

TAMWORTH CO-OPERATIVE SOCIETY LTD

ANNUAL REPORT

Year Ended 28th January, 1989



Registered Office:
5, Colehill, Tamworth



Officers of the Society

Chairman of the Board: Mrs G C ALLEN

Secretary and Executive Officer: Mr A G GLOVER, CSD

Assistant Secretary: Mr R A HUGHES

Auditors: PEAT MARWICK McLINTOCK
Peat House, 45 Church Street, Birmingham B3 2DL

Arbitrators: J BAILEY, Esq, JP, Sir R SOUTHERN, CBE, Mr D MACDONALD, FCCA and
Mr D DICKMAN, FIB

Attendance of Directors Year ended 28th January, 1989

NAME	Appointment Expires	Possible	ACTUAL		APOLOGIES			Society's Business
			General	Sub	Ill	Holidays	Work	
*Mr P BROWN	March, 1989	26	17	1	—	2	5	—
*Mrs F COOPER	March, 1989	27	23	3	—	1	—	—
*Mrs A M POULTEN	March, 1989	26	23	1	1	—	1	—
Mr W B ATKINS, JP	March, 1990	31	24	7	—	—	—	—
Mrs H M FOWLER	March, 1990	31	22	7	—	2	—	—
Mrs K M JOHNSON	March, 1990	29	20	4	—	5	—	—
Mrs G C ALLEN	March, 1991	29	23	5	—	1	—	—
Mr F A WOOD	March, 1991	29	21	4	4	—	—	—
Mrs C WALKER	March, 1991	22	17	2	—	2	—	—
Mr F R WOOD	—	7	4	3	—	—	—	—

Those marked * retire, but are eligible for re-election

Member Relations Committee's Attendances

NAME	Appointment Expires	Possible	Actual	APOLOGIES		
				Ill	Holidays	Not Possible
Mr G CLARK	March, 1989	11	1	—	—	2
Mr D HODGKINSON	March, 1989	11	6	—	1	1
Mr G JOHNSON	March, 1989	11	9	—	—	1
Mr J D WOOD	March, 1989	11	2	—	—	5
Mrs F COOPER	March, 1989	11	10	—	1	—
Mrs A M POULTEN	March, 1989	11	11	—	—	—
Mrs H M FOWLER	March, 1990	11	11	—	—	—
Mr F R WOOD	March, 1990	11	—	—	—	1
Mr G COTTERILL	March, 1990	11	9	1	—	1
Mrs K M JOHNSON	March, 1990	11	6	—	2	2

Nominations for Board of Directors

The following have been nominated for the three Vacancies on the Board of Directors:

Candidate	Proposer	Seconder
*Mrs E M COOPER	Mrs J ANKERS	Mrs L M WILSON
Mrs P J McCROW	Mrs H ILLSLEY	Mrs D M COLLETT
*Mrs A M POULTEN	Mrs D M DRAKELEY	Mrs A V GOULDING

* Retiring Director eligible for re-election

Voting will not be necessary

THE ANNUAL GENERAL MEETING

will be held in the

CAFETERIA, CENTRAL PREMISES, CHURCH STREET, TAMWORTH,
ON THURSDAY, 30th MARCH, 1989

Members will be admitted to the Business Meeting of the Society only upon production of their Pass Cards at the door, in conformity with Rules 34 and 45.

Chair to be taken at 7.15 p.m.

AGENDA

- Minutes of the last Annual General Meeting.
- The Report of the Board of Directors.
- Adoption of the Balance Sheet.
- Report of the Member Relations Committee, and adoption of the Accounts.
- Confirmation of Donations.
- Elections:
 - Delegate to the CWS Annual General Meeting.
 - Scrutineers.
 - Nomination and election of Four Members to serve on the Member Relations Committee for two years. Mr G Clark, Mr D Hodgkinson, Mr G Johnson and Mr J D Wood are the retiring members, but eligible for re-election.
 - Auditors.
- Declaration of the election to the Board of Directors.
- Reports of CWS Annual General Meeting and Co-operative Congress 1988.
- Any other business (in conformity with rule).

If any Member has a complaint relative to the working of the Society, it is requested that such complaint be put in writing addressed to the Secretary, as provided by Rule 56. Otherwise it may not be possible to deal with the matter satisfactorily at this Meeting.

Directors Report

Fellow Members,

We have pleasure in submitting our Report, together with the Financial Statement for the year ended 28th January, 1989.

TRADE

The Society's Sales amounted to £16,800,500 this being an increase of £2,752,264 or 19.6% on the corresponding period a year ago. Almost all retail units show record rates of increase some being achieved against a previous year which was in itself a record. Whilst this result gives your Board a certain amount of satisfaction, it is convinced that the Society's competitive approach to retail trading and services both within and outside the Society's traditional trading area, together with the Dividend Policy, gives ample scope for further considerable improvements in sales.

MEMBERSHIP

The Membership of the Society now stands at 37,653. Of this total, 1,424 members have joined the Society during the year, indicating that the Society's traditional approach to Co-operation ensures an expanding membership total.

CAPITAL AND RESERVES

A further increase of £236,549 has been achieved in Capital and Reserves, the total now being £3,695,599. A record £2,600,000 is collectively owned in the form of Reserves.

INVESTMENTS

Although the Society has this year carried out a number of relatively large capital developments, the amount of capital invested outside the Society has reached a further new record of £3,056,014.

DEVELOPMENTS

A major renovation has been completed of almost all of the interior of the Departmental Store and we have received many compliments on the high standard of appearance and service now available. These compliments have been supported by a considerable increase in sales. Within the Food Department the Board has continued to replace fixtures throughout the Society and internal improvements have been made to the Polesworth Branch and the Supermarket Wines and Spirits, whilst the outside of the latter premises have been completely renovated.

All Society Premises are now being subjected to review which may, given planning permission, lead to further development in 1989.

GENERAL

The Tamworth Co-operative Dividend Scheme continues to receive increasing support from members residing in our area and the surrounding district as is shown by our increasing membership and sales. In the last three years sales have risen by 55.7%. The Board has, therefore, confirmed that the scheme should operate for a further year until 27th January, 1990. Our members received £638,649 in various dividends for the year ended 30th January, 1988 and a further £6,000 has been given to various Charities from Dividends donated by our members.

STAFF

The Board of Directors in recording the progress of the Society acknowledges and appreciates the devotion, loyalty and hard work of the employees. Almost all sections of the Society's activities have been effected by developments and renovations and the difficulties which arose during these changes were overcome with co-operation and support of the Staff.

Directors Report continued

Together with the Trustees of the Employees Superannuation Fund your Board has decided to obtain superannuation administrative, advisory and actuarial services from the Co-operative Insurance Society and an Actuarial Valuation of the Fund will take place in the Spring of this year. The Board is pleased to note that this complete service is now provided for the Co-operative Movement by the Co-operative Insurance Society Ltd., and looks forward to a valuation which enables it to further improve the excellent benefits provided by the Employees Superannuation Fund.

OBITUARY

We very much regret to have to report the deaths of the following former employees:-

OBITUARY	
Mr S LONGWORTH, age 80 years.	Bakery Department
Mr A SMITH, age 79 years.	Bakery Department
Mr T LEA, age 70 years.	Funeral Furnishing
Mr T HILL, age 90 years.	Funeral Furnishing
Mr A STARKEY, age 65 years.	Supermarket Manager

We remember these former co-operators with affection and gratitude and convey our deepest sympathy to their relatives and friends.

DIVIDEND

Having met all expenses and depreciation of £327,337 and distributed £229,772 in Dividend Certificates during the year, we recommend the distribution of surplus as follows:-

	£
Share Interest	26,649
Grant to Member Relations Committee	1,883
Final Cash Dividend 2% + Dividend Certificates	603,253
Total	<u>£631,785</u>

On behalf of the Board of Directors,

G C ALLEN, *Chairman of the Board*

A G GLOVER, *Secretary and Executive Officer*

Yearly Sales

	1989	1988	1987	1986	1985
	£	£	53 weeks £	£	£
Total Sales	16,800,500	14,048,236	12,885,480	10,785,035	9,820,476
Weekly Sales	323,086	270,158	243,122	207,405	188,855

I—Trading

1988		1989	
£		£	£
1,080,346	Stock-in-Trade to begin	1,308,631	
9,986,930	Net Purchases	11,870,015	
11,067,276		13,178,646	
1,308,631	Less Stock-in-Trade to end	1,499,615	
9,758,645	Net Trading Stock Disposed of		11,679,031
2,944,879	Distributive Expenses	3,426,728	
570,951	Net Surplus to Surplus Appropriation A/c	686,279	4,113,007
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£13,274,475		£15,792,038	

II—Interest and Investments

£		£	£
26,083	Share Interest	26,649	
	Interest Charges as per Capital and		
17,267	Reserves Account	15,034	
32,716	Bank Interest and Commission	33,429	
76,066			75,112
399,251	Net Surplus to Surplus Appropriation A/c		428,155
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£475,317		£503,267	

III—Surplus

£		£	£
26,083	Share Interest		26,649
182,129	Interim Dividend		229,772
14,725	Pensions, Grants and Donations		22,285
158,858	Corporation Tax		132,508
257,920	Allocation to Reserves		190,000
526,149	Members' Dividend (Proposed)	603,253	
1,831	Member Relations Grant (Proposed)	1,883	605,136
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£1,167,695		£1,206,350	

Account

1988		1989	
£		£	£
14,048,236	Total Turnover	16,800,500	
852,838	Less Value Added Tax	1,088,093	
13,195,398			15,712,407
	Transfers—		
10,599	Expenses and Surplus Appropriation A/c		12,935
68,478	Dividend on Purchases		66,696
<hr/>		<hr/>	
£13,274,475		£15,792,038	

Revenue Account

£		£
307,136	Interest Received per Investments A/c ..	319,909
15,000	Interest on Trade	18,000
153,181	Rents	165,358
<hr/>		<hr/>
£475,317		£503,267

Appropriation Account

£		£	£
	Adjustment of Dividend of Previous		
10,349	Period		63,630
570,951	Surplus from Trading Account	686,279	
399,251	Surplus from Investments Revenue A/c ..	428,155	
26,083	Share Interest as Charged to Interest A/c ..	26,649	
161,061	Surplus on Sale of Investments	1,637	1,142,720
<hr/>		<hr/>	
£1,167,695		£1,206,350	

IV—Balance Sheet

1988		1989
£		£
922,612	SHARE CAPITAL	939,306
	RESERVES AND OTHER FUNDS—	
2,410,000	General Reserve Fund	2,600,000
153,983	Provision for Holiday Pay	170,760
2,563,983		2,770,760
	LOANS—	
5,025	Small Savings Bank	4,437
103,495	Loans	132,344
17,918	Sales Club	19,512
126,438		156,293
	CURRENT LIABILITIES—	
817,420	Creditors for Goods	972,282
35,960	Creditors for Expenses	39,313
32,880	Value Added Tax	31,110
7,530	Television Rental Advance Payments..	8,328
637	Gift Tokens	3,442
2,791	Agencies	4,945
120,000	Corporation Tax	100,000
1,017,218		1,159,420
	BALANCE FOR DISPOSAL—	
526,149	Proposed Dividend	603,253
	Proposed Allocations—	
1,831	Member Relations Committee	1,883
527,980		605,136
£5,158,231		£5,630,915

Auditors

To the Members of Tamworth Co-operative Society Limited,

We have audited the financial statements on pages 6 to 15 in accordance with

Except for the effects of accounting for fixed assets and depreciation as described in opinion the financial statements, give a true and fair view of the state of affairs of and application of funds for the Year then ended and have been properly prepared

21st February 1989.

as at 28th January, 1989

1988		1989
£		£
	FIXED ASSETS	
390,000	Land	390,000
185,000	Buildings	185,000
—	Fixtures and Fittings	275,000
575,000		850,000
	INVESTMENTS	
103,910	Shares	103,910
2,569,575	*Loans	1,835,223
374,252	Short Term Investments	1,116,881
3,047,737		3,056,014
	CURRENT ASSETS	
	STOCK—	
1,117,279	Trading Stock	1,267,201
191,352	Television Rentals Stock	232,414
1,308,631		1,499,615
	SUNDRY DEBTORS—	
98,876	Accounts owing to the Society	96,822
	OTHER ASSETS—	
67,940	Expenses Paid in Advance	74,420
60,047	Cash in Hand and at Bank	54,044
127,987		128,464
£5,158,231		£5,630,915

*Includes Government Securities at £1,385,172—Market Value £1,306,831.

Signed on behalf of the Board of Directors,
 G C ALLEN, *Chairman of the Board*
 H M FOWLER, *Director*
 A G GLOVER, *Secretary and Executive Officer*
 21st February, 1989.

Report

approved Auditing Standards.

Note 4, contrary to Statement of Standard Accounting Practice No. 12, in our the Society at January 28th, 1989, and of the income and expenditure and source in accordance with the Industrial & Provident Societies Acts 1965 to 1978.

PEAT MARWICK McLINTOCK
Chartered Accountants

A—Expenses Account

1988		1989	
£		£	£
1,729,429	Salaries and Wages	1,988,297	
141,864	National Insurance	159,980	
45,681	Superannuation Contributions	52,639	
<u>1,916,974</u>			2,200,916
7,103	Protective Clothing	13,885	
726	Staff Training	834	
<u>7,829</u>			14,719
131,185	Rates	144,433	
19,409	Insurance	25,600	
156,214	General Repairs and Renewals	98,349	
34,421	Cleaning	40,631	
88,109	Gas and Electricity	90,698	
13,895	Water	16,863	
9,175	Fuel	7,345	
<u>452,408</u>			423,919
126,312	Transport	133,934	
5,750	Audit	6,250	
2,172	Committee Fees	2,679	
2,915	Travelling and Delegations	2,198	
65,035	Printing, Stationery, Advertising and Display	95,512	
14,523	Telephone	14,205	
5,919	Postage	4,937	
121	Licences	180	
5,223	Trade Subscriptions	5,680	
22,499	Legal and Professional	17,883	
4,979	Credit Services	16,367	
179,408	Warehousing Service	250,171	
<u>434,856</u>			549,996
15,000	Interest	18,000	
207,919	Depreciation	327,337	
<u>222,919</u>			345,337
90,107	Less Expense Credits— Commission	108,159	
<u>£2,944,879</u>	Net Expenses to Trading Account	<u>£3,426,728</u>	

Accounting Policies

1. **THE ACCOUNTS HAVE BEEN PREPARED UNDER THE HISTORICAL COST CONVENTION.**

2. **NET SALES**

Includes Cash Sales, Goods sold on credit and Rentals paid.

3. **TRADING STOCKS**

Stocks are valued at Cost or Retail less an appropriate discount to reduce to cost, or at market value, whichever is the less. Television rental sets are included as Trading Stocks and written off over three years.

4. **DEPRECIATION**

It is the policy of the Society, where income permits, to write-off current capital expenditure in the year that costs are incurred.

5. **TAXATION**

Current Taxation in the Accounts to 28th January, 1989 has been provided on current profits at a rate of 35%.

Revenue Account—provision

	1988	1989
	£	£
Current Taxation	158,365	141,187
Adjustment of previous provision	493	(8,679)
	<u>£158,858</u>	<u>132,508</u>

Deferred Taxation: Due to the Society's policy of applying depreciation to plant eligible for the allowances, there are no timing differences as at the Balance Sheet Date.

6. **INVESTMENT INCOME**

Interest on investments is that which has been received or credited to the account.

7. **DEBTORS**

Accounts are included at gross value less suitable provisions for Bad and Doubtful Debts.

8. **SUPERANNUATION FUND**

Other than cash accommodation facilities the Employees Superannuation Fund is not invested in the Society.

9. **CAPITAL EXPENDITURE**

- (a) Future Capital Expenditure authorised and contracted for—£140,000.
 (b) Future Capital Expenditure authorised but not yet contracted for—£30,000.

B—Capital and

	Balances to Begin	Allocations of Previous Period	Contributions
	£	£	£
Share Capital.....	922,612	—	358,645
General Reserve Fund.....	2,410,000	—	—
Small Savings.....	5,025	—	3,453
Loans.....	103,495	—	273,735
Sales Club.....	17,918	—	154,917
	3,459,050	—	790,750

C—Land, Buildings

	Expended		Sales	Less Fully Written-Off
	Brought Forward	This Period		
	£	£	£	£
Used in Trade—				
Freehold:- Land.....	399,907	—	—	—
Buildings.....	269,491	83,463	—	83,463
Fixtures and Fittings.....	—	475,866	—	192,316
Transport.....	—	43,008	—	43,008
	669,398	602,337	—	318,787

D—Investments

	Balance at last Report	Interest and Bonus
	£	£
Shares.....	103,910	7,468
Loans.....	2,943,827	312,441
TOTAL.....	3,047,737	319,909

Reserves Account

Interest per Interest and Investments Revenue Account	Allocations per Surplus Appropriation Account	Totals	Withdrawals	Appropriations per Surplus Appropriation Account	Balances per Balance Sheet
£	£	£	£	£	£
26,649	—	1,307,906	368,600	—	939,306
—	190,000	2,600,000	—	—	2,600,000
115	—	8,593	4,156	—	4,437
10,397	—	387,627	255,283	—	132,344
4,522	—	177,357	157,845	—	19,512
41,683	190,000	4,481,483	785,884	—	3,695,599

and Fixtures Account

Value	Depreciation				Value as per Balance Sheet
	Brought Forward	Less Fully Written-Off	This Period	Totals	
£	£	£	£	£	£
399,907	9,907	—	—	9,907	390,000
269,491	84,491	83,463	83,463	84,491	185,000
283,550	—	192,316	200,866	8,550	275,000
—	—	43,008	43,008	—	—
952,948	94,398	318,787	327,337	102,948	850,000

Account

Added	Dividend and Transfers	Total	Withdrawn	Transferred to Loan Account	Balance at this Report
£	£	£	£	£	£
—	12,109	123,487	422	19,155	103,910
13,046,832	19,155	16,322,255	13,370,151	—	2,952,104
13,046,832	31,264	16,445,742	13,370,573	19,155	3,056,014

Member Relations Committee

Statement of Accounts for Year as at 28th January, 1989

INCOME		EXPENDITURE	
	£		£
Balance in Society Hands to begin .	1,223	Salary	150
Grant from Society	1,831	Grants	130
		Co-operative Ballet	353
		Woodcraft Folk	271
		National Women's Guild	50
		Affiliations and Subscriptions	145
		Social Events	230
		Sundry	330
		Balance in Society Hands	1,395
	<u>£3,054</u>		<u>£3,054</u>

Report on Activities from January 1st to December 31st, 1988

Dear Members,

During 1988, which was a busy year, the Members of the Member Relations Committee attended various conferences at the Co-operative College, including the Education Convention at which the main subject was the Education Reform Bill. Mrs A Poulten (Chairman) and Mr G Johnson were the delegates to the newly formed West Midlands Voluntary Group, the aim of which is to promote closer links with Education and Member Relation Activities across the region particularly being involved in sports days and competitions.

The Wilnecote High School received the Co-operative Manual for Co-operative Studies and a compact disc pack for use on their BBC computer. The Tame Anker Bowling Club held a match for the Co-operative Centenary Cup which was won by the Castle Men's Club. The Under 13's Football Team were very competitive during the year. A Members' Social Evening was held at the Co-operative Club and an outing to the Co-operative College to view the College and hear an organ recital was well received.

A Children's Charity Concert was held at the Assembly Rooms, Tamworth at which the programme was presented by the Co-operative Ballet Children, the Woodcraft Folk and Triman Amington Band with various other groups participating. We would like to express our thanks to all who made it such an entertaining evening which resulted in £150 being donated to Tamworth Anker Rotary for their Polio Plus Charity.

Congratulations are extended to Mrs A Poulten who was elected to the Midlands Sectional Education Council.

THE BALLET

A high standard is being maintained by Mrs McDermott, classes being held at Exley, Belgrave, on Saturdays, 10.00am to 1.00pm.

THE WOODCRAFT FOLK

Many events were arranged during a busy year including camping, fund-raising and other activities. Due to accommodation difficulties anyone interested should contact the Chairman, Mr A Johnson, at 30 Sorrel Drive, Kingsbury.

THE MEMBER RELATIONS COMMITTEE

The Member Relations Committee thank everyone for their help during 1988 and would like to congratulate the Society on the service to Members and the new presentation of the Departmental Store.

Mrs A M POULTEN, *Chairman*
Mrs H M FOWLER, *Secretary*

Tamworth Co-operative Society Ltd

Source and Application of Funds as at 28th January, 1989

1988		1989	
£		£	£
		OPERATIONAL SOURCES	
996,285	Profit before taxation per accounts ...		1,142,720
14,725	Less pensions, grants, donations		(22,285)
<u>981,560</u>			<u>1,120,435</u>
	Adjustment for items not involving the flow of funds		
207,919	Depreciation	327,337	
5,732	Reserve for holiday pay	16,777	
161,061	Surplus on Sale of Investments	—	344,114
<u>374,712</u>			
1,356,272	TOTAL GENERATED FROM OPERATIONS		1,464,549
	OTHER SOURCES		
14,913,061	Proceeds from sale of investments	934,398	
2,080	Receipts to Reserves	—	
<u>14,915,141</u>			934,398
16,271,413			<u>2,398,947</u>
	APPLICATIONS		
(48,062)	Share Capital	16,694	
(26,083)	Share Interest	(26,649)	
(572,706)	Dividends Paid	(692,291)	
(78,539)	Loan Capital	29,855	
(1,792)	Member Relations Grant	(1,831)	
(207,919)	Purchase of Fixed Assets	(602,337)	
(15,319,934)	Purchase of Investments	(200,046)	
(158,858)	Corporation Tax Paid	(152,508)	
<u>(16,413,893)</u>			<u>(1,629,113)</u>
	MOVEMENT IN WORKING CAPITAL		
(228,285)	(Increase)/Decrease in Stock	(190,984)	
(34,581)	(Increase)/Decrease in Debtors	(4,426)	
171,809	Increase/(Decrease) in Creditors	162,202	
<u>(91,057)</u>			<u>(33,208)</u>
(233,537)			<u>736,626</u>
	MOVEMENT IN NET LIQUID FUNDS		
(15,547)	Increase/(Decrease) in Bank and Cash in Hand		(6,003)
(217,990)	Increase/(Decrease) in Short Term Investments		742,629
<u>(233,537)</u>			<u>736,626</u>

Notices of Interest to Every Member

CHRISTMAS SAVING STAMP CLUB

Stamps may be purchased at any time in Departments or the Office. The amount saved can be spent in any Department of the Society. **Interest is added at the rate of 5 per cent in addition to full dividend.** Further particulars given on application. Interest is not added to Christmas Food Pack Club Contributions.

SHARES

Maximum holding may now be increased to £10,000.

SMALL SAVINGS BANK

Deposits are received at any time during office hours. Sums from 1p to £10 may be deposited, but not more than £250 can be on deposit at one time.

LOANS

Deposits received at any time during office hours.

MEMBERS CHANGING THEIR ADDRESS

Members changing their address should inform the Registered Office immediately.

WITHDRAWALS

Withdrawals of Share Capital and Dividend can only be paid to the actual owner of the Shares, unless the person sent is provided with written authority and a Notice of Withdrawal Form signed by the owner of the Shares. The Share Pass Card must be produced whenever a contribution to or a withdrawal from Shares is made. Children should not be sent to the Office either to receive or to pay money.

DIVIDEND SYSTEM

Members are reminded that they should save all their cash register/till receipts in order to claim dividend. Dividend is paid on most but not all purchases from the Society. Dividend claim envelopes are available from the office or shops for this purpose.

Notices are placed in the local press indicating when claims should be submitted. Please ask for details.