninsula Consumer Services Co-operative (the "Co-operative") that comprise the consolidated balance sheet as at March 29, 2025, and the consolidated statements of income, members' equity, and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Peninsula Consumer Services Co-operative as at March 29, 2025, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Co-operative in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian Accounting Standards for Private Enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Co-operative'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 management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Canadian generally accepted auditing standards 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Co-operative and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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INDEPENDENT AUDITORS' REPORT (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, BC

June 19, 2025

Peninsula Consumer Services Co-operative

Consolidated Balance Sheet

As at March 29, 2025

	2025	2024
	\$	\$
Assets		
Current Assets -		
Cash	1,130,257	1,092,233
Short-term Investments (note 3)	9,632,849	18,519,796
Accounts Receivable (note 4)		
Customer	4,033,113	3,852,632
Other	4,179,594	3,520,531
Inventory	8,531,136	8,417,628
Prepaid expenses	558,185	441,510
	28,065,134	35,844,330
Investments (note 5)	42,688,093	42,265,950
Deferred Dealer Improvements (note 6)	4,155	23,191
Property, Plant and Equipment (note 7)	52,117,077	50,294,624
Goodwill and Intangible Assets (note 8)	39,790,716	38,407,412
	134,600,041	130,991,177
	162,665,175	166,835,507

APPROVED ON BEHALF OF THE BOARD



Director



Director

Peninsula Consumer Services Co-operative

Consolidated Balance Sheet

As at March 29, 2025

	2025	2024
	\$	\$
Liabilities		
Current Liabilities -		
Accounts payable and accrued liabilities	23,419,167	25,188,998
Government remittances payable	673,986	414,368
Member loans (note 11)	50,888	50,888
Current portion of long-term debt (note 12)	6,589,225	284,013
Line of credit (note 10)	-	10,000,000
	30,733,266	35,938,267
Long-term Debt (note 12)	3,558,229	5,622,738
Asset Retirement Obligations (note 9)	2,450,000	750,000
	36,741,495	42,311,005
Members' Equity		
Share Capital (note 13)	20,069,202	19,628,714
Retained Earnings	105,854,478	104,895,788
	125,923,680	124,524,502
	162,665,175	166,835,507

Commitments (note 17)

Peninsula Consumer Services Co-operative

Consolidated Statement of Income

For the Year Ended March 29, 2025

	2025	2024
	\$	\$
Sales	290,910,402	293,549,620
Cost of Goods Sold	253,298,764	259,267,992
Gross Profit	37,611,638	34,281,628
Other Income	729,286	578,026
	38,340,924	34,859,654
Expenses		
Operating and Administrative	35,899,525	31,380,754
Income before Patronage Rebates and Other Income (Expenses)	2,441,399	3,478,900
FCL and VICSCA Patronage Refunds (note 5)	4,339,132	8,381,595
FCL Loyalty Program	5,091,469	5,350,772
Other Income (Expenses):		
Net interest income (note 14)	111,909	899,675
Profit sharing	(1,546,160)	(1,435,710)
Gain (loss) on disposal of property, plant and equipment	(308,860)	4,008
Community projects and donations	(578,250)	(600,000)
Income before Income Taxes	9,550,639	16,079,240
Provision for Income Taxes (note 15)	720,257	2,044,445
Net Income for the Year	8,830,382	14,034,795

Peninsula Consumer Services Co-operative

Consolidated Statement of Members' Equity

For the Year Ended March 29, 2025

	2025	2024
	\$	\$
Share Capital		
Balance - Beginning of Year	19,628,714	18,922,085
Cash from new members and share payments	169,250	111,125
Previous year's refunds returned to shares	225,236	600,913
Withdrawals	(60,524)	(49,126)
	333,962	662,912
Previous year's profits allocated to shares	7,871,692	7,814,561
Share redemption	(2,093,749)	(1,709,760)
General cash repayment to members	(5,671,417)	(6,061,084)
	106,526	43,717
Increase in share capital	440,488	706,629
Balance - End of Year	20,069,202	19,628,714
Retained Earnings		
Balance - Beginning of Year	104,895,788	98,675,554
Previous year's profits allocated to shares	(7,871,692)	(7,814,561)
Net income for the year	8,830,382	14,034,795
	958,690	6,220,234
Balance - End of Year	105,854,478	104,895,788
Members' Equity - End of Year	125,923,680	124,524,502

Peninsula Consumer Services Co-operative

Consolidated Statement of Cash Flows

For the Year Ended March 29, 2025

	2025	2024
	\$	\$
Cash Provided from (Used for):		
Operating Activities		
Net income for the year	8,830,382	14,034,795
Items not affecting cash -		
Amortization	3,907,601	3,667,452
Deferred dealer improvements	19,035	27,484
Loss (gain) on disposal of property, plant and equipment	308,860	(4,008)
	13,065,878	17,725,723
Changes in non-cash working capital balances related to operations	(2,579,940)	(4,321,921)
	10,485,938	13,403,802
Investing Activities		
Decrease in short-term investments	8,886,947	19,078,648
Proceeds from sale of property, plant and equipment	29,464	75,576
Purchase of property, plant and equipment	(4,228,086)	(1,760,129)
Purchase of goodwill and intangible assets	(1,523,595)	(31,725,230)
Patronage refunds invested in shares of FCL and VICSCA	(422,143)	(1,676,319)
	2,742,587	(16,007,454)
Financing Activities		
Proceeds from (repayment of) long-term debt	4,240,703	(276,418)
Previous years' rebates returned to shares	225,236	600,913
Cash from new members and share payments	169,250	111,125
Redemption of shares	(2,154,273)	(1,758,886)
Patronage refunds paid in cash to members	(5,671,417)	(6,061,084)
Proceeds from (repayment of) short-term debt	(10,000,000)	10,000,000
	(13,190,501)	2,615,650
Net Increase in Cash and Cash Equivalents	38,024	11,998
Cash and Cash Equivalents - Beginning of Year	1,092,233	1,080,235
Cash and Cash Equivalents - End of Year	1,130,257	1,092,233

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

1 Incorporation and Operations

Peninsula Consumer Services Co-operative (the "Co-operative") was incorporated under the laws of the Province of British Columbia. The Co-operative operates gas bars with convenience stores, commercial cardlocks, grocery stores, liquor stores, bulk fuel delivery service and commercial property rentals on Vancouver Island. The Co-operative has approximately 126,920 members as at March 29, 2025.

2 Significant Accounting Policies

These consolidated financial statements were prepared in accordance with Canadian accounting standards for private enterprises and include the following significant accounting policies:

Fiscal Year

The Co-operative's fiscal year generally ends on the Saturday closest to March 31st. The 2025 fiscal period is 52 weeks and ended on March 29, 2025, while the 2024 fiscal period was 52 weeks and ended on March 30, 2024. All comparative figures are therefore as of March 30, 2024.

Basis of Consolidation

These consolidated financial statements include the accounts of the co-operative and its wholly owned subsidiaries, Seaboard Industries Ltd., Save On Gas Ltd., and The Liquor Co 1977 Ltd.

Investment in Federated Co-operatives Limited

The Co-operative, along with other co-operatives in Western Canada, owns Federated Co-operatives Limited ("FCL"). This investment is accounted for using the cost method as it consists of membership shares which have a fixed value.

Inventories

Inventories are carried at the lower of cost and net realizable value. Inventories which are taken at retail values are discounted to cost by applying the applicable discount rate for that commodity. Cost is calculated using the first in, first out formula for petroleum, grocery, and liquor store inventories. The cost of inventories recognized as an expense during the year ended March 29, 2025 was \$253,298,764 (2024 - \$259,267,992).

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

2 Significant Accounting Policies (continued)

Goodwill and Intangible Assets

The excess of cost of assets acquired over the fair values of the net assets acquired is recorded as goodwill and intangible assets and is not subject to amortization. This goodwill and intangible assets will be tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the reporting unit to which the goodwill and intangible assets are assigned may exceed the fair value of the reporting unit.

Amortization

Amortization is charged against income using the declining balance and straight-line methods in amounts sufficient to amortize the cost of property, plant and equipment over their estimated useful lives at the following annual rates:

Buildings	4%, 5% and 8%
Computer hardware	33%
Computer software	20% and 100%
Furniture and equipment	20%
Tanks	10%
Vehicles	30%

Amortization of leasehold improvements is being calculated using the straight-line method over the remaining term of the lease.

Property, plant and equipment acquired during the year or assets under construction that are not used in operations, are not amortized until put into operation.

Expenditures for maintenance and repairs are charged to operating expenses as incurred. Significant expenditures for improvements are capitalized. Gains or losses realized on the disposition of major property and equipment are reflected in income in the year of disposition.

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

2 Significant Accounting Policies (continued)

Income Taxes

The Co-operative has elected to apply the taxes payable method of accounting. The taxes payable and provision for income taxes are based on the corporate income tax return filed. There is no adjustment for incomes related to temporary differences and no recognition of the benefit of income tax losses carried forward.

Financial Instruments

Measurement of financial instruments

The Co-operative initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Co-operative is in the capacity of management, are initially measured at cost.

The Co-operative subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-term investments, accounts receivable, and investments. The fair values of all financial assets are the same as their carrying values due to their short-term nature.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, member loans, and long-term debt. The fair values of all financial liabilities are the same as their carrying values due to their short-term nature.

Transaction costs

Transaction costs related to financial instruments subsequently measured at fair value or to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in arm's length transactions that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, the transaction costs are then recognized in income over the life of the instrument using the straight-line method.

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

2 Significant Accounting Policies (continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Revenue Recognition

Retail sales are recognized as revenue at the point of sale. Home heating and commercial sales are recognized upon delivery of products to customers. Other income is recognized when earned and ultimate collection is reasonably assured at the time of performance.

Use of Estimates

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Certain amounts recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Co-operative's best information and judgment. The amounts recorded for amortization of property, plant and equipment depend on estimates of economic lives and future cash flow. Such amounts are not expected to change materially in the near future.

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

3 Short-term Investments

	2025	2024
	\$	\$
Federated Co-operatives Limited -		
Short-term cashable deposit; bearing interest at the bank prime rate less 1.10%; recorded at amortized cost	9,632,849	18,519,796

4 Accounts Receivable

Customer accounts receivable are shown net of an allowance for impairment of \$401,631 (2024 - \$409,534).

5 Investments

	2025	2024
	\$	\$
Federated Co-operatives Limited	42,687,993	42,265,850
Other organizations	100	100
	42,688,093	42,265,950

Investment in Federated Co-operatives Limited

During FCL's year ended October 31, 2024 the Co-operative purchased goods eligible for rebate amounting to \$176,941,084 (2024 - \$200,548,484) which resulted in a patronage allocation of shares from FCL of \$4,339,132 in the current year (2024 - \$8,381,595). During the year FCL redeemed shares totaling \$3,905,218 for cash (2024 - \$6,705,276).

The totals above for both the current year and prior year include the combined purchases made by the Co-operative directly from FCL as well as the purchases made by the Co-operative from FCL through the Vancouver Island Central Services Co-operative Association ("VICSCA").

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

5 Investments (continued)

The Co-operative has a loyalty program agreement with FCL. The program took effect on November 1, 2019 and had a twelve-month term; it has been renewed annually each year since 2019. Under the agreement, the Co-operative has committed to sourcing at least 90% of its inventory of commodities and products from FCL, where supply is available from FCL. If the eligibility requirements are met, FCL will pay the Co-operative, on a quarterly basis, a loyalty payment. During the fiscal year the Co-operative earned \$5,091,469 under the loyalty program (2024 - \$5,350,772).

The VICSCA was dissolved by the retail co-operative owners on October 30, 2024. All purchases made from VICSCA that were eligible for rebate were included in the patronage allocation issued to the Co-operative by Federated Co-operatives Limited note above.

The majority of the Co-operative's investment in VICSCA was transferred to the investment held by the Co-operative in Federated Co-operatives Limited (\$2,590,425) with the remaining balance redeemed for cash (\$11,770).

6 Deferred Dealer Improvements

Under the terms of dealer sales contracts, the Co-operative is required to contribute a portion of the initial costs for real property improvements at the dealer's premises. The terms of the dealer sales contract is generally 5 years. In order to match deferred costs to anticipated future sales revenues, these costs are amortized or repaid on a straight-line basis in some instances and on a per-litre basis in others, over the term of the contract. For the year ended March 29, 2025, this charge amounted to \$19,035 (2024 - \$27,484).

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

7 Property, Plant and Equipment

	Cost	Accumulated amortization	2025 Net	2024 Net
	\$	\$	\$	\$
Land	21,861,934	-	21,861,934	21,861,934
Buildings	36,053,700	18,691,628	17,362,072	18,194,847
Computer hardware	1,317,491	1,066,766	250,725	197,282
Computer software	1,418,549	734,120	684,429	730,260
Furniture and equipment	12,235,200	9,072,707	3,162,493	2,918,592
Leasehold improvements	3,581,062	1,518,488	2,062,574	1,210,406
Tanks	14,889,556	8,808,047	6,081,509	4,969,348
Vehicles	1,078,339	1,025,166	53,173	110,366
Construction in progress	598,168	-	598,168	101,589
	93,033,999	40,916,922	52,117,077	50,294,624

8 Goodwill and Intangible Assets

	2025	2024
	\$	\$
Goodwill	32,715,404	32,232,100
Liquor licences	7,075,312	6,175,312
	39,790,716	38,407,412

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

9 Asset Retirement Obligations

The Co-operative owns and operates a number of gas bars on Vancouver Island. Management of the Co-operative has determined the Co-operative expects to have asset retirement obligations for potential environmental remediation costs related to these petroleum operations. As at March 29, 2025, the estimated obligations total \$2,450,000.

During the year, no payment was made to settle any portion of the asset retirement obligation. None of the assets are legally restricted for the purposes of settling the obligations.

Asset retirement obligations have been estimated based on the Co-operative's experience in petroleum operations and the expected timing of required remediation work. To determine the initial liability recognized, the estimated future cash flows related to the remediation costs have been discounted using the current market risk-free rate of interest.

Future site remediation costs that are not determinable are not accrued until they can be reasonably estimated. The Co-operative has policies and operational practices that minimize its exposure to future site remediation costs.

10 Credit Facilities

Island Savings Credit Union has made available to the Co-operative an operating loan with a credit limit of \$1,000,000, bearing interest at Island Savings Credit Union's prime rate plus 0.75% per annum. This operating loan is secured by land and building. At year end, no funds had been drawn on this facility.

Royal Bank of Canada has made available to the Co-operative an operating loan and a credit facility with a credit limit of \$10,000,000, bearing interest at Royal Bank of Canada's prime rate per annum. This operating loan is secured by land and building. At year end, no funds had been drawn on this facility.

FCL has made available to the Co-operative revolving line of credit with a limit of \$8,000,000, bearing interest at prime rate per annum, as determined by FCL's primary lending institution. This credit facility is unsecured. At year end, no funds were drawn on this facility.

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

11 Member Loans

On April 1, 2016 the Co-operative merged with Comox District Consumers' Co-operative. Comox District Consumers' Co-operative had recognized loans outstanding from its members. Upon amalgamation, the member loans were recognized by Peninsula Consumer Services Co-operative.

	2025	2024
	\$	\$
Member loan certificates, due on demand when members request repayment. These certificates bore interest until November 1984.	43,195	43,195
Accrued interest on member loan certificates, arising before November 1984.	7,693	7,693
	50,888	50,888

12 Long-term Debt

	2025	2024
	\$	\$
Royal Bank of Canada -		
Term loan, 2.72% interest rate payable monthly. Fixed monthly payments include both principal and interest. Matures November 12, 2025.	5,623,131	5,906,751
Term loan, 4.55% interest rate payable monthly. Fixed monthly payments include both principal and interest. Matures September 25, 2027.	2,274,325	-
Term loan, variable interest at the bank prime rate. Monthly payments include both principal and interest. Matures September 25, 2029.	2,249,998	-
Less: Current portion	(6,589,225)	(284,013)
	3,558,229	5,622,738

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

12 Long-term Debt (continued)

The term loans are secured with a corporate guarantee and a charge on land and buildings owned by the Co-operative or Seaboard Industries Ltd., as applicable.

Estimated principal payments required in each of the next five years:

	\$
Year ending March 2026	6,589,225
2027	987,788
2028	1,820,417
2029	500,004
2030	250,020
	10,147,454

13 Share Capital

	2025	2024
	\$	\$
Membership Shares –		
Unlimited number of membership shares with a par value of \$1 each; redeemable at the discretion of the Board of Directors	20,069,202	19,628,714

14 Net Interest Income (Expense)

	2025	2024
	\$	\$
Interest income on short-term investments	714,476	1,468,902
Interest expense on short-term borrowings	(321,317)	(404,390)
Interest expense on long-term debt	(281,250)	(164,837)
	111,909	899,675

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

15 Income Taxes

The Co-operative accounts for income taxes using the taxes payable method. As a result, the co-operative's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

	2025	2024
	\$	\$
Income before income taxes	9,550,639	16,079,240
Expected income tax expense at the combined tax rate of 27.00% (2024 – 27.00%) net of the general rate reduction	2,578,673	4,341,395
Increase (decrease) in income tax expense resulting from:		
Non-taxable income and non-deductible expenses	201,694	199,236
Patronage allocation to members	(1,651,415)	(2,103,343)
Capital cost allowance in excess of amortization	(408,695)	(392,843)
Income tax expense	720,257	2,044,445

16 Financial Instruments

The Co-operative's financial instruments consist of cash, short term investments, accounts receivable, investments, accounts payable and accrued liabilities, member loans, and long-term debt. The fair values of all financial instruments are the same as their carrying values due to their short-term nature.

Risks and Concentrations

The Co-operative is exposed to various risks through its financial instruments. The following analysis provides a measure of the Co-operative's risk exposure and concentrations at the consolidated balance sheet date.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Co-operative's main credit risks relate to its accounts receivable. The Co-operative provides credit to its customers in the normal course of its operations, however, the Co-operative has a large number of customers, which minimizes the concentration of credit risk.

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

16 Financial Instruments (continued)

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Co-operative is exposed to this risk in respect of its current liabilities.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Co-operative is not subject to currency risk as its assets and liabilities are denominated wholly in Canadian dollars.

Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Although the Co-operative has a significant interest bearing debt, the interest rates are fixed on two of the loans, variable on the other, and the Co-operative has sufficient funds to settle the debts. Consequently, the Co-operative is not exposed to significant interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Co-operative is exposed to other price risk by way of fluctuating petroleum prices with the additional risk of new international trade tariffs causing market volatility.

Peninsula Consumer Services Co-operative

Notes to the Consolidated Financial Statements

For the Year Ended March 29, 2025

17 Commitments

The Co-operative's total obligations under operating leases for occupied premises are as follows:

	\$
Year ending March 2026	1,336,316
2027	1,345,195
2028	971,135
2029	826,079
2030	205,946

The Co-operative is required to pay additional rents based on sales volume and the Co-operative's share of property costs. Estimates of these future additional rents have not been determined.

18 Business Acquisition

On April 16, 2024, the Co-operative purchased the assets of a liquor store, operated by Pacific Liquor Merchants Corp. located at 7180 West Saanich, Brentwood Bay, BC. The assets acquired include goodwill, liquor license, leasehold improvements, furniture and fixtures, and the property lease. The Co-operative paid cash consideration for these assets.

	\$
Goodwill	623,595
Liquor licences	900,000
Tangible assets	76,405
Purchase price	1,600,000

19 Comparative Financial Statements

Certain comparative figures have been reclassified to be consistent with the presentation adopted in the current year.

Peninsula Consumer Services Co-operative

Additional Comments of Auditors

For the Year Ended March 29, 2025

Schedule of Statistical Information

The accompanying Schedule of Statistical Information is presented as supplementary information only. In this respect, it does not form part of the consolidated financial statements of the Co-operative. The information in this schedule has been subject to review procedures only to the extent necessary to report on the consolidated financial statements, and hence is excluded from our report dated June 19, 2025.

RECORD OF SALES AND SAVINGS

(Prepared without audit - see Additional Comments of Auditors)

	Sales \$	Savings \$	%
Total for the nine years ending April 30, 1986	35,785,292	122,314	0.3
Year ending April 30			
1987	7,463,401	194,464	2.6
1988	10,289,680	331,502	3.2
1989	11,847,069	616,650	5.2
1990	14,382,307	819,585	5.7
1991	18,158,573	1,052,079	5.8
1992	22,016,321	1,139,855	5.2
1993	25,397,790	1,434,594	5.6
1994	28,122,622	1,778,927	6.3
1995	31,832,965	2,266,887	7.1
1996	34,866,290	2,281,827	6.5
1997 (note)	43,998,049	1,961,147	4.5
Period ending March 31, 1998 (note)	38,381,498	2,305,350	6.0
Year ending March:			
1999	43,441,886	2,125,746	4.9
2000	55,242,803	2,693,201	4.9
2001	63,006,622	2,894,129	4.6
2002	61,450,817	3,289,777	5.4
2003	66,732,847	2,114,079	3.2
2004	74,803,122	2,439,433	3.3
2005	84,059,115	3,305,268	3.9
2006	97,960,851	4,278,135	4.4
2007	109,150,279	6,821,180	6.2
2008	120,274,595	9,315,511	7.7
2009	137,696,445	10,582,629	7.7
2010	134,495,332	6,079,320	4.5
2011	152,657,009	6,664,650	4.4

Peninsula Consumer Services Co-operative

Additional Comments of Auditors

For the Year Ended March 29, 2025

Schedule of Statistical Information (continued)

	Sales	Savings	
	\$	\$	%
2012	166,509,645	10,169,281	6.1
2013	169,861,510	8,644,639	5.1
2014	184,287,371	9,080,989	4.9
2015	178,765,555	6,913,307	3.9
2016	181,202,751	6,618,492	3.7
2017	195,601,769	13,135,319	6.7
2018	219,428,515	9,251,234	4.2
2019	245,417,705	18,517,583	7.5
2020	237,131,171	15,601,578	6.6
2021	192,671,277	12,129,701	6.3
2022	263,255,527	13,536,834	5.1
2023	301,970,545	13,877,363	4.6
2024	293,549,620	14,034,795	4.8
2025	290,910,402	8,830,382	3.0

Note – The sales for 1997 are not comparable to previous years in that they are based on consolidating the accounts of Save On Gas Ltd. for the first time, and include seven months of non-consolidated results. As well, the sales for 1998 include eleven months of results, and thus are not directly comparable to other years.

Member Relations & Community Committee Report

We are very proud to say that Peninsula Co-op was in a financial position to once again provide nearly \$600,000 to the communities of the Capital Regional District, Mill Bay, Duncan, Comox and Campbell River. Awarded on behalf of our 127,000 members, these funds assisted many non-profit organizations, service clubs, students and sports groups that focused primarily on youth, health, social, environmental and capital initiatives. A few examples of the organizations we have assisted are: Camp Shawnigan Easter Seals Capital Campaign, Pacific Institute for Sport Education, Power to Be; Habitat for Humanity, Broadmead Care Society for Nigel House Capital Campaign, Victoria Hospital Foundation, Cowichan Hospital Foundation, Big Brothers Big Sisters, YMCA-YWCA of Vancouver Island and Women's Transition House Society – to name just a few.

Peninsula Co-op has consistently supported students in our community through the Student Awards Program. This year we awarded 15 scholarships for a total \$19,500. In addition, 49 of our staff were granted a total of \$27,100 in scholarships. Since 2005, we've provided over \$410,000 in staff and student awards. We congratulate all recipients and wish them well in their future endeavours.

Thank you to the many community volunteers, groups and charities for their commitment, dedication and efforts, and for giving the Co-op the opportunity to assist them financially with the community building activities they engage in.

I want to thank the Member Relations and Community Committee members which includes the Chair, Patti Hunter and Board Members, Pat Fafard, Jacques van Campen, Francois Egan and Nichola Wade. We also wish to thank Corey Gillon, CEO and Brandi Natarelli, Community Relations Manager, for their valuable input, support and research in the application and decision-making process.

Each and everyone of us feels very passionate about the role we have in supporting our communities. We are, like you, extremely proud of the efforts made by Peninsula Co-op during this past year and the positive impact we have in the communities we live and work in.

Thank you once again for your continued valued membership.

Patti Hunter, Member Relations & Community Committee Chair



Patti Hunter
Member Relations &
Community Committee Chair



People & Culture Committee Report

I am pleased to provide this report on behalf of Peninsula Co-op's People and Culture (P&C) Committee.

The role of the P&C is to assist the Board by providing governance-level oversight of Peninsula Co-op's human resources, ensuring sound policies and practices are in place and are consistent with the Co-op's values, vision, risk appetite and strategic plan. Its annual duties include:

- Review of committee terms of reference and workplan and revise as required;
- Review and recommend board approval of CEO's annual goals and objectives;
- Review results of employee engagement survey, exit surveys, welcome back surveys, EDI, organizational culture;
- Mid year review of CEO's progress toward goals and recommend any adjustments to the board;
- Review CEO's performance and identify development opportunities;
- Annual review of HR strategy, including key objectives, plans and requirements (employee recruitment and retention, compensation philosophy and framework, succession planning and development, compliance with relevant human resources legislation); and
- Annual review and recommendation for Board approval of CEO compensation.

The Committee consists of the following members: Grant Hilliard (President of the Board), Sheila Elworthy, Patti Hunter, Nichola Wade, Randy Bogle and Jacques van Campen (Chair). Although non-voting members of the committee, both Corey Gillon (CEO), and Crysta Walski (VP – People and Culture) also attended all meetings.

We acknowledge and appreciate all the valuable contributions of all Committee members to the Committee's work, as the attendance to our employee's wellbeing, development and success is of paramount importance.

Respectfully,

Jacques van Campen, People & Culture Committee Chair



Jacques van Campen
People & Culture
Committee Chair



Governance & Nominations Committee Report

In June 2024, the duties of the Nomination Committee were assumed by the Governance Committee and the committee was renamed Governance and Nominations Committee. The Committee is charged with overseeing the election process for new Directors, and with ensuring the policies and procedures provide oversight of the Co-op's operations in a manner that represents and benefits the 127,000 member owners.

This past year, the members of the Governance Committee were Randy Bogle, Pat Fafard, Grant Hilliard, Patti Hunter, Adrian Nyland, and Sheila Elworthy – Chair. Management was represented by Corey Gillon, CEO, and Susan Herman, VP Finance. We greatly appreciated having them provide their knowledge and experience to assist our committee in its decision-making.

The Committee reviewed all the Board Policies and Committee Terms of Reference, making minor improvements. The Terms of Reference for the Governance and Nominations Committee were amended to exclude directors standing for re-election from being on the Committee. The Committee also revised the wording for the Board Term Limit policy and that motion is being presented to the members at this year's AGM.

The Committee established timelines and procedures for the call for nominations, determined how information would be communicated to members, and selected the facilitator for the election process. As the three incumbents were the only candidates for the three board vacancies, all were elected by acclamation. We congratulate the successful candidates, Jacques Van Campen, Francois Egan, and Nichola Wade, on their election to the Board.

The Governance and Nominations Committee continues to provide ongoing guidance and support to the Board's commitment to satisfy the expectations, needs and concerns of the Peninsula Co-op membership, enabling us to build lasting relationships to ensure a sustainable, financially healthy organization.

Respectfully submitted,

Sheila Elworthy, Governance & Nominations Committee Chair



Sheila Elworthy
Governance & Nominations
Committee Chair



CEO'S Report

Dear Members,

As I enter my third year with Peninsula Co-op, I continue to be inspired by the strength of our team, the loyalty of our members, and the resilience of our business. This has been a period of strong execution, steady performance, and continued progress toward our long-term vision.

We are now in the final stretch of our three-year strategic plan – an ambitious roadmap focused on maximizing the relationship with our members, creating a great place to work, investing in infrastructure, and diversification. These priorities continue to guide every decision we make.

This year, we made meaningful strides across all areas of the plan. Our team brought to life the full rebranding of our liquor stores under The Liquor Co. 1977, while deepening our engagement with members through new offerings, local partnerships, and programs that make it easier and more rewarding to shop with us.

We've maintained a reliable and resilient business foundation – but to realize our long-term ambitions, we know that stability alone is not enough. While our profit model remains consistent and steady, we recognize the need for a robust growth vehicle. This means actively exploring new opportunities, enhancing the quality and consistency of our retail experiences, and advancing our capabilities to better serve a diverse and value-conscious membership.

Our financial position remains strong, underpinned by prudent business practices and the enduring support of our members. Your continued patronage allowed us to return \$7.8 million in rebates last fiscal year – a clear testament to the Co-op model and the strength of our shared success.

We also saw exceptional growth in membership, welcoming more than 6,600 new members – the highest increase in recent years. Alongside this, our customer satisfaction results reflect a deep level of trust and enthusiasm for the Peninsula Co-op brand, reinforcing our ability to deliver meaningful value and maintain strong connections with our community.

None of this would be possible without the dedication of our people. Building a future-ready team is essential to delivering on our goals. We're committed to growing leadership, deepening engagement, and creating opportunities for our team members to thrive and lead into the future.



Corey Gillon
CEO



CEO'S Report

Thank you for being part of this journey. With your continued support and the commitment of our remarkable team, I am confident Peninsula Co-op is well positioned to adapt, evolve, and lead in the years ahead.

Sincerely,

Corey Gillon, CEO



FCL Director's Report

I am honoured to bring greetings to your 2025 Annual General Meeting on behalf of the Federated Co-operatives Limited (FCL) Board of Directors.

As one of the three Directors representing District 2 on the FCL Board, it is a privilege to work alongside dedicated colleagues who are committed to supporting our Co-op system. I serve alongside Paul Hames, Chair of the FCL Board, and Barb Dixon—both of whom also represent District 2 with distinction and dedication.

This year marks 48 years of Peninsula Co-op serving as an outstanding community partner in every sense. Your legacy of contributions to schools, healthcare, sports, community programs, and student scholarships is a testament to your unwavering commitment to the communities you serve. Peninsula Co-op has set a high standard for what it means to give back, and your reputation as a leader in community partnership is well earned.

Your Board of Directors and CEO stand out as some of the most dedicated leaders in the Federated Co-op system. Their hard work and forward-thinking approach continue to drive growth and deliver the services your members need. It is an honour to collaborate with such a professional and passionate team.

On March 6, 2025, Federated Co-operatives Ltd. bought ColdStar Trucking and Wholesale. This acquisition has locations in Richmond, Victoria, Ladysmith, and Comox.

ColdStar has been providing trucking and warehousing solutions and wholesale groceries and produce to stores and supermarkets across Vancouver Island, the Gulf Islands, and the Lower Mainland for more than 25 years. They have been a key part of FCL's supply chain, providing products to local Co-ops on Vancouver Island since 2017.

These new locations fill a gap in our supply chain network that will allow us to better serve local Co-ops on Vancouver Island now and into the future. This acquisition also directly supports our supply chain optimization program and will deliver significant efficiencies to our operations in the B.C. region.

This investment is about supporting local Co-ops in B.C. now and into the future and strengthening our supply chain network across Western Canada. We look forward to what this opportunity will bring and the positive impact it will have on the Co-operative Retailing System.



Darlene Thorburn
Vice Chairperson - FCL



FCL Director's Report

We wish you a successful Annual General Meeting and thank you for your continued support to Peninsula Co-operative.

On behalf of the FCL Board of Directors,

Darlene Thorburn, Vice-Chairperson
Federated Co-operatives Limited Board of Directors



CO-OP Social Responsibility Report

PILLARS OF CSR

- Locally invested
- Community minded
- Environmentally conscious
- Engage team members

LOCALLY INVESTED

Peninsula Co-op strengthens our local economy by growing on Vancouver Island and supporting local vendors. This keeps our Co-op strong and ensures we can continue rebate payouts, even in challenging years. This past year, we supported or had a presence at 81 local events – These events contributed over \$5.7 million into our communities.

COMMUNITY DRIVEN

In the past year, we've partnered with nearly 200 local non-profits, charities and community organizations to improve the neighborhoods we live and work in. With nearly \$600,000 in community donations, we've supported food banks, healthcare initiatives, local youth sports programs, scholarships, festivals and so much more.

ENVIRONMENTALLY CONSCIOUS

Peninsula Co-op is continuously looking to find more environmentally friendly features to enhance our operations. We've installed solar panels at fuel centres, water recycling in some car washes, LED lighting, and energy-saving cooler doors. Additionally we offer free water bottle refill stations at 11 gas centres and EV chargers at 3 locations!

ENGAGED TEAM MEMBERS

We are proud to have a great team at Peninsula Co-op, and with our People First approach are consistently offering benefits to enhance the staff experience. This past year alone we provided over \$27,000 in staff student award to 49 team members. We regularly encourage activity with a health & wellness benefit, and host multiple fun team gatherings.



Resolutions

Special Resolution 1: Board Term Limits

WHEREAS it was the intention of Rule 90(2) to limit a director's lifetime tenure to four full terms on the board, but as currently worded the rule only prohibits four consecutive terms on the board:

90(2) Directors may hold office for a maximum of four (4) consecutive full 3-year terms.

THEREFORE BE IT RESOLVED THAT the Co-op approve the replacement of section 90(2) with the following wording, to clarify the original intention of the rule:

90(2) Directors may hold office for a maximum of four (4) full 3-year terms.

Special Resolution 2: Housekeeping Amendments

WHEREAS the rules of the Peninsula Consumer Services Co-Operative (the "Co-op") serve as the foundational governance document for the Co-op and are intended to reflect clearly and accurately the intentions of the membership and the requirements of the Cooperative Association Act;

AND WHEREAS upon review of the current rules, the Directors have identified certain typographical errors, including but not limited to punctuation mistakes and grammatical inaccuracies;

AND WHEREAS these errors do not alter the substantive meaning or effect of the rules, but correcting them would improve clarity, readability, and professionalism of the document;

AND WHEREAS Section 68(1)(u) of the Cooperative Association Act permits the Co-op to amend its rules by special resolution:

THEREFORE BE IT RESOLVED THAT the Co-op approve the correction of typographical errors in the current rules as detailed below, with no changes to the intent or substance of any provision.

51 Chair

The chair of a general meeting must be one of the president, the vice-president, or such other person appointed by the directors to chair the general meeting. If neither the president nor the vice-president nor such other person appointed by the directors is present or willing to serve, the members present at that general meeting may elect a chair for the meeting.

Proposed Amendment: Remove the letter "f", in the second sentence between "If" and "neither".

88 (3) Terms of office of directors

The first directors of the Association shall determine which of them shall have terms expiring at the first annual general meeting, second annual general meeting and third annual general meeting after these bylaws come into effect, so that as close as possible to one third of the directors shall come up for election each year.

Resolutions

Proposed Amendment: Change the last word of the paragraph from “your” to “year”.

90 (1) Directors eligible for re-election or re-appointment

Subject to subrule 90 (2), a person whose term as director is eligible for re-election or reappointment.

Proposed Amendment: Insert “is ending” as presented in the underlined wording below:

Subject to subrule 90 (2), a person whose term as director is ending is eligible for re-election or reappointment.

144 (2) Notice of general meetings and special resolutions

Notices given under this rule must specify:

- (a) the place, the day and the hour of the meeting; and
- (b) in the case of special business, the general nature of the business in accordance with rule 44; and

Proposed Amendment: Remove the period in paragraph (b) between “business” and “the”.

Notes