

TAMWORTH CO-OPERATIVE SOCIETY LIMITED

Unaudited Interim Report

For the 26 weeks ended 26th July 2025

Report of Board of Directors
Half Year Ended 26th July 2025

Following a year of significant change in 2024, further management transitions were planned for 2025. In May, we marked the retirement of Julie Gasper, who had dedicated over 40 years of service to the Society, most recently as Business Support Manager and a member of the Executive team. We thank Julie for her outstanding contribution and wish her a long and happy retirement.

Recruitment activity has continued, and we are pleased to welcome Helen Sharpe as our new Human Resources Manager, and Lucy Gaunt, who joined in September 2025 as Marketing and Membership Manager. Both bring a wealth of experience and are already making positive contributions to the Society and we wish them well for the future in their new roles.

Financial Performance

For the first six months of the year, turnover from our Food, Funeral, and Property businesses totalled £16,680m. This year, Directors agreed to include property income within turnover reporting. At the half-year point, property income was £356k, compared with £300k in the prior year. Adjusting for this change, underlying turnover was ahead of last year by 1.7%.

After deducting the cost of goods sold and operating expenses, the Society generated a trading surplus of £294k, an improvement of £19k compared with the prior year. Funeral arrangements were at a higher level than the prior year, Food sales started strongly but were later affected by the Co-op Group cyberattack in May. Investment Property income rose, supported by lettings at the 9 Colehill development completed in 2024.

Operating costs, particularly staff wages, increased in line with the National Living Wage uplift from April 2025 and the changes to National Insurance Contributions. These additional expenses were partly offset through cost efficiencies. Beyond trading performance, the Society also benefitted from higher interest on cash reserves, with £84k received (2024: £68k). Overall, the Society reports a surplus of £347k, an increase of £44k compared with £303k in the prior period.

Divisional Performance

Food

Sales were impacted by supply chain disruption caused by the Co-op Group cyberattack in May. While our own systems were unaffected, Co-op Group's distribution difficulties reduced stock availability across our stores. We acted quickly by sourcing certain goods from third-party suppliers, and we are grateful for the support received. In June, our Wood End store suffered a ram-raid, targeting the ATM. Although unsuccessful, the damage to the store was very severe and the store was closed for three days. Thanks to the dedication of colleagues and contractors, we managed to reopen swiftly back to serve the community.

Electronic Shelf-Edge Labels are being trialled in our Dordon store with a view to roll out to all locations, and we are implementing Symphony AI ranging software to support more efficient product management, with rollout planned for Autumn 2025. Plans are also underway to refurbish the Dosthill store, 10 years after its opening. The refurbishment will be completed before the Christmas trading period and will showcase the Society's new branding, including adoption of the International Co-operative Alliance (ICA) logo.

Funeral

Our Funeral business has performed strongly, with arrangements exceeding both prior year levels and internal budgets. Direct cremations now account for just over 10% of all arrangements, reflecting broader industry trends. We have now agreed Heads of Terms on a new property to become a Funeral office in Polesworth and are in the final stages of the planning. We hope to be operational here before the end of this financial year and this will further strengthen our presence in the area and our Funeral business.

Property

There have been no significant property acquisitions or repairs undertaken so far this year. However, the Society has agreed the sale of the former Garage Site on Bonehill Road, Tamworth, which is expected to complete before year-end.

Outlook

The Society has experienced substantial management change over the past 12 months. With a new team now fully in place, attention is focused on delivering our strategy and ensuring the Society remains resilient and sustainable for the future. Trading conditions remain challenging, and external factors continue to affect performance. However, the Society is in a strong position, supported by the hard work, loyalty, and commitment of our colleagues, to whom the Board extends its sincere thanks.

Robert Read
Chair

Daniel Welsh
Chief Executive Officer

Interim statement of trading activities
For the 26 weeks ended 26th July 2025

Society Revenue Account

	26 weeks 26th July 2025 (unaudited) £000	26 weeks 29th July 2024 (unaudited) £000	52 weeks to 26th Jan 2025 (audited) £000
Takings	16,680	16,055	31,532
Less Value Added Tax	(1,503)	(1,509)	(2,913)
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Turnover	15,177	14,546	28,620
Less Cost of Sales	(9,812)	(9,558)	(18,891)
Less Expenses	(5,071)	(5,918)	(9,716)
Add Property Income (<i>Note 1</i>)	----	300	617
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Trading Surplus	294	275	630
Profit/(Loss) on disposal of Fixed Assets	----	----	1
Interest Received/(Paid) Net	84	68	160
Pension Financing	(31)	(40)	(78)
Impairment	----	----	(425)
Other Operating Income	----	----	----
Other Exceptional Credits/(charges)	----	----	----
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Surplus prior to Distributions and Taxation	347	303	288
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The interim statement has been prepared on the basis of the accounting policies set out in the 2024/2025 Statutory Accounts.

Note 1 – Property income is now included in Takings.

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 26th July 2025
Interim statement of trading activities
For the 26 weeks ended 26th July 2025

Society Balance Sheet

	26 weeks to 26th July 2025 (unaudited) £000	26 weeks to 27th July 2024 (unaudited) £000	52 weeks to 27th Jan 2025 (audited) £000
Fixed Assets			
Tangible Assets	9,590	10,930	9,848
Intangible Assets	-----	-----	-----
Investment Properties	8,210	7,785	8,210
Investments	<u>100</u>	<u>100</u>	<u>100</u>
	17,900	18,815	18,158
Current Assets Net of Liabilities			
Cash at Bank and in hand	4,867	3,910	3,762
Stock	1,091	957	974
Debtors due after more than one year	710	722	710
Debtors due within one year	778	1,121	992
Creditors due within one year	(3,949)	(3,893)	(3,414)
Deferred Tax	(419)	(419)	(419)
Pension Liability (<i>Note 2</i>)	<u>(1,384)</u>	<u>(1,871)</u>	<u>(1,353)</u>
Net Assets	<u>19,594</u>	<u>19,342</u>	<u>19,410</u>
Financed By:			
Profit and Loss Account	17,650	17,380	17,441
Share Capital	<u>1,945</u>	<u>1,962</u>	<u>1,969</u>
	<u>19,594</u>	<u>19,342</u>	<u>19,410</u>

At 26th January 2025 the Society's Investment Properties were revalued to market value.

The assets and liabilities at 26th July 2025 and 27th July 2024 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 2 –In line with the Recovery Plan, in January 2025 the Society paid £0.375m into the defined benefit Pension Scheme

Report of the Board of Directors
Half Year Ended 26th July 2025

Society Cash Flow

	26 weeks 26th July 2025 (unaudited) £000	26 weeks 27th July 2024 (unaudited) £000	52 weeks to 26th January 2025 (audited) £000
Net Cash Generated from Operating Activities before Contributions into the defined benefit Pension Scheme	1,313	1,001	1,605
Less Payments into the defined Benefit Pension Scheme	-----	-----	<u>(375)</u>
Net Cash Generated from Operating Activities	1,313	1,001	1,230
Net Interest Received/(Paid)	84	68	160
Benefits Paid to Members	(117)	(108)	(109)
Grants and Donations	(0)	(34)	(103)
Capital Expenditure	(84)	(611)	(1,004)
Sale of Fixed Assets	-----	-----	1
Movement in Share Capital	(91)	(60)	(67)
Increase/(Decrease) in Cash in the period	<u>1,105</u>	<u>256</u>	<u>108</u>
Net Cash at the start of the period	<u>3,762</u>	<u>3,654</u>	<u>3,654</u>
Net Cash at the end of period	<u>4,867</u>	<u>3,910</u>	<u>3,762</u>

In line with the agreed Recovery Plan, the Society paid £375k into the Pension Scheme in January 2025.