

**Report of the Board of Directors**  
Half Year Ended 23rd July 2022

**TAMWORTH CO-OPERATIVE SOCIETY LIMITED**

Unaudited Interim Report

For the 26 weeks ended 23rd July 2022

## **Report of the Board of Directors**

Half Year Ended 23rd July 2022

Comparisons are a little complicated as in the first six months of last year we were still trading from the fashion floor of the former Department Store. Our trading activities there ceased in the second half of last year and the sale of those premises to the Local Council completed in March 2022. The figures for the equivalent six months of 2021 therefore include the concession sales adjustment which is not applicable for this year. Overall net takings are at a very similar level to the prior year, with a reduction of £19,000 to a current total of £15,881,000. Net takings do include a lower level of VAT in the current year so turnover is slightly ahead of the prior year at £14,404,000. Expenses and cost of sales are higher by £147,000 than previously so the trading surplus total is £644,000. This is down on the prior year by £123,000. The overall surplus before distributions and taxation is £592,000 and that is down by £58,000 on the £650,000 reported for the first six months of last year.

Regarding our individual trading operations Food sales are slightly higher than last year whilst the Non-Food operations are no longer being carried out. Non-Food operations had remained loss making for the Society up to the point of disposal. Funeral sales were below the levels reported last year but in that period the number of arrangements that we carried out had been in excess of our normal long term averages. The overall results have exceeded our internal target set at the start of the year with both our Food and Funeral Divisions ahead of budgeted levels in terms of the overall trading surplus. The results include our property investments which reported a higher level of rental income than in the same six month period in the prior year.

During the first half of this year we put arrangements in place to transfer all of our existing Funeral Pre-payment Bonds to Ecclesiastical Planning Services Limited (EPSL). This was in respect of new Government legislation that has made Funeral Pre-payment Bonds a regulated activity under the control of the Financial Conduct Authority (FCA) from 29<sup>th</sup> July 2022. The Society will continue our key activity of carrying out Funeral arrangements for our customers. EPSL are part of a large group of insurance companies that were previously authorised by the FCA for other activities and are now authorised in respect of Funeral Pre-payment Bonds. We will act as an Authorised Representative for EPSL. They will manage and administer all Funeral Bonds with effect from 29<sup>th</sup> July 2022 and we will carry out the arrangements in the same way as originally agreed with Funeral Plan Holders. We do not expect any particular impact on our Funeral operations going forward and the transition costs for these changes were provided for at the end of the last financial year in January 2022. The transfer does not affect the overall net assets of the Society and this is explained on the Society Balance Sheet page.

Our Funeral team are awaiting delivery of a new fleet of funeral vehicles which are on order with a specialist supplier. We had originally expected to receive the vehicles in the current summer period but production delays by the manufacturer mean that we now expect to receive delivery of these vehicles towards the end of the calendar year. In the autumn of 2021 a very comprehensive refurbishment took place at our convenience store at Stretton. Earlier in that year a refit also took place at Lichfield in March 2021. Both locations have performed very strongly since the work was carried out and sales continue to exceed the figures for the prior year. We normally carry out one store refurbishment in a year, but this year our Food team are focussed on planning for the introduction of 'High Fat, Salt and Sugar Legislation' which will become effective in October 2022. In the near future, customers will start seeing changes to the layout of those stores that are covered by this legislation. The legislation is quite comprehensive and will require some significant remerchandising in our larger stores.

During the first half of the year the Society was delighted to be able to make a cheque presentation to the Tamworth branch of the Samaritans for £5,000 from our Community Dividend Scheme. During the second half of 2022 we will be making donations from our Cash in the Bag Scheme to mark the Platinum Jubilee with 70 individual community awards of £500 giving a total for the programme of £35,000. We are currently in the process of communicating with all of our locations and inviting them to send nominations in for the Board to consider.

We remain cautious in our outlook and thank all of our Members and Customers for their continued support. We greatly appreciate all of the hard work put in by our colleagues and thank them for their commitment across the half year, enabling the Society to deliver these encouraging results.

For and on the behalf of the Directors

**A V King**  
Chairman

**Julian Coles**  
Chief Executive Officer

**Report of the Board of Directors**  
Half Year Ended 23rd July 2022  
**Interim statement of trading activities**  
For the 26 weeks ended 23rd July 2022

**Society Revenue Account**

	26 weeks 23rd July 2022 (unaudited) £000	26 weeks 24th July 2021 (unaudited) £000	52 weeks to 22nd Jan 2022 (audited) £000
<b>Gross Takings</b>	15,881	16,118	30,909
Less Concession Sales	-	(218)	(238)
<b>Net Takings</b>	<u>15,881</u>	<u>15,900</u>	<u>30,671</u>
Less Value Added Tax	(1,477)	(1,520)	(2,906)
<b>Turnover</b>	<u>14,404</u>	<u>14,380</u>	<u>27,765</u>
Less cost of Sales and Operating Expenses Net of Rent Receivable	(13,760)	(13,613)	(26,475)
<b>Trading Surplus</b>	<u>644</u>	<u>767</u>	<u>1,290</u>
Profit/(Loss) on disposal of Fixed Assets	(2)	1	(71)
Interest Received/(Paid) Net	3	2	4
Pension Financing	(65)	(57)	(113)
Impairment	12	(63)	100
Other Operating Income/ Exceptional Charges	-	-	50
<b>Surplus prior to Distributions and Taxation</b>	<u>592</u>	<u>650</u>	<u>1,260</u>

The interim statement has been prepared on the basis of the accounting policies set out in the 2021/2022 Statutory Accounts. The figures shown for the year to 22nd January 2022 are extracted from the Audited Accounts for 2022.

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 23rd July 2022

**Interim statement of trading activities**  
For the 26 weeks ended 23rd July 2022

**Society Balance Sheet**

	26 weeks to 23rd July 2022 (unaudited) £000	26 weeks to 24th July 2021 (unaudited) £000	52 weeks to 22nd Jan 2022 (audited) £000
<b>Fixed Assets</b>			
Tangible Assets	10,277	11,222	11,864
Intangible Assets	-	-	-
Investment Properties	6,043	6,745	6,041
Investments ( Note 1)	<u>100</u>	<u>10,843</u>	<u>10,841</u>
	16,420	28,810	28,746
Cash at Bank and in hand	6,818	4,830	4,329
Stock	843	765	848
Debtors due after more than one year	1,687	1,531	1,708
Debtors due within one year	1,097	969	1,132
Creditors due within one year (Note 1)	(3,812)	(5,225)	(4,486)
Funeral Prepayment Plans ( Note 1)	(6)	(9,492)	(9,684)
Deferred Tax	(332)	(178)	(353)
Pension Liability	<u>(5,991)</u>	<u>(7,269)</u>	<u>(5,926)</u>
<b>Net Assets</b>	<u>16,724</u>	<u>14,741</u>	<u>16,314</u>
Financed By:			
Profit and Loss Account	14,431	12,466	14,005
Share Capital	<u>2,293</u>	<u>2,275</u>	<u>2,309</u>
	<u>16,724</u>	<u>14,741</u>	<u>16,314</u>

At 22nd<sup>h</sup> January 2022 the Society's Investment Properties were revalued to market value.

The assets and liabilities at 23rd July 2022 and 24<sup>th</sup> July 2021 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 (53) week period, or taxation.

**Note 1** – The Society has passed its Investment and matching liabilities for Funeral Bonds to Ecclesiastical Planning Services Limited. This involved the transfer of around £11million of both Assets and Liabilities, with the approximate split of Liabilities being £1.5m Creditors due within one year and £9.5m within the line headed 'Funeral Prepayment Plans'.

**Report of the Board of Directors**  
Half Year Ended 23rd July 2022

**Society Cash Flow**

	26 weeks 23rd July 2022 (unaudited) £000	26 weeks 24th July 2021 (unaudited) £000	52 weeks to 22nd Jan 2022 (audited) £000
Net Cash Generated from Operating Activities	1,414	1,944	1,132
Net Interest Received	3	2	4
Benefits Paid to Members	(127)	(165)	(150)
Grants and Donations	(25)	(1)	(30)
Capital Expenditure	(702)	(162)	(841)
Sale of Fixed Assets	1,900	-	547
Net Redemption/(Purchase) of Fixed Asset Investments	43	154	575
Movement in Share Capital	(17)	43	77
<b>Increase/(Decrease) in Cash in the period</b>	<u>2,489</u>	<u>1,815</u>	<u>1,314</u>
Net Cash at the start of the period	<u>4,329</u>	<u>3,015</u>	<u>3,015</u>
<b>Net Cash at the end of period</b>	<u>6,818</u>	<u>4,830</u>	<u>4,329</u>