

Report of the Board of Directors
Half Year Ended 25th July 2020

TAMWORTH CO-OPERATIVE SOCIETY LIMITED

Unaudited Interim Report

For the 26 weeks ended 25th July 2020

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Half Year Ended 25th July 2020

The most significant factor across the half year has clearly been the Covid-19 pandemic which has affected every aspect of our operations since March 2020. In the early part of March we had just completed our annual report covering the year to January 2020 and finalised all of the accounting matters for that year with the Auditors when the full impact became clear. We experienced very significant demand in our Food businesses and the closure of the Non-Food location until the end of June 2020. Sadly there were a very significant number of funeral arrangements carried out particularly in late April and May. The implications of the Coronavirus will be with us for a very long time. It is difficult to summarise in a brief report but there was a very significant impact on operating processes in all locations and very difficult matters for our staff to deal with including resulting restrictions reference funeral arrangements and the way services could be offered. The Society is tremendously grateful for the incredible professionalism that all of our staff have shown during this unprecedented period. We thank all our staff for their very hard work and dedication.

In financial terms the significant increases in demand from March improved the trading result. The net takings increased to £15,920,000 versus £12,915,000 in the equivalent period of the prior year. This was primarily driven by our Food operations with all of our locations reflecting significant increased activity levels. As indicated above our Funeral operations were exceptionally busy and had to quickly establish different ways of communicating with our families and revising a number of its operating procedures. As may be expected our property income reduced during the first half of the year and we continue to liaise closely with our tenants.

Overall for the first half of the year we are reporting a surplus prior to distribution and taxation of £590,000, this compares to £516,000 in the prior year. Our surplus from trading increased by a greater amount but we are including a provision for an expected level of impairment that means the overall increase in surplus is 14.3% ahead of the prior year.

Immediately after the end of the first half of 2020 we opened our new Convenience Store in Dordon on 6th August 2020. That project had been delayed by the Coronavirus pandemic as the structure of the building was substantially completed by the end of March 2020. The first few days of trading have been very successful and we are delighted to bring this significantly enhanced location forward for the benefit of our Members and customers. The previous store has now closed and that site together with some adjacent land belonging to the Society is ear marked for housing re-development.

During these difficult times the Society has been very pleased to carry out a further round of donations under the Community Dividend Scheme. Each of our Branches is linked with a local Community Group. We normally arrange for our Managers to make individual presentations and whilst that was not possible this year we did not wish to delay the Scheme and cheques have been issued to an average value of £769 to 13 very worthwhile causes which are fully detailed in our Annual Report.

We are always cautious in our outlook and at this point it is very difficult to forecast the full year outcome. There are a number of challenges aside from the pandemic including Brexit and the fallout from the initial pandemic lockdown with difficulties from job losses. We shall continue to serve our local communities as we have since our formation in 1886 and we thank all of our Members and customers for their support during the extremely challenging environment that we are now in.

For and on the behalf of the Directors



R W Read
Chairman



Julian Coles
Chief Executive Officer

Report of the Board of Directors
 Half Year Ended 25th July 2020
Interim statement of trading activities
 For the 26 weeks ended 25th July 2020

Society Revenue Account

	26 weeks 25 th July 2020 (unaudited) £000	26 weeks 27 th July 2019 (unaudited) £000	52 weeks to 25 th Jan 2020 (audited) £000
Gross Takings	16,029	13,335	26,375
Less Concession Sales	(109)	(420)	(861)
Net Takings	<u>15,920</u>	<u>12,915</u>	<u>25,514</u>
Less Value Added Tax	(1,460)	(1,190)	(2,365)
Turnover	<u>14,460</u>	<u>11,725</u>	<u>23,149</u>
Less cost of Sales and Operating Expenses Net of Rent Receivable	(13,629)	(11,131)	(22,209)
Trading Surplus	<u>831</u>	<u>594</u>	<u>940</u>
Profit/(Loss) on disposal of Fixed Assets	-	-	-
Interest Received/(Paid) Net	7	11	8
Pension Financing	(68)	(89)	(171)
Impairment	(180)	-	(122)
Surplus prior to Distributions and Taxation	<u>590</u>	<u>516</u>	<u>655</u>

The interim statement has been prepared on the basis of the accounting policies set out in the 2019/2020 Statutory Accounts. The figures shown for the year to 25th January 2020 are extracted from the Audited Accounts for 2020.

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.

Report of the Board of Directors
 Half Year Ended 25th July 2020
Interim statement of trading activities
 For the 26 weeks ended 25th July 2020

Society Balance Sheet

	26 weeks 25 th July 2020 (unaudited) £000	26 weeks 27 th July 2019 (unaudited) £000	52 weeks to 25 th Jan 2020 (audited) £000
Fixed Assets			
Tangible Assets	11,966	11,360	11,657
Intangible Assets	-	-	-
Investment Properties	6,447	6,564	6,442
Investments	<u>10,581</u>	<u>10,735</u>	<u>10,756</u>
	28,994	28,659	28,855
Cash at Bank and in hand	3,656	3,218	2,200
Stock	743	706	772
Debtors due after more than one year	1,406	1,268	1,406
Debtors due within one year	1,145	1,251	945
Creditors due within one year	(5,517)	(5,060)	(4,127)
Funeral Prepayment Plans	(9,306)	(9,304)	(9,501)
Deferred Tax	(116)	(87)	(116)
Pension Liability	<u>(7,552)</u>	<u>(6,641)</u>	<u>(7,484)</u>
Net Assets	<u>13,453</u>	<u>14,010</u>	<u>12,950</u>
Financed By:			
Profit and Loss Account	11,193	11,703	10,701
Share Capital	<u>2,260</u>	<u>2,307</u>	<u>2,249</u>
	<u>13,453</u>	<u>14,010</u>	<u>12,950</u>

At 25th January 2020 the Society's Investment Properties were revalued to market value.

The assets and liabilities at 25th July 2020 and 27th July 2019 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.

Report of the Board of Directors
 Half Year Ended 25th July 2020
Society Cash Flow

	26 weeks 25 th July 2020 (unaudited) £000	26 weeks 27 th July 2019 (unaudited) £000	52 weeks to 25 th Jan 2020 (audited) £000
Net Cash Generated from Operating Activities	2,115	1,669	1,230
Net Interest Received	7	11	8
Benefits Paid to Members	(90)	(99)	(80)
Grants and Donations	7	2	(34)
Capital Expenditure	(770)	(392)	(977)
Sale of Fixed Assets	-	-	-
Net Redemption/(Purchase) of Fixed Asset			
Investments	176	(96)	(12)
Movement in Share Capital	11	(74)	(132)
Increase/(Decrease) in Cash in the period	<u>1,456</u>	<u>1,021</u>	<u>3</u>
Net Cash at the start of the period	<u>2,200</u>	<u>2,197</u>	<u>2,197</u>
Net Cash at the end of period	<u>3,656</u>	<u>3,218</u>	<u>2,200</u>