

Tamworth Co-operative Society Ltd.



We're local, we're independent and we care.



 Tamworth Co-op

**Annual Report & Financial Statements
for the year ended 27th January 2024.**

Registered number: 2582R

Tamworth Co-operative Society Limited

Directors' Report and Financial Statements

For the 52 Weeks Ended 27 January 2024



Tamworth Co-operative Society Limited

Society Information

CO-OPERATIVE MISSION STATEMENT

Our mission is to challenge conventional UK enterprise by building a commercially successful family of businesses that offers a clear co-operative advantage, the advantage being the provision of excellent products or services with distinct competitive benefits derived from our values and principles, our rewards for members and our commitment to the communities we serve.

Directors

Mrs A A Higginson *+
Mrs A Brindley o
Mr A V King *+^o
Mrs S D Peale *+o (Chairman appointed 23 May 2023)
Mrs S Preece *o^x
Mr R W Read *o+x (Vice chairman appointed 23 May 2023)
Mr D M Rose *o+x
Mr S Horsham
Mr M Jackson *^x

* Member of the Remuneration Committee
+ Member of the Search Committee
o Pension Fund Trustees
x Member Relations Committee
^ Member Health & Safety Committee

Registered number

2582R

Registered office

8 Colehill
Tamworth
Staffordshire
B79 7HE

Management executive

Julian Coles FCCA ACIS - Chief Executive Officer and Secretary
Andrew N. Richardson ACMA - Deputy Chief Executive Officer
Glen Speak MBIE - General Manager – Funeral Services
Julie Gasper - Business Support Manager
Daniel Welsh - Chief Executive Officer Designate

Independent auditors

Dains Audit Limited
15 Colmore Row
Birmingham
B3 2BH

Bankers

Lloyds Bank Plc
17 George Street
Tamworth
Staffordshire
B79 7LW

Solicitors

Rutherfords LLP
Ventura Park Road
Tamworth
Staffordshire
B78 3HL

Fishers Solicitors
4-8 Kilwardby Street
Ashby De La Zouch
Leicestershire
LE65 2FU

Tamworth Co-operative Society Limited

Contents

	Page
Notice of meeting	1
Key performance indicators	2
Directors' report	3 - 9
Directors' responsibilities statement	10
Directors' attendance	11
Independent auditors' report	12 - 14
Revenue account	15
Statement of comprehensive income	16
Balance sheet	17
Statement of changes in equity	18
Statement of cash flows	19
Analysis of net debt	20
Notes to the financial statements	21 - 41

Tamworth Co-operative Society Limited

**Notice of Meeting
For the Period Ended 27 January 2024**

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Society will be held on :

The Catering Suite
Tamworth Funeral Home
The Mews
35 - 37 Upper Gungate
Tamworth
B79 7NZ

24 April 2024

(1) Admission on presentation of a Valid Pass Card

By Order of the Board



Julian Coles
Secretary

Date 19 March 2024

Agenda

1. To confirm the Minutes of the Annual General Meeting held on 26th April 2023.
2. To elect scrutineers
3. To receive the Report of the Board of Directors.
4. To receive the Annual Report and Accounts of the society for the 52 weeks ended 27th January 2024, together with the Report of the Auditors.
5. To confirm donations authorised by the Board of Directors
6. To declare the results of the election to the Board of Directors
7. To appoint Dains Audit Limited as Auditors for 2024/2025.
8. Any other business

Tamworth Co-operative Society Limited

Key performance indicators For the Period Ended 27 January 2024

Key performance indicators

	2020	2021	2022	2023	2024
Return on capital employed.	7.3	10.5	7.9	6.0	4.9
Surplus before distribution and impairment charges as a percentage of sales.	2.8	5.2	4.5	4.3	3.7
Trading surplus after depreciation as percentage of sales.	4.1	5.4	4.6	4.0	3.3
Trading surplus before depreciation as percentage of sales.	6.5	7.5	6.7	6.0	5.8
Gearing percentage.	10.9	10.0	7.7	6.6	N/a
Interest cover (times)	52.2	298.8	322.5	291.3	N/a
Retention as percentage of sales.	1.8	4.3	3.0	3.2	2.1
Capital expenditure as a percentage of sales.	3.0	4.2	3.0	2.9	4.4
Total net assets (£000)	12,950	14,230	16,314	19,166	19,278
Represented by:					
Share capital (£000)	2,249	2,232	2,309	2,190	2,036
Reserves (£000)	10,701	11,998	14,005	16,976	17,242

Note: All figures have been calculated in line with current Co-operatives UK Recommendations, and updated where applicable.



Mrs S D Peaple
Chairman of the Board

19 March 2024

**Directors' Report
For the Period Ended 27 January 2024**

The Directors present their report and the financial statements for the period ended 27 January 2024.

Financial review

The financial year consisted of 52 trading weeks and that compared to 53 in the prior period. Total turnover reached £29,062,000. This is in line with the turnover in the prior year. Property income increased slightly to £569,000. The overall trading surplus was £948,000 and that was down by £217,000 on the prior year. The reduction was primarily driven by increases in expenses and during the year in isolation we incurred significant property repair costs to one of our investment properties in Tamworth with expenditure in excess of £250,000. Comparisons below the trading surplus line are always complicated because of movements in items such as property valuations. Net interest received was certainly higher this year and interest costs on the former final salary pension scheme were reduced and we experienced an increase on the investment property portfolio as well as a gain on the disposal of some fixed assets. In the year ending January 2024 therefore the subtotal of items below the trading surplus line was a positive £132,000 and that compared to a negative £(107,000) in the prior year, a movement of £239,000 which effectively offset the decline in the trading surplus. After allowing for dividends and grants we report a profit before taxation of £941,000 and that compares to £887,000 in the prior year.

The food division carried out a number of important projects during the year. There was a very comprehensive refurbishment of our Whittington store and work was also carried out on the Polesworth location primarily to replace the refrigeration equipment. All food locations had new hardware installed for the EPOS sales systems. As referenced in the report for last year around the year end cut off in January 2023 we carried out some work at the Tamworth town centre food store to improve the layout of that location and to replace the refrigeration equipment in use. Those changes were beneficial to the trading position of the location during the year but as we have pointed out previously the Post Office income only just covers the cost of staff operating the service. From November 2023 the distribution arrangements for delivery of food products into our food stores changed with these orders now fulfilled by the Manchester based Co-operative Group rather than the previous supplier. As part of the store refurbishment programme all stores now have the 'staff safe' technology to support food employees at all of our locations.

For the Funeral Division the number of arrangements carried out in total was broadly in line with the prior year. During the course of the year we received a new fleet of Mercedes funeral vehicles that had been on order for an extended time and had been delayed by the availability of components. The Funeral team are currently testing a new computer management system and that should become fully effective in Spring 2024.

In Property matters, the Society is currently carrying out a full refurbishment of 9 Colehill. The project which is due to complete in late spring, will deliver 5 residential flats and 2 commercial units. Planning permission for residential development of the former Garage site has been obtained and the site will be put up for sale.

In terms of succession matters the Board has spent a lot of time during the course of the year in terms of planning and changes to the structure of the management executive. The current CEO retires at the end of June 2024 and after detailed work involving external consultants Dan Welsh, formerly Senior General Manager, has been appointed CEO Designate and will become CEO on the 1st July 2024. Andy Richardson the Society Deputy Chief Executive will also be retiring from the Society in the coming year. The Society is currently recruiting for a 'Head of Finance and Administration' to lead the Society finance function. The Directors, on behalf of all members of the Society, extend their sincere thanks and gratitude to both Mr Coles and Mr Richardson for their long service to the Society, which in each case has been exemplary.

With reference to the final salary Pension scheme that closed to future accrual in 2009 the Society paid a total of £1,375,000 into the scheme during the current financial year. This was in accordance with the recovery plan and the financial statements now include a deficit for the pensions scheme of £1,831,000 and that compared to the £2,707,000 last year.

In terms of Community support the Board was delighted to work with a local Charity called 'Heart of Tamworth' and provides some very important food support for families in need during the year. That programme was co-ordinated through local schools across our trading area with food supplies donated by the Society and was featured in a television news programme for the Midlands.

The Board would like to put on record their tremendous thanks to our employees in terms of the successful year just ended. We do again see a number of challenges for the future and particularly with reference to expected increases in a number of expense areas but we do feel that we are very well placed to respond to future challenges.

Tamworth Co-operative Society Limited

Directors' Report (continued) For the Period Ended 27 January 2024

Dividend

The Board of Directors remains mindful of the importance of Dividends to our Members, but is conscious of the financial challenges facing the Society in the year ahead. The Board has therefore agreed to a 2% dividend and will endeavour to keep it at least at this level in the future

The Dividend distributed is as follows:

	Recommended 2024	Paid April 2023
Members Dividend	97,171	85,292
Waived Dividends to Charities	10,864	8,665
Dividend Vouchers not Redeemed	<u>(10,000)</u>	<u>(10,000)</u>
Total	<u>98,035</u>	<u>83,957</u>

Community Dividend 2023/2024:

The Board allocated £10,000 to assist members of the local community with food poverty. In conjunction with Heart of Tamworth, the Society distributed food parcels via schools in the vicinity of our food stores.

The Society has not yet made any decisions regarding the 2024/25 utilisation of community dividend.

Membership

Details of Membership are recorded below:

	Open Accounts	Suspended Accounts
Opening balance as at 28 January 2023	21,423	20,383
New Members during the year	894	-
Closed Accounts	(517)	-
Transfers from Suspended	74	(74)
Closing balance as at 27 January 2024	21,874	20,309

Search Committee

The Society has established a Search Committee comprising five Members of the Board of Directors, fully detailed on the society information page, and this is responsible for the following duties:

- Formulate plans for succession for members of the Management Executive.
- Regularly evaluate the balance of skills, knowledge and experience on the Board.
- Inform the Chief Executive of any skills deficiencies on the Board and ensure that the necessary training be provided.

Recommendations from the Search Committee are made to the full Board of Directors.

Remuneration policy

The Remuneration Policy set by the Board and individual Remuneration Packages for Executive Management are determined by the Remuneration Committee within the framework of its Policy.

Details of Directors who are Members of the Remuneration Committee during the period ended 27th January 2024 can be found on the society information page of the Report.

The Remuneration Committee has access to independent advice where it considers it appropriate.

Formal terms of reference have been agreed by the Board of Directors and the Committee has met on six occasions during the financial year ended 27th January 2024. Minutes of the Committee Meetings are provided to the Board of Directors at the Board Meeting following the Meeting of this Committee and the Board considers any recommendations made to it.

The duties of the Committee are to determine and agree with the Board the remuneration and contractual position of the

Tamworth Co-operative Society Limited

Directors' Report (continued) For the Period Ended 27 January 2024

Society's Chief Executive and other Members of the Executive Management.

They also recommend to the Board of Directors where they consider changes should be made to Director Remuneration.

In determining such policy, they take into account all factors which they deem necessary. The objective of such a policy is to ensure that Members of the Management Executive of the Society are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Society. They approve the design of, and determine targets, for any performance related Pay Schemes and approve the total annual payments made under such Schemes.

In determining such packages and arrangements, they give due regard to any relevant legal requirements and review and note annually the Remuneration trends across the Society.

Further details concerning Executive Remuneration can be found on page 30.

The Remuneration of Directors is linked to the Retail Price Index except when other proposals are placed before Members at an Annual General Meeting.

Member Relations

The Members Relations Committee held two meetings during the year. The committee consist of Directors, current and past employees.

Retirements

The Society remembers Employees who have retired during the year and extends its very grateful and sincere thanks for the dedicated service provided over many years, wishing them a long, happy and healthy retirement.

Obituaries

The Board very much regrets the death of former Employees and their families and remembers them all with much affection and gratitude.

Social and Co-operative performance

As a Co-operative Society we have been asked to measure ourselves against a number of indicators of social, co-operative and environmental performance but because of the size and the nature of the Society we are unable to report in the depth that larger Societies can do because of their levels of resources. These are reported on as follows, unless they are separately covered elsewhere in this Report.

Member economic involvement

Member economic involvement indicates how well we are meeting our Members' needs and whether we are successful in recruiting new Members from our Customer base. For the 52 weeks ended 27th January 2024 Members claimed Dividend on 15.2% of Society sales (as against 13.3% last year).

The Society recruited 894 (2023 – 604) either new members or members re-engaging with the society and requesting a members card.

Member democratic participation

The Society is democratically controlled by its Members. It is therefore important to measure the number of Members who become actively involved in the decision making and to encourage Members to participate to a greater extent.

The number of Members who took part in the AGM in in 2023 was 23 against 20 in 2022, 23 in 2021, 22 in 2020.

Participation in training and education

All Employees are encouraged to actively undergo Training and regular Courses take place throughout the Organisation each year.

Staff injury and absentee rates

Staff injury and absentee rates provide the Society with an indication of how well we control the risks to the health, safety

Tamworth Co-operative Society Limited

Directors' Report (continued) For the Period Ended 27 January 2024

and wellbeing of our Employees. Staff are encouraged to report all accidents, no matter how minor, and these are recorded to ensure that safety standards are maintained and continuously improved. The Health & Safety Committee on which the Board and employees are represented reviews these accidents at every Meeting.

This year 58 accidents were recorded across the Society, including 43 to employees. There were no reportable accidents. The comparative figures for the previous year were 43 accidents including 30 to Staff, one accident was reportable.

The average number of days lost per Full Time Equivalent Employee through sickness and absenteeism was 9.8 days against 10.0 days the previous year.

Staff profile

The Society has a policy of promoting an environment free from discrimination, harassment and victimisation where everyone receives equal treatment regardless of their gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions are based solely upon work criteria and individual merit.

The Board is currently composed of five male and four female Directors. Senior Management is made up of four men and one women.

76.7% (2023 - 77.7%) of total Employees are women and 23.3% (2023 - 22.3%) men. 47.2% (2023 - 45.7%) of Employees are full-time and 52.8% (2023 - 54.3%) part-time.

Employee involvement

The Society places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Society. This is achieved through formal and informal meetings and circulation of regular briefing letters.

Disabled employees

Applications for employment by disabled persons are always fully considered bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Society continues and that appropriate arrangements are made. It is the policy of the Society that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Ethical issues

As indicated within the Staff Profile paragraph above, the Society has a clear ethical policy in relation to Employee matters. So far as procurement is concerned the Society operates a similar policy and procurement is made through whatever sources are best for the Society's business. The Society purchases all of its food through the Federal Retail Trading Services and follows the ethical practices conducted by that Group.

The Society has made no investments outside those offered by our Bankers during recent periods.

The Environment

The Society continues to purchase all of its energy via the Co-operative Power - the energy buying consortium run by The Co-operative Group. This is a collection of Co-operative Societies working together to ensure the best possible approach to the utility markets. Co-operative Group has given advanced warning that Co-operative Power will cease providing its services to external businesses from September 2024. The Society has joined forces with several other independent Co-operatives and secured terms for the buying of energy with Inspired Energy.

Proportion of waste recycled/reused

We actively encourage the recycling of waste. Cardboard in particular is collected from all of our retail outlets, compacted in some cases, before being sent off for recycling. Unfortunately we do not have the means for producing figures indicating the tonnage of cardboard recycled.

**Directors' Report (continued)
For the Period Ended 27 January 2024**

The Society continues to maintain its links with the Fare Share Charity, who collect and recycle certain types of food, that otherwise would have gone to waste. The Society also continues to maintain its links with an organisation called "too good to go". Via a phone app customers can purchase a magic bag containing products that have reached their end of shelf life. This avoids the product going to waste.

Responsibilities of the Board of Directors

Co-operatives UK prepare a Corporate Governance Code for Consumer Co-operative Societies. This recognises that a neglect of governance weakens the framework of accountability and carries multiple risks to the business and its strategy over time. Conversely good governance supports the Board in its task of creating and maintaining a strong and sustainable business that meets the needs of its Members. Co-operatives UK indicate that they understand that the Code needs to be flexible but indicate that Member Co-operatives should include statements in their annual reports disclosing the extent to which they have followed it during the reporting period.

The latest version of the Code was issued in November 2019 and the Society does comply with the majority of the recommendations but would comment on the following specific points.

Provision 3.9 indicates that the maximum service of any Chair person may not exceed six years. Normally, the Board elect a different Chairman every year but there is no limit on the number of times that a person could serve as a Chairman. In practice it is not believed that this has ever exceeded six occasions but in a similar way to later responses the Society does not believe it is appropriate to put a limit on any of these areas.

Provision 4.1 indicates that no Directors should serve more than three consecutive three-year terms. The Society does not accept this recommendation.

The Code makes a recommendation at 4.14 regarding evaluation and the possibility of using an external facilitator to carry out a Board evaluation. The Board did trial this idea several years previously but has not decided to repeat the exercise. Because of the size of the Society and the need for Board Members to be appointed by the Members, it is not felt that this is an appropriate suggestion for our organisation.

On Committees of the Board, there are several recommendations regarding numbers that should comprise these Committees and how long individuals can serve on them. In a similar way to the comments made regarding the length of the service of the Chairman as indicated above, the Society does not believe it is appropriate to put a maximum term on any such service commitments. The Society also feels that it needs to determine the ideal size of such Committees based on its own needs rather than any outside suggestions. At this point the entire Board serves as Audit Committee and does not satisfy the requirement of one Member of that Committee having relevant financial experience as no professionally qualified Accountants currently sit on the Board.

Provision 5.12 indicates that in the event of a solvent dissolution then any surplus arising should be distributed in accordance with the International Co-operative Alliance Values and Principles. This is actually a matter that is dealt with in the Rules of the Society and The Society Rules indicate that any remaining assets after the satisfaction of all debts and liabilities should be distributed to local charitable organisations as determined by the Members. Reference has been made to this issue at previous Annual General Meetings and whilst the Board feel the chances of this arising are remote it will be given consideration the next time the Society Rules are being comprehensively considered.

Going concern

After making all appropriate enquiries, the Directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the Going Concern basis in preparing the Society's Accounts. In particular, the Society has cash of £3,654,000 at 27 January 2024.

Internal control

As previously mentioned, the entire Board sits as the Audit Committee, and as such meets the Auditor to have a full discussion. In addition, the Management letter from the Auditors is also presented to the full Board.

The Board of Directors has continued to review and report upon internal financial controls.

The Society has continued with its work on establishing procedures necessary to comply with Legislation and the Corporate Governance Code of Best Practice and wherever possible additional Reports are made and controls implemented as is considered appropriate for a Society of this size.

The key elements of the Society's system of internal financial controls are as follows

Tamworth Co-operative Society Limited

Directors' Report (continued) For the Period Ended 27 January 2024

(A) Control environment

The Society is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations.

The Society has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Society objectives. Lines of responsibility and delegations of authority are documented and reviewed at least annually at Strategy Meetings.

The annual budget and long term plan of the society and of each Division are reviewed and approved.

A full Society Strategy is in place and is reviewed at least on an annual basis and separate Board Meetings are convened for that purpose.

At 27 January 2024 the number of creditor days outstanding for the Society was 20.1 days (2023 - 21.2 days).

(B) Risk identification

Society Management continue to be responsible for the identification and evaluation of key risks applicable to their areas of Business. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in Information systems, competition, natural catastrophe, and regulatory requirements.

(C) Information and communication

The Society's Businesses participate in periodic Strategic Reviews which include consideration of long term financial projections and the evaluation of Business alternatives with an in-depth analysis of past performance. Operating units prepare annual budgets and strategic plans. Performance against plan is actively monitored at the Board and Executive levels supported by regular forecasts and meetings between Senior Management and the Board of Directors as considered appropriate. Forecasts and results are consolidated and presented to the Board on a regular basis.

Through these mechanisms, Society performance is continually monitored, risks identified in a timely manner, their financial implications assessed, control procedures re-evaluated and corrective actions agreed and implemented.

(D) Control procedures

The Society and its operating units have implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud.

(E) Monitoring and corrective action

There are clear and consistent procedures in place for monitoring the system of internal financial controls. The Board of Directors meets regularly to review the effectiveness of the Society's system of financial controls. Monthly Management Accounts are considered in great detail and any appropriate action is taken whenever necessary.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Society's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Society since the year end.

Tamworth Co-operative Society Limited

**Directors' Report (continued)
For the Period Ended 27 January 2024**

Auditors

The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 March 2024 and signed on its behalf.



Mrs S D People
Chairman of the Board



Julian Coles
Chief Executive Officer

Tamworth Co-operative Society Limited

Directors' Responsibilities Statement For the Period Ended 27 January 2024

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Society's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Board Certification

The financial statements on pages 15 to 41 are hereby signed on behalf of the Board of Directors pursuant to Section 80 of the Co-operative and Community Benefit Societies Act 2014.



Mrs S D Peple
Chairman of the Board



Julian Coles
Chief Executive Officer

19 March 2024

Tamworth Co-operative Society Limited

**Directors' attendance
For the 53 weeks ended 27 January 2024**

Name	Year first elected	Appointment expires	Possible attendances	Actual attendances
Mrs A A Higginson	2004	2025*	17	17
Mr A V King	2009	2024	25	24
Mrs S Preece	2013	2026	27	24
Mr R W Read	1999	2026	24	24
Mr D M Rose	2009	2024	22	19
Mrs S Peale	2011	2026	19	18
Mrs A Brindley	2015	2024	18	16
Mr S Horsham	2019	2025	14	14
Mr M Jackson	2021	2025	23	19

* Mrs Higginson has advised the Board that she will be resigning from the Board with effect from the forthcoming AGM on 26th April 2024.

Opinion

We have audited the financial statements of Tamworth Co-operative Society (the 'society') for the 52 weeks ended 27 January 2024 which comprise the revenue account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 27 January 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Tamworth Co-operative Society Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement set out on page 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the society'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 the committee of management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Society through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Society, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Society's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether Judgements and assumptions made in determining the accounting estimates set out in Note 3

Tamworth Co-operative Society Limited

Independent Auditors' Report to the Members of Tamworth Co-operative Society Limited

- were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

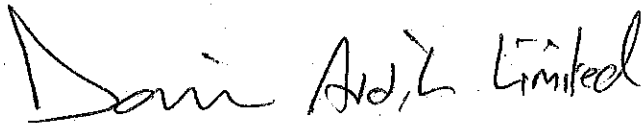
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Society's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

19 March 2024

Tamworth Co-operative Society Limited

Revenue account
For the 53 weeks ended 27 January 2024

		2024 £000	2023 £000
Gross takings		32,103	31,969
Takings		32,103	31,969
Less value added tax		(3,041)	(2,906)
Turnover	4	29,062	29,063
Cost of sales		(19,103)	(19,406)
		9,959	9,657
Property income		569	565
Expenses		(9,580)	(9,057)
		(9,011)	(8,492)
Trading surplus	14	948	1,165
Interest receivable and similar income	7	49	286
Interest payable and similar charges	8	-	(280)
Other finance costs	9	(91)	(126)
(Loss)/gain on disposal of fixed assets		70	-
Fair value adjustments to fixed assets	17	104	(69)
Other operating income	5	-	32
Other exceptional credits/(charges)	10	-	50
		132	(107)
Surplus for the period before distribution		1,080	1,058
Dividends paid	11	(84)	(113)
Grants and donations	12	(55)	(58)
Surplus before taxation		941	887
Tax on surplus	15	(330)	(114)
Retained surplus for the period		611	773

All amounts relate to continuing operations

The notes on pages 21 to 41 form part of these financial statements.

Tamworth Co-operative Society Limited

**Statement of Comprehensive Income
For the Period Ended 27 January 2024**

	Note	2024 £000	2023 £000
Surplus for the financial period		<u>611</u>	<u>773</u>
Other comprehensive income			
Actuarial (loss)/gain on defined benefit schemes	25	(408)	2,970
Movement on deferred tax relating to pension (gains)/losses	23	<u>102</u>	<u>(744)</u>
Other comprehensive income for the period/year		<u>(306)</u>	<u>2,226</u>
Total comprehensive income for the period		<u><u>305</u></u>	<u><u>2,999</u></u>

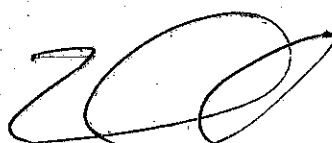
Tamworth Co-operative Society Limited
Registered number:2582R

Balance Sheet
As at 27 January 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	16	10,714	10,177
Investments	18	100	100
Investment property	17	7,755	7,640
		<u>18,569</u>	<u>17,917</u>
Current assets			
Stocks	19	957	878
Debtors: amounts falling due after more than one year	20	782	1,023
Debtors: amounts falling due within one year	20	1,019	1,129
Cash at bank and in hand	21	3,654	4,780
		<u>6,412</u>	<u>7,810</u>
Creditors: amounts falling due within one year	22	(3,392)	(3,368)
Net current assets		<u>3,020</u>	<u>4,442</u>
Total assets less current liabilities		<u>21,589</u>	<u>22,359</u>
Provisions for liabilities			
Deferred tax	23	(479)	(486)
Net assets excluding pension liability		<u>21,110</u>	<u>21,873</u>
Pension liability	25	(1,831)	(2,707)
Net assets		<u>19,279</u>	<u>19,166</u>
Capital and reserves			
Called up share capital	26	2,036	2,190
Profit and Loss Account	28	17,243	16,976
		<u>19,279</u>	<u>19,166</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 March 2024.


Mrs S D People
Chairman of the board


Julian Coles
Chief Executive Officer

The notes on pages 21 to 41 form part of these financial statements.

Tamworth Co-operative Society Limited

**Statement of Changes in Equity
For the Period Ended 27 January 2024**

	Called up share capital £000	Profit and loss account £000	Members funds £000
At 22 January 2022	2,309	14,005	16,314
Comprehensive income for the period			
Surplus for the period	-	773	773
Actuarial gains on pension scheme (net of deferred tax)	-	2,226	2,226
Other comprehensive income for the period	-	2,226	2,226
Total comprehensive income for the year	-	2,999	2,999
Share interest paid	-	(28)	(28)
Shares issued during the period	155	-	155
Shares redeemed during the period	(274)	-	(274)
Total transactions with owners	(119)	(28)	(147)
At 28 January 2023	2,190	16,976	19,166
Comprehensive income for the period			
Surplus for the period	-	611	611
Actuarial losses on pension scheme (net of deferred tax)	-	(306)	(306)
Other comprehensive income for the period	-	(306)	(306)
Total comprehensive income for the period	-	305	305
Share interest paid	-	(38)	(38)
Shares issued during the period	172	-	172
Shares redeemed during the period	(326)	-	(326)
Total transactions with owners	(154)	(38)	(192)
At 27 January 2024	2,036	17,243	19,279

The notes on pages 21 to 41 form part of these financial statements.

Tamworth Co-operative Society Limited

**Statement of Cash Flows
For the Period Ended 27 January 2024**

	2024 £000	2023 £000
Cash flows from operating activities		
Surplus for the financial period	611	773
Adjustments for:		
Dividends and grants paid	139	171
Depreciation of tangible assets	737	640
Fair value adjustments to fixed assets	(104)	69
Profit on disposal of tangible assets	(70)	-
Pension charge	91	126
Interest paid	-	280
Interest received	(49)	(286)
Taxation charge	330	114
Increase in stocks	(79)	(30)
Increase in debtors	117	(56)
Increase in creditors	60	13
Employer contribution to defined benefit scheme	(1,375)	(375)
Corporation tax paid	(37)	(32)
Net cash generated from operating activities	371	1,407
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,274)	(863)
Sale of tangible fixed assets	70	1,913
Purchase of investment properties	(11)	(1,668)
Purchase of unlisted and other investments	(4)	(524)
Sale of unlisted and other investments	4	498
Interest received	49	6
Net cash from investing activities	(1,166)	(638)
Cash flows from financing activities		
Movement in ordinary shares	(154)	(119)
Dividends and grants paid	(139)	(171)
Interest paid on share capital	(38)	(28)
Net cash used in financing activities	(331)	(318)
Net (decrease)/increase in cash and cash equivalents	(1,126)	451
Cash and cash equivalents at beginning of period	4,780	4,329
Cash and cash equivalents at the end of period	3,654	4,780
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	3,654	4,780
	3,654	4,780

Tamworth Co-operative Society Limited

**Analysis of Net Debt
For the Period Ended 27 January 2024**

	At 29 January 2023 £000	Cash flows £000	At 27 January 2024 £000
Cash at bank and in hand	4,780	(1,126)	3,654
	4,780	(1,126)	3,654

The notes on pages 21 to 41 form part of these financial statements.

Tamworth Co-operative Society Limited

Notes to the Financial Statements For the Period Ended 27 January 2024

1. General information

The Tamworth Co-operative Society Limited is a Co-operative society domiciled in the United Kingdom. The Society is incorporated in England and Wales under the Co-operative and Community Benefit Societies Act 2014.

The registered office of the Co-operative is 8 Colehill, Tamworth, Staffordshire, B79 7HE.

The principal activities of the Society and the nature of the Society's operations are set out in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Society's accounting policies (see note 3).

The society's functional and presentational currency is GBP. The financial statements are presented in pounds sterling and amounts have been rounded to the nearest £'000.

The following principal accounting policies have been applied:

2.2 Going concern

After making all appropriate enquires, the Directors have a reasonable expectation that the society has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason the Directors continue to adopt the going concern basis in preparing the society financial statements.

2.3 Accounting date

The financial statements are in respect of the 52 week period ended 27 January 2024 with the comparative figures for the 53 weeks period ended 28 January 2023.

2.4 Gross takings

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

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Society has transferred the significant risks and rewards of ownership to the buyer;
- the Society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Society will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Society will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Property income

Income received from property is accounted for on an accruals basis for rents received.

2.7 Repairs

Repair expenditure is charged to the revenue account in the year that the cost is incurred.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Society adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% per annum
Leasehold buildings	- over the unexpired period of the lease
Transport	- over the expected working life or 4 years
Fixtures and fittings	- over the expected working life or 10 years
Assets under construction	- Not depreciated

2.10 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Operating leases: the Society as lessee

Rentals paid under operating leases are charged to the revenue account on a straight line basis over the period of the lease.

2.12 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the revenue account.

2.13 Valuation of investments

Investments in funeral prepayment plans and other unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2. Accounting policies (continued)

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is determined by calculation from retail selling price, discounted back at the average gross margin achieved and other reconciling items.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Financial instruments

The Society only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the revenue account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Society would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Finance costs

Finance costs are charged to the revenue account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.21 Pensions

Defined contribution pension plan

The society operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the society pays fixed contributions into a separate entity. Once the contributions have been paid the society has no further payments obligations.

The contributions are recognised as an expense in the revenue account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the society in independently administered funds.

Defined benefit pension plan

The society operates a defined benefit plan for certain employees. The scheme was closed to future accrual in October 2009. The society no longer has any employees accruing future increases or benefits. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the society engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the society's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

2. Accounting policies (continued)

2.21 Pensions (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.22 Interest income

Interest income is recognised in the revenue account using the effective interest method.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Society a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.24 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the revenue account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Society operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.25 Share interest

The society's members' share capital maintains a fixed nominal value and attracts interest. Share interest is disclosed as a movement in equity and within the reconciliation of movements in members' funds.

Notes to the Financial Statements
For the Period Ended 27 January 2024

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the society's accounting policies, which are described in note 2, the directors are required to make Judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods in the revision affects both current and future periods.

Depreciation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of freehold properties, and have concluded that asset lives and residual values are appropriate.

Impairment of tangible fixed assets

The society conducts impairment reviews of assets when events of changes in circumstances indicate that their carrying amounts may not be recoverable annually in accordance with Financial Reporting Standard 102. An impairment loss is recognised when the carrying amount of an asset is lower than the greater of its net selling price or the value in use. In determining the value in use, management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and Judgements are applied in determining these future cash flows and the discount rate.

Defined benefit pension scheme

The present value of the pension scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 27 January 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Turnover

The whole of the turnover is attributable to the principal activity.

All turnover arose within the United Kingdom.

5. Other operating income

	2024 £000	2023 £000
Funeral bond tax credit	-	32
	<hr/>	<hr/>
	-	32
	<hr/> <hr/>	<hr/> <hr/>

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

6. Auditors' remuneration

	2024 £000	2023 £000
Fees payable to the Society's auditor and its associates for the audit of the Society's annual accounts	25	22
Fees payable to the Society's auditor and its associates in respect of:		
Other services relating to taxation	24	10
	<u>24</u>	<u>10</u>

7. Interest receivable and similar income

	2024 £000	2023 £000
Changes in fair value of funeral bond assets	-	280
Bank interest receivable	44	1
Other interest receivable	5	5
	<u>49</u>	<u>286</u>

8. Interest payable and similar expenses

	2024 £000	2023 £000
Changes in fair value of funeral bond liabilities	-	280
	<u>-</u>	<u>280</u>

9. Other finance costs

	2024 £000	2023 £000
Net interest on net defined benefit liability	91	126
	<u>91</u>	<u>126</u>

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

10. Other exceptional credits

	2024	2023
	£000	£000
Provision in relation to costs to close the Society's non-food trading division	-	(20)
Provision for transfer of funeral bonds to Ecclesiastical	-	(30)
	<u>-</u>	<u>(50)</u>
	<u>-</u>	<u>(50)</u>

11. Dividends paid

	2024	2023
	£000	£000
Dividends to members	85	117
Waived dividend given to charity	9	11
Dividend vouchers not redeemed by members from prior years	(10)	(15)
	<u>84</u>	<u>113</u>
	<u>84</u>	<u>113</u>

12. Grants and donations

	2024	2023
	£000	£000
Member relations committee	-	-
Employee related	55	58
	<u>55</u>	<u>58</u>
	<u>55</u>	<u>58</u>

Tamworth Co-operative Society Limited

Notes to the Financial Statements For the Period Ended 27 January 2024

13. Employees

Staff costs, including Directors' remuneration, were as follows:

	2024 £000	2023 £000
Wages and salaries	4,881	4,605
Social security costs	341	312
Cost of defined contribution scheme	166	183
	<u>5,388</u>	<u>5,100</u>

The average monthly number of employees, including the Directors, during the period was as follows:

	2024 No.	2023 No.
Full time	87	85
Part time	195	202
	<u>282</u>	<u>287</u>

Management executive remuneration

	2024 £000	2023 £000
The total remuneration of the management executive was as follows:		
Salaries	417	396
Bonus	63	64
Taxable benefits	5	5
Pension contributions	23	22
	<u>508</u>	<u>487</u>

The emoluments of the Chief Executive Officer (who is also the highest paid employee) included above was as follows:

	2024 £000	2023 £000
Salary	138	131
Bonus	40	40
Pension contributions	7	7
	<u>185</u>	<u>178</u>

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

14. Trading surplus

The trading surplus is stated after charging:

	2024	2023
	£000	£000
Depreciation of tangible assets	737	640
Defined contribution pension cost	166	183
Operating lease rentals - other operating leases	(17)	(35)
Directors' fees	40	33
	<u> </u>	<u> </u>

15. Taxation

	2024	2023
	£000	£000
Corporation tax		
Current tax on profits for the year	-	75
Adjustments in respect of previous periods	(6)	(35)
Total current tax	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	336	(122)
Changes to tax rates	-	196
Total deferred tax	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Taxation on surplus	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

15. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2023 - lower than) the effective rate of corporation tax in the UK of 23.93% (2023 - 19%). The differences are explained below:

	2024	2023
	£000	£000
Surplus before tax	<u>942</u>	<u>1,080</u>
Surplus multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	225	168
Effects of:		
Expenses not deductible for tax purposes	8	41
Fixed asset differences	48	20
Adjustments to tax charge in respect of prior periods	(6)	(35)
Other timing differences	11	13
Non-taxable income	(34)	(32)
Capital gains	78	(61)
Total tax charge for the period/year	<u>330</u>	<u>114</u>

Factors that may affect future tax charges

The rate of tax applied to the reported profit is 23.93% (2023 19.00%). The rate of tax as introduced in the Finance Bill 2021 changed from 1 April 2023 from 19.00% to 25.00%.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

There is no expiry date on timing differences, unused tax losses or tax credits.

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

16. Tangible fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Transport £000	Fixtures, fittings and plant £000	Assets under construction £000	Total £000
Cost or valuation						
At 29 January 2023	9,612	2	1,255	5,813	-	16,682
Additions	-	-	515	533	226	1,274
Disposals	-	-	(322)	(649)	-	(971)
At 27 January 2024	9,612	2	1,448	5,697	226	16,985
Depreciation						
At 29 January 2023	1,791	2	976	3,736	-	6,505
Charge for the period on owned assets	122	-	107	508	-	737
Disposals	-	-	(322)	(649)	-	(971)
At 27 January 2024	1,913	2	761	3,595	-	6,271
Net book value						
At 27 January 2024	7,699	-	687	2,102	226	10,714
At 28 January 2023	7,821	-	279	2,077	-	10,177

The original cost of freehold land included in the above figures, which is not depreciated is £2,743,000 (2023 - £2,743,000).

The freehold and leasehold land and buildings were valued on 24 January 2013 by Peter J Hicks FRICS of Peter J Hicks & Co. Chartered Surveyors on an existing use basis. These valuations have been used as the deemed cost following the transfer of engagement from TCS Estates Services Limited.

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

17. Investment property

	Freehold investment property £000
Valuation	
At 28 January 2023	7,640
Additions at cost	11
Surplus on revaluation	104
At 27 January 2024	7,755

The 2024 valuations were made by Peter J Hicks FRICS of Peter J Hicks & Co. Chartered Surveyors, on an open market value for existing use basis.

The historic cost of investment properties included at valuation is £5,985,147 (2023 - £5,973,780).

18. Fixed asset investments

	Unlisted investments £000
Cost or valuation	
At 28 January 2023	100
Additions	4
Disposals	(4)
At 27 January 2024	100

Unlisted investments principally relate to shares in Co-op Group Limited.

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

19. Stocks

	2024 £000	2023 £000
Finished goods and goods for resale	957	878
	<u>957</u>	<u>878</u>
	<u><u>957</u></u>	<u><u>878</u></u>

20. Debtors

	2024 £000	2023 £000
Due after more than one year		
Deferred tax asset (note 23)	782	1,023
	<u>782</u>	<u>1,023</u>
	<u><u>782</u></u>	<u><u>1,023</u></u>

	2024 £000	2023 £000
Due within one year		
Trade debtors	899	946
Prepayments and accrued income	113	183
Corporation tax repayable	7	-
	<u>1,019</u>	<u>1,129</u>
	<u><u>1,019</u></u>	<u><u>1,129</u></u>

21. Cash and cash equivalents

	2024 £000	2023 £000
Cash at bank and in hand	3,654	4,780
	<u>3,654</u>	<u>4,780</u>
	<u><u>3,654</u></u>	<u><u>4,780</u></u>

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

22. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Trade creditors	1,596	1,630
Corporation tax	(1)	35
Other taxation and social security	121	131
Other creditors	132	117
Dividends Payable	48	53
Accruals	1,496	1,402
	<u>3,392</u>	<u>3,368</u>

23. Deferred taxation

	2024	2023
	£000	£000
At beginning of year	537	1,355
Charged to revenue account	(336)	(74)
Charged to other comprehensive income	102	(744)
At end of year	<u>303</u>	<u>537</u>

The deferred tax balance is made up as follows:

	2024	2023
	£000	£000
Accelerated capital allowances	(523)	(434)
Pension deficit	578	677
Other timing difference	8	9
Property gains and losses	204	285
Losses and other deductions	36	-
	<u>303</u>	<u>537</u>
Comprising:		
Asset - due after one year	782	1,023
Liability	(479)	(486)
	<u>303</u>	<u>537</u>

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

24. Capital commitments

At 27 January 2024 the Society had capital commitments as follows:

	2024	2023
	£000	£000
Contracted for but not provided in these financial statements	526	466
	526	466

Tamworth Co-operative Society Limited

Notes to the Financial Statements For the Period Ended 27 January 2024

25. Pension commitments

The society operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the society in an independently administered fund. The pension cost charge represents contributions payable by the society to the fund and amounted to £166,000 (2022 - £183,000).

The Society operates a Defined benefit pension scheme.

The Tamworth Co-operative Society Limited Employees Superannuation scheme which is based in the UK, was closed for all future accruals on 31 October 2009 and has no active members. The pensions contributions payable by the society in the year amounted to £1,375,000 (2023 - £375,000).

A full actuarial valuation was carried out as at 31 March 2022 and updated to 27 January 2024 using the Projected Unit method, by an independent qualified actuary.

Reconciliation of present value of plan liabilities:

	2024 £000	2023 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	15,629	22,882
Interest cost	689	493
Actuarial gains	(371)	(6,813)
Benefits paid	(928)	(933)
At the end of the year	15,019	15,629

Reconciliation of present value of plan assets:

	2024 £000	2023 £000
At the beginning of the year	12,922	16,956
Interest income	598	367
Actuarial gains	(779)	(3,843)
Contributions	1,375	375
Benefits paid	(928)	(933)
At the end of the year	13,188	12,922

	2024 £000	2023 £000
Fair value of plan assets	13,188	12,922
Present value of plan liabilities	(15,019)	(15,629)
Net pension scheme liability	(1,831)	(2,707)

Notes to the Financial Statements
For the Period Ended 27 January 2024

25. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2024 £000	2023 £000
Interest on obligation	(91)	(126)
Total	(91)	(126)

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £3,820,000 (2023 - £4,228,000).

The Society expects to contribute £375,000 to its Defined benefit pension scheme in 2025.

	2024 £000	2023 £000
Analysis of actuarial loss recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	(779)	(3,843)
Experience gains and losses arising on the scheme liabilities	(416)	(233)
Changes in assumptions underlying the present value of the scheme liabilities	787	7,046
	(408)	2,970

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2024 %	2023 %
Discount rate	4.80	4.55
Revaluation in deferment	2.20	2.00
Future pension increases	3.00	3.05
Inflation assumption (CPI)	2.20	2.00
Mortality rates		
- for a male aged 65 now	86.1	86.4
- at 65 for a male aged 45 now	87.0	87.5
- for a female aged 65 now	88.5	88.9
- at 65 for a female member aged 45 now	89.6	90.0

Tamworth Co-operative Society Limited

**Notes to the Financial Statements
For the Period Ended 27 January 2024**

25. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2024	2023	2022	2021	2020
	£000	£000	£000	£000	£000
Defined benefit obligation	(15,019)	(15,629)	(22,882)	(23,184)	(23,437)
Scheme assets	13,188	12,922	16,956	15,972	15,953
Deficit	(1,831)	(2,707)	(5,926)	(7,212)	(7,484)
Experience adjustments on scheme liabilities	371	6,813	(358)	(205)	(2,835)
Experience adjustments on scheme assets	(779)	(3,843)	1,382	232	1,699
	(408)	2,970	1,024	27	(1,136)

26. Share capital

	2024	2023
	£000	£000
At the start of the period	2,190	2,309
Contributions	134	127
Interest	38	28
	2,362	2,464
Share capital - fully paid - shares redeemed	(326)	(274)
At end of period	2,036	2,190

Share capital is non equity share capital comprising £2,035,951 (2022 - £2,189,978) shares of £1 each, attracting interest of between nil and 4.0% per annum, depending on the balance held.

The share capital is withdrawable on periods of notice varying according to the amount involved, however this requirement can be waived by the Directors under Rule 7.9(b).

Each member is entitled to one vote.

The society rules indicate that on solvent dissolution or winding up that any remaining assets be distributed to local charitable organisations as determined at a meeting of members.

Tamworth Co-operative Society Limited

Notes to the Financial Statements For the Period Ended 27 January 2024

27. Commitments under operating leases

At 27 January 2024 the Society had future minimum lease payments under non-cancellable operating leases as follows:

	2024 £000	2023 £000
Not later than 1 year	8	13
Later than 1 year and not later than 5 years	18	7
	<u>26</u>	<u>20</u>

28. Reserves

Revenue reserves

The revenue reserves represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties and fixed asset investments.

29. Related party transactions

As a retail co-operative society, the society has many transactions with other Co-operative Societies. These are all commercial and at arms length. The most significant of these relates to the society's membership of the Federal Retail Trading Services (FRTS) by which purchases of stock for resale are made through the Co-operative Group Limited on terms negotiated with the third party suppliers by FRTS on behalf of its members. It is not considered that there are any related parties with the definition of FRS 102.

Other related party transactions

The total remuneration for key management personnel for the year totalled £565,000 (2023 - £524,000).

Food Stores

Tamworth Branch	-	1 - 5 Church Street, Tamworth, B79 7DH
Bolehall Branch	-	107 Amington Road, Bolehall, B77 3LN
Dosthill Branch	-	69 High Street, Dosthill, B77 1LG
Dordon Branch	-	Whitehouse Road, Dordon, B78 1QE
Glascote Branch	-	148 Glascote Road, Glascote, Tamworth, B77 2AF
Kingsbury Branch	-	109 Tamworth Road, Kingsbury, B78 2HH
Lichfield Branch	-	75a Marks Walk, Lichfield, WS13 7QG
Polesworth Branch	-	17 High Street, Polesworth, B78 1DX
Rosliston Branch	-	Main Street, Rosliston, Burton-on-Trent, DE12 8JW
Stretton Branch	-	James Brindley Way, Stretton Park, Stretton, DE13 0LB
Whittington Branch	-	Main Street, Whittington, Lichfield, WS14 9JR
Wood End Branch	-	Tamworth Road, Wood End, Atherstone, CV9 2QQ

Funeral Homes

Tamworth	-	The Mews, Upper Gungate, B79 7HZ
Uttoxeter	-	34 High Street, Uttoxeter, ST14 7HT
Woodville	-	107 Granville Street, Woodville, Swadlincote, DE11 7HJ
Heath Hayes (<i>Halliwell</i>)	-	68 - 72 Hednesford Road, Heath Hayes, Staffordshire, WS12 3EA
Pelsall (<i>Halliwell</i>)	-	63 Norton Road, Pelsall, Walsall, WS3 4NR
Great Wyrley (<i>Halliwell</i>)	-	164 Walsall Road, Great Wyrley, Staffordshire, WS6 6NQ
Coseley (<i>Halliwell</i>)	-	20 Castle Street, Roseville Precinct, Coseley, Bilston, WV14 9DP
Bereavement Advice Centre	-	8 Colehill, Tamworth, B79 7HE

Post Offices

Tamworth Branch	-	1 - 5 Church Street, Tamworth, B79 7DH
Dordon Branch	-	70 New Street, Dordon, B78 1TQ
Rosliston Branch	-	Main Street, Rosliston, Burton-on-Trent, DE12 8JW
Wood End Branch	-	Tamworth Road, Wood End, Atherstone, CV9 2QQ

Tamworth Co-operative Society Ltd

Registered Office: **8 Colehill, Tamworth, Staffordshire, B79 7HE**

Telephone: **01827 63711**

Website: **www.tamworth.coop**

Registered Number: **2582R**