

**Report of the Board of Directors**  
**Half Year Ended 27th July 2024**

**TAMWORTH CO-OPERATIVE SOCIETY LIMITED**

**Unaudited Interim Report**

**For the 26 weeks ended 27th July 2024**

**Report of the Board of Directors**  
Half Year Ended 27th July 2024

During the first half of the year there have been some significant changes in the Senior Management team, our CEO Julian Coles retired at the end of June after 27 years with the Society. From 1<sup>st</sup> July 2024 Dan Welsh took over the role, having been with the Society for over 30 years and previously heading up the Food Division as Senior General Manager. Dan Welsh is only the ninth person to hold the CEO position since the Society was founded back in 1886. Our Deputy CEO Andy Richardson is also retiring from the Society in the near future and we would like to wish both Julian and Andy long and happy retirements. During the first half of the year we have gone through an extensive selection and recruitment process to fill the vacancies in the Senior Management team. We would like to welcome Stacey Taylor who has joined us as our Deputy CEO and Head of Finance and takes over from Andy. We also welcomed Jason Tomkins to the business in April as our new Retail Operations Manager for our Food Division. Both Stacey and Jason have a wealth of knowledge and experience and have already started implementing changes that will benefit the Society in the long term, we wish them well in their new roles and for the future.

For the first 6 months of this year the turnover from our Food and Funeral operations was £14,546,000. In comparison to the prior year this was a reduction of (3.5)%. The cost of goods sold and operating expenses net of property income was £14,271,000 and when deducted from turnover results in a trading surplus of £275,000. Compared to the prior year this is a reduction of £(285,000). Funeral arrangements have been at a lower level than the previous year and Food sales were impacted by a disappointing spring and summer period with wetter and lower than average temperatures reported across the period. Our Investment Property income has been in line with the previous year. Operating costs in relation to staff wages have seen further increases in line with the uplift in the National Living Wage from April 2024 and expenses relating to changes to our management executive and associated recruitment costs have also impacted us in the first half. The Society had budgeted for a decline in profitability in 2024/25. We did not quite reach our target profit in the first 6 months, but there are some encouraging signs for the 2<sup>nd</sup> Half.

In the items below the trading line, we have seen a gain on interest received due to a better utilisation of our cash reserves and this was £68,000 compared to £6,000 in the prior period. In the prior year we had gains from disposal of fixed assets which have not repeated this year. Overall we are reporting a surplus of £303,000 which is a decline compared to the prior year where this was reported at £564,000. Both of our operating divisions have worked hard to hit sales budgets and control all cost lines in what is a challenging trading environment and a year of change for the society.

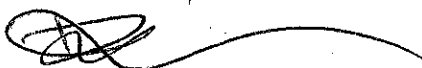
Regarding property, work commenced in late 2023 to refurbish 9 Colehill which is located next door to our existing Head Office property, the work was completed in August 2024, shortly after the Society's half year end. The property is a 19th Century Grade 2 listed building which we have converted into two ground floor commercial units with 5 upper floor residential apartments. The re-development has been carried out to a high standard and has retained period features of the building and represents a significant investment for the Society into our property portfolio. The Funeral Division has been busy working on migrating over to a new IT system which will give us operational benefits and enhanced management information. The Food Division has no plans to carry out any store refurbishments this year. However, we are focusing resources on introducing new technology and later in the year we will kick off a "Proof of Concept" in the use of new Electronic Shelf Edge label technology and introduce bespoke Range and Space planning to our stores. The use of these technologies will bring efficiencies for our store operations, but more importantly improvements for our customers.

For the second year running the Society has partnered with local charity "Heart of Tamworth" and provided a food donation of over £10,000 worth of goods. This was made up of around 500 food parcels which were donated via local schools to families in need, ahead of the May half term and was coordinated and distributed by the Heart of Tamworth, supported by colleagues from our Food Division. We were delighted to be able to support this once again. The donation was made from the Society "Cash in the Bag" fund which distributes the proceeds from carrier bag charges from our Food stores.

The Society is going through a period of significant management change which does take time to bed in, and the Board of Directors are fully supportive of this transition. Caution still remains on our outlook, but the society has strong foundations for the future, and we would like to take this opportunity to thank all of our colleagues for their hard work and commitment across the half year.



**Sheree Peaple**  
Chairperson



**Dan Welsh**  
Chief Executive Officer

**Report of the Board of Directors**  
Half Year Ended 27th July 2024

**Interim statement of trading activities**  
For the 26 weeks ended 27th July 2024

**Society Revenue Account**

	26 weeks 27th July 2024 (unaudited) £000	26 weeks 29th July 2023 (unaudited) £000	52 weeks to 27th Jan 2024 (audited) £000
<b>Takings</b>	16,055	16,572	32,103
Less Value Added Tax	(1,509)	(1,498)	(3,041)
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<b>Turnover</b>	14,546	15,074	29,062
Less Cost of Sales	(9,558)	(9,890)	(19,103)
Less Expenses	(5,013)	(4,918)	(9,580)
Add Property Income	300	294	569
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<b>Trading Surplus</b>	275	560	948
Profit/(Loss) on disposal of Fixed Assets	---	60	70
Interest Received/(Paid) Net	68	6	49
Pension Financing	(40)	(62)	(91)
Impairment	----	----	104
Other Operating Income	----	----	---
Other Exceptional Credits/(charges)	----	----	---
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<b>Surplus prior to Distributions and Taxation</b>	303	564	1,080
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The interim statement has been prepared on the basis of the accounting policies set out in the 2023/2024 Statutory Accounts. The figures shown for the year to 28th January 2023 are extracted from the Audited Accounts for the year ended 27<sup>th</sup> January 2024.

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

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

**Report of the Board of Directors**  
Half Year Ended 27th July 2024

**Interim statement of trading activities**  
For the 26 weeks ended 27th July 2024

**Society Balance Sheet**

	26 weeks to 27th July 2024 (unaudited) £000	26 weeks to 29th July 2023 (unaudited) £000	52 weeks to 27th Jan 2024 (audited) £000
<b>Fixed Assets</b>			
Tangible Assets	10,930	10,716	10,714
Intangible Assets	-----	-----	-----
Investment Properties	7,785	7,649	7,755
Investments	<u>100</u>	<u>100</u>	<u>100</u>
	18,815	18,465	18,569
<b>Current Assets Net of Liabilities</b>			
Cash at Bank and in hand ( <i>Note 1</i> )	3,910	4,350	3,654
Stock	957	959	957
Debtors due after more than one year	722	962	782
Debtors due within one year	1,121	1,143	1,019
Creditors due within one year	(3,893)	(4,176)	(3,392)
Deferred Tax	(419)	(425)	(479)
Pension Liability ( <i>Note 1</i> )	<u>(1,871)</u>	<u>(1,769)</u>	<u>(1,831)</u>
<b>Net Assets</b>	<u>19,342</u>	<u>19,509</u>	<u>19,279</u>
<b>Financed By:</b>			
Profit and Loss Account	17,380	17,407	17,243
Share Capital	<u>1,962</u>	<u>2,102</u>	<u>2,036</u>
	<u>19,342</u>	<u>19,509</u>	<u>19,279</u>

At 27th January 2024 the Society's Investment Properties were revalued to market value.

The assets and liabilities at 27th July 2024 and 29th July 2023 are after making estimated provisions for share interest and grants. No provision has been made for dividends, which traditionally have been declared following the results of the full 52 week period, or taxation.

Note 1 –In line with the Recovery Plan, in February 2023 the Society paid £1.0m into the defined benefit Pension Scheme

**Report of the Board of Directors**  
Half Year Ended 27th July 2024

**Society Cash Flow**

	26 weeks 27th July 2024 (unaudited) £000	26 weeks 29th July 2023 (unaudited) £000	52 weeks to 27th July 2024 (audited) £000
Net Cash Generated from Operating Activities before Contributions into the defined benefit Pension Scheme	1,001	1,541	1,746
Less Payments into the defined Benefit Pension Scheme	<u>-----</u>	<u>(1,000)</u>	<u>(1,375)</u>
<b>Net Cash Generated from Operating Activities</b>	<b>1,001</b>	<b>541</b>	<b>371</b>
Net Interest Received/(Paid)	68	6	11
Benefits Paid to Members	(108)	(94)	(84)
Grants and Donations	(34)	(23)	(55)
Capital Expenditure	(611)	(832)	(1,285)
Sale of Fixed Assets	---	60	70
Movement in Share Capital	(60)	(88)	(154)
<b>Increase/(Decrease) in Cash in the period</b>	<u>256</u>	<u>(430)</u>	<u>(1,126)</u>
Net Cash at the start of the period	<u>3,654</u>	<u>4,780</u>	<u>4,780</u>
<b>Net Cash at the end of period</b>	<u>3,910</u>	<u>4,350</u>	<u>3,654</u>

In line with the agreed Recovery Plan, the Society paid £1,000k into the Pension Scheme in February 2023. There was a further payment of £375k in January 2024.