

Report of the Board of Directors
Half Year Ended 25th July 2015

TAMWORTH CO-OPERATIVE SOCIETY LIMITED

Unaudited Interim Report

For the 26 weeks ended 25th July 2015

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Half Year Ended 25th July 2015

The overall surplus for the Half Year comfortably exceeded the figures for the equivalent 26 weeks last year. The main reason for that is our Funeral Department where the number of funerals conducted in the first half of 2015 is significantly ahead of the prior year and the average from recent years. The Funeral Department is a very specialist area where significant changes in the number or arrangements will arise from year to year.

The total net takings for the Half Year ended 25th July 2015 were £11,105,000 and this is an increase of 1.2% on the equivalent interim figures for last year. Convenience Stores are 2.0% ahead of the prior year on a like for like basis. In our Funeral Department turnover was ahead by 19.6% on the prior Half Year. Sales comparisons for the Department Store are always more complicated by the level of concession sales. Total sales in the Department Store were (10.4%) adverse to the prior year.

Trading conditions within the Tamworth Town Centre remain reasonably challenging. Sales at our Supermarket have reduced in the period. Our Department Store operations remain loss making but losses have been reduced there by £29,000 against the equivalent period last year.

During the Half Year there have been some very important changes within our Food Division. We were very pleased to open our new Dosthill Convenience Store in March 2015 and during July 2015 our new Glascote Convenience Store also opened. At the point of opening Glascote we closed the nearby former Glascote location which will be transferred to the Society's investment property portfolio for letting out. Colleagues in our Food Division have been extremely busy with these major developments. At the start of the period under review we completed the sale of our Convenience Store at Stanton, near Burton-on-Trent, as a going concern to an independent third party. During the first half of this financial year the Society has commenced a consultation process with our Food colleagues at our Amington Convenience Store. It is possible that that location will be sold as a going concern to a third party although no final decision has as yet been reached and that would be subject to approval from the Post Office with reference to the Post Office Local facilities.

Our income from our Property Investments was broadly in line with our expectations for the first six months of this financial year. Overall that is £16,000 less than the income received in the prior year. As indicated in the figures on the Revenue Account during the first six months of the year we have made a profit of £69,000 on disposal of fixed assets and that primarily relates to the sale of the Stanton Convenience Store referenced above. Overall the Society's trading surplus exceeded half a million pounds for the Half Year, and the Board are pleased with the progress made.

The Society has been very pleased to complete the 5th year of donations under the successful Community Dividend Scheme. Under this programme each of our retail Branches is linked with a local community group. During the first half of the year our Branch Managers issued donations to sixteen individual local groups at an average level of £625.

The Board would like to thank all of our customers and Members for their continuing support and all of our staff for their hard work. A number of colleagues have recently announced their decision to retire from the Society and the Board would particularly like to thank Mr W R Read (Senior General Manager) who will retire from the Society at the end of November after over 50 years' service with us.

For and on the behalf of the Directors

Audrey Higginson
Chairman



Julian Coles
Chief Executive Officer



Report of the Board of Directors
Half Year Ended 25th July 2015

Interim statement of trading activities
For the 26 weeks ended 25th July 2015

Society Revenue Account

	26 weeks to 25 th July 2015 (unaudited) £000	26 weeks to 26 th July 2014 (unaudited) £000	52 weeks to 24 th Jan 2015 (audited) £000
Gross Takings	11,803	11,684	23,269
Less Concession Sales	(698)	(709)	(1,528)
Net Takings	11,105	10,975	21,741
Less Value Added Tax	(975)	(994)	(1,971)
Turnover	10,130	9,981	19,770
Less cost of Sales and Operating Expenses	(9,628)	(9,634)	(19,066)
Net of Rent Receivable			
Trading Surplus	502	347	704
Profit/(Loss) on disposal of Fixed Assets	69	23	866
Interest Received/(Paid) Net	3	3	(149)
Pension Financing	(150)	(149)	(219)
Impairment	-	-	(418)
Surplus prior to Distributions and Taxation	424	224	784

The interim statement has been prepared on the basis of the accounting policies set out in the 2014-15 Statutory Accounts. The figures shown for the year to 25th January 2015 are extracted from the Audited Accounts for 2015.

The financial information does not constitute Statutory Accounts and is not audited.

The consolidated profit figures exclude share interest and other appropriations and taxation.

Gross Takings include cash sales, goods sold on credit and concessionaire sales inclusive of Value Added Tax.

Turnover represents gross takings excluding VAT and sales made by concessions but include fees received from concessionaires for sales made from the Society's premises. The Turnover is attributable to the principle activity of the Society.

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Half Year Ended 25th July 2015

Interim statement of trading activities
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Society Balance Sheet

	26 weeks to 25 th July 2015 (unaudited) £000	26 weeks to 26 th July 2014 (unaudited) £000	52 weeks to 24 th Jan 2015 (audited) £000
Fixed Assets			
Tangible Assets	11,701	10,090	10,448
Intangible Assets	17	20	18
Investment Properties	6,030	6,370	6,030
Fixed Asset Investments	<u>5,266</u>	<u>4,703</u>	<u>4,989</u>
	23,014	21,183	21,485
Cash at Bank and in hand	1,213	1,606	2,239
Stock, Debtors and Prepayments	2,364	2,133	2,034
Current Liabilities	(3,379)	(2,774)	(3,287)
Funeral Prepayment Plans	(4,918)	(4,444)	(4,683)
Deferred Tax	(32)	(30)	(32)
Pension Liability	<u>(6,184)</u>	<u>(5,803)</u>	<u>(6,053)</u>
Net Assets	<u>12,078</u>	<u>11,871</u>	<u>11,703</u>
Financed By:			
Reserves (Revenue and Revaluation)	9,828	9,714	9,529
Share Capital	<u>2,250</u>	<u>2,157</u>	<u>2,174</u>
	<u>12,078</u>	<u>11,871</u>	<u>11,703</u>

At 24th January 2015 the Society's Investment Properties were re-valued to market value.

The assets and liabilities at 25th July 2015 and 26th July 2014 are after making estimated provisions for share interest and grants. No provision has been made for dividends, which traditionally have been declared following the results of the full 52 week period, or taxation.

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Half Year Ended 25th July 2015

Society Cash Flow

	26 weeks to 25 th July 2015 (unaudited) £000	26 weeks to 26 th July 2014 (unaudited) £000	52 weeks to 24 th Jan 2015 (audited) £000
Cash inflow from Operating Activities	753	1,074	1,938
Net Interest Received	3	3	(4)
Benefits Paid to Members	(107)	(91)	(82)
Grants and Donations	(5)	-	(45)
Taxation Paid	-	-	(26)
Capital Expenditure	(1,718)	(185)	(1,215)
Sale of Fixed Assets	264	291	590
Net Purchase of Fixed Asset Investments	(277)	(287)	293
Movement in Share Capital	61	(157)	(168)
Increase/(Decrease) in Cash in the period	(1,026)	648	1,281
Net Cash at the start of the period	<u>2,239</u>	<u>958</u>	<u>958</u>
Net Cash at the end of period	<u>1,213</u>	<u>1,606</u>	<u>2,239</u>