



Strength in sharing





Contents

Year in Summary	1
Directors, Officers and Advisers	2
Notice of Meeting	2
Five Year Comparative Statement	3
Report of the Board of Directors	4
Results at a Glance	12
Statement of Accounting Policies	13
Group Revenue Account	14
Group Balance Sheet	15
Cashflow Statement	16
Notes to the Accounts	17
Board Certification	26
Auditors' Report	26
Statement of Directors' Responsibilities	
Directors' Attendances	27
Society Directorship	28

Year in Summary

1994 marked an important period of change for Tamworth Co-operative Society, and heralded a new and significant emphasis on new business developments.

This strategic approach to safeguarding and improving the future of the Society, was devised in response to a number of crucial considerations which have come to the fore over recent years.

These include the arrival of several national multiples on new edge-of-town sites, introducing local people to different patterns of shopping, and posing a level of competition not previously encountered by the Society.

This trend, combined with the prevalence of food discounting in particular, has led the Society to reassess its position, and resulted in a decision to maximise the potential of non-food operations, along with their associated higher margins.

The consequence of this decision has been substantially increased capital expenditure linked both to refurbishments at existing premises, and the launch of new outlets, including an out of town electrical superstore.

Refurbishments at local convenience stores figured strongly in 1994, and will continue to feature in 1995 as the Society extends its commitment to local communities, answering a requirement from today's customers for increased service in local shops.

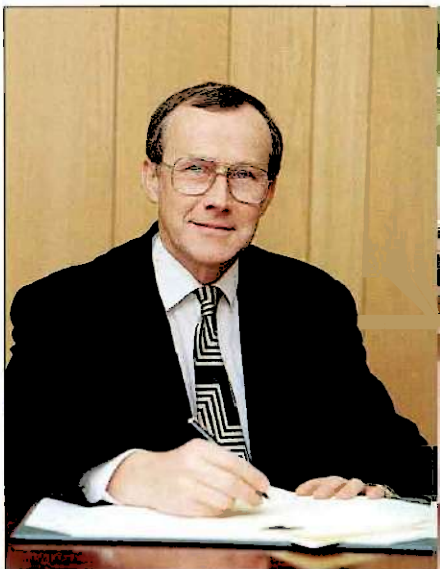
Conversely, the excellent service provided by the Society's milk delivery division is sadly the subject of declining demand, and the future of this service will be a key issue in determining the Society's next stage of development.

In summary, the Society is pleased to report that measures taken this year have resulted in record sales figures, and that these have been coupled with tremendous increases in the value of net assets.

The financial strength of the Society in terms of shareholders' funds is at a remarkably high level, and while the capital costs associated with amending patterns of group trading have inevitably reduced overall profits, this is viewed as a temporary position, set against an underlying trend of expansion and success.

A handwritten signature in blue ink, appearing to read 'R.A. Hughes'.

Mr. R.A. Hughes,
Chief Executive Officer.



Mr. R.A. Hughes, Chief Executive Officer.

Directors, Officers and Advisers

Board of Directors

Mrs. K. M. Johnson (Chairman)
Mrs. C. Walker (Vice Chairman)
Mrs. J. Ankers
Mr. W. B. Atkins J.P.
Mr. P. Buckley
Mrs. H. M. Fowler
Mr. G. Johnson
Mrs. A. M. Poulten
Mr. F. A. Wood

Chief Executive Officer

Mr. R. A. Hughes

Deputy Chief Executive Officer

Mr. B. Shakespeare B.A.(Hons.)

Auditors

KPMG
2, Cornwall Street, Birmingham B3 2DL.

Bankers

Co-operative Bank plc
42 Greengate Street, Stafford ST16 2BU.

Solicitors

Mark Matthews & Co
16/21 Church Street, Tamworth B79 7DH.

Registered Office

5 Colehill, Tamworth B79 7HJ.

Registered Number

2582R

Notice of Meeting

Notice of Ordinary Annual General Meeting

Notice is hereby given that the Ordinary Annual General meeting of the Society will be held in the Heritage View Cafeteria, Tamworth's Department Store, Church Street, Tamworth, on Thursday, 13th April, 1995 at 7.15pm.

Agenda

- To confirm the Minutes of the Ordinary Annual General Meeting held on 7th April, 1994.
- To receive the Report of the Board of Directors.
- To consider and adopt the accounts of the Group for the 52 weeks ended 28th January, 1995, and the Balance Sheet together with the Auditors' Report thereon.
- To receive the Report and Accounts of the Member Relations Committee.
- To confirm donations authorised by the Board of Directors.
- To elect:
 - A delegate to the meetings of the shareholders of the CWS Ltd.

- Four members to serve on the Member Relations Committee.
- Scrutineers.

- To declare the results of the election to the Board of Directors.
- To appoint auditors.
- To receive a report upon the Annual General Meeting of the CWS Ltd.
- To receive a report upon the Co-operative Congress, 1994.
- To approve or otherwise that the following increases should apply forthwith to Board of Directors fees etc:

Chairman from £374 p.a. to £500 p.a.
Vice Chairman from £369 p.a. to £450 p.a.
Directors from £364 p.a. to £400 p.a.

Stock-checking fees from £300 per half-year to £500 per half-year (this being the total sum divided by the stock-checkers).

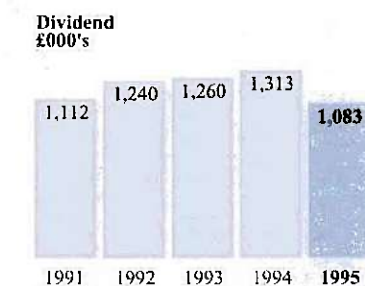
All future payments to increase by the level of R.P.I. as at the end of January each year.

Five Year Comparative Statement

	1991	1992	1993	1994	1995
					£000's
Membership (000's)	40	42	44	46	48
	£000's	£000's	£000's	£000's	
Turnover	22,322	25,288	26,899	27,358	27,866
Trading surplus	1,025	1,462	1,260	1,375	777
Retained surplus	150	540	244	564	111
Capital expenditure	951	922	753	959	1,796
Depreciation	551	356	379	404	403
Members dividend	1,112	1,240	1,260	1,313	1,083
Fixed assets	5,126	5,125	5,950	6,844	8,174
Intangible assets	-	-	-	187	147
Net current assets	289	1,179	815	174	(893)
Long term liabilities	(44)	(335)	(487)	(289)	(249)
Loans	(78)	(136)	(178)	(238)	(338)
Net total assets	5,293	5,833	6,100	6,678	6,841
Share capital	940	955	978	992	1,044
Reserves	4,353	4,878	5,122	5,686	5,797

The Society has changed the method it used for providing depreciation on fixed assets. This change was effective from 27th January, 1991, thus for 1991 depreciation is stated under the previous method.

It should be noted that the figures for 1994 are for a 53 week period whereas all other figures relate to a 52 week period.





Report of the Board of Directors

Financial Review

Tamworth saw a new and different retailing pattern become established during 1994. The edge of town development at Ventura Retail Park impacted on the local shopping scene by removing a certain amount of trade from the town centre, while at the same time, an increase in the number of occupied units within Tamworth inevitably meant that more shops were fighting for less trade.

Fortunately the Society took a decision to begin its own out of town retailing operations in 1993, and as a result, turnover in 1994 was maintained and even slightly increased. The balance of the Society's trade between commodities has undergone considerable change however, with increases in non food and decreases in food sales being recorded.

At the end of the year to January 28th 1995, Tamworth Co-operative Society recorded a turnover of £27,865,581, representing an increase of 1.85% over 1993. It should be noted however, that the previous year encompassed 53 weeks. Adjusted to equate to the 52 week year in 1994, the difference represents an increase of 3.81%.

This increase is slightly ahead of the rate of inflation, and therefore represents an increase in real terms. The Board of Directors considers this to be

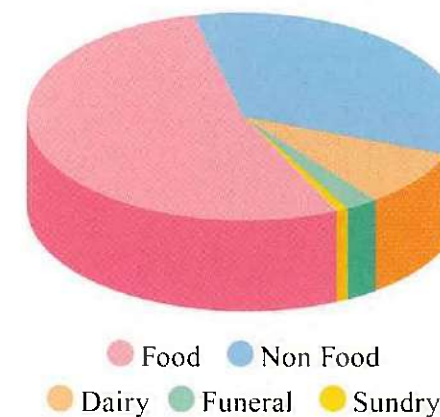
satisfactory given the current economic circumstances which show only very small signs of improvement.

The Society has continued to show great faith in its future, increasing capital expenditure by almost 90% against the previous year's record allocation. Total capital expenditure amounted to £1,796 million, and this degree of expense on new ventures resulted in a reduced trading profit of £777,000. This was partially offset by increased rental income, and the Society's investments also produced a substantial surplus despite falling interest rates. The total surplus before distribution amounts to £1,288,000, a decrease of 32.4% on the previous year.

It should be stressed however, that fixed assets have reached a record level of £8,174,000. This represents an increase of over 19.4% on the previous 12 months and is now almost 60% higher than the figure of only three years ago.

Society Trade Balance

Year ended 28th January, 1995



Accumulated reserves now stand at £5,797,000, an increase of £111,000 being made during 1994.

Dividend

The Society continues to make the distribution of dividend an integral part of its policy, supporting local charities with an annual charity dividend distribution. The Board of Directors decided to maintain a donation of £10,000 for 1994, and awards were made to the following organisations:

Tamworth Monday Club for the Blind
 Tamworth Talking Newspaper
 Mencap
 NSPCC
 Thaddeus Trust
 Tamworth Stroke Club
 Friends of Newhall Hostel
 DAYbreak
 Tamworth Samaritans
 Meningitis Research
 Tamworth Ladies' Choir
 ChildLine Midlands
 Diabetes Foundation
 Police SPACE Scheme
 Wigginton Mother & Toddler Group
 Tamworth Crime Prevention Panel



The Society's Department Store traded competitively. Pictured above: Lighting Section Head Pam Collins, Top; Babywear Section Head Jean Quaddelli.



A wide choice offered by the Tamworth Supermarket.



The Board recommends the distribution of surplus as follows:

Interim dividend certificates **£335,000**

Final cash dividend 1.5% plus dividend certificates **£748,000**

Total £1,083,000

Membership

A strong membership underpins the success of the Society's dividend scheme, so the Board is pleased to record a further increase in numbers over the year. The total of members now stands at 47,567, a net increase of 2,065 over the previous 12 months.

There has also emerged a continuing trend in membership applications from towns up to 30 miles away, and this is entirely attributed to the attractiveness and excellent value available from the Society's new developments.

Auditors

On 6th February 1995, the Society's auditors changed the name under which they practise to KPMG, and have signed their report accordingly in their new name. In accordance with the Industrial and Provident Societies Act 1968, a resolution for the re-appointment of KPMG as auditors of the Society is to be proposed at the forthcoming Annual General Meeting.

Food

Competition within the grocery trade has never been more intense as discounters continue to affect the market throughout the country. The Society endeavoured to maintain market share in 1994 through a continued policy of competitive pricing, though this resulted in a small trading margin reduction.

Despite these measures, the Society still experienced a fall in food trade at certain premises, and the town centre supermarket faced particularly stiff competition from out of town

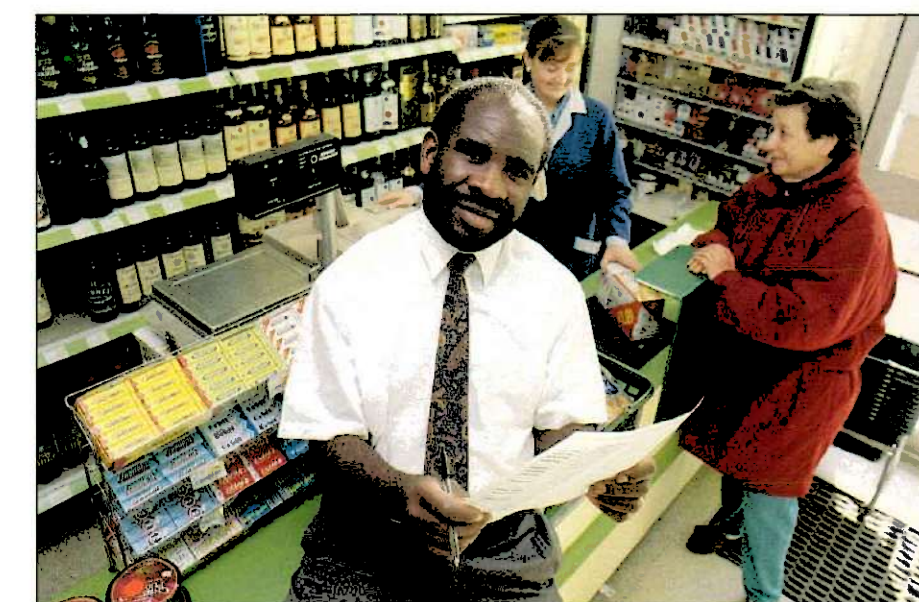
superstores with large car parks. Its own lack of car parking did not however, prevent it from producing a healthy turnover during the year, and it remains a very viable and valuable part of the Society's grocery trade.

The Board of Directors demonstrated its faith in local convenience stores by purchasing a village store in Whittington from the West Midlands Co-operative Society during 1994. This shop would otherwise have been lost to the Movement, and it is particularly gratifying therefore, to report that it has settled into the Society's chain of similar shops, with high hopes that it will prove a useful addition in years to come.

Extensions to the Rosliston branch contributed to a welcome increase in local trade during 1994. A considerable increase was also recorded at both the Polesworth outlet and the recently extended Bolehall branch. Forthcoming developments at the Kingsbury Branch are expected to produce similar results.

The Society continued to express its co-operative ideals and principles by providing both a regular grocery delivery service within the Tamworth area, and a very valuable order book system to the housebound.

Customer service remains a high priority. Pictured right: Pantry work placement trainee Matthew Chapman. Below: Glascoate Convenience Store Manager Maurice Hyde.



Town centre food stores faced stiff competition. Pictured above: The Society's Pantry outlet. Top: Supermarket Manager Jim Wood.



Non-Food

The Society's non-food outlets played an important role in maintaining overall group sales figures during the year, and new developments figured strongly in strategic plans.

The Society's new Homeelectric store opened in Swadlincote in February 1994, and was well received by the local community. The £1 million investment resulted in a 10,000 square foot electrical store complete with a Handybank and Travel Bureau, which was rented by Co-op Travelcare. Sales at this unit increased steadily throughout the year, culminating in a successful Christmas and well-supported January sale. This pattern of success looks set to continue, with customers travelling from as far as Ashby-de-la-Zouch and Derby to visit the store.

The Homemaker outlet at Ventura Retail Park completed its first full year's trading, and sales figures were quite impressive, with strong customer response bringing a tremendous amount of extra business to the Tamworth area as a whole, from surrounding towns and cities.

Increased trade from nearby areas also contributed to a very successful year for the Swadlincote toy and gift shop following its extension in 1993.

It should be said however, that the added cost burden of these new outlets inevitably impinged on total non-food profits during the year. Nevertheless, the Board of Directors remains confident that the long term future of all the new



premises will be beneficial to the group at large. Final figures show an overall non-food sales increase of more than 16% over 1994, despite the impact of considerably increased competition on the town centre department store.

Dairy

Doorstep milk deliveries continued to decline during 1994, due to lack of public support. The customer preference for buying cheaper milk from supermarkets looks likely to further undermine conventional milk sales in the future, threatening the very existence of this service and signalling the demise of a valuable part of the social environment.

The Society continues to promote sales of milk and other merchandise, but is forced to monitor the situation continually, to ensure the decline does not impact on other parts of the business.



Handybanks provide an important service. Pictured above: Financial Services Manager Sandra Park.



Funeral Services

The Society's Atherstone office has again developed business within the North Warwickshire area, and this has contributed to another successful year for the department as a whole. Further business is expected to result from its high standing in the community, and the Society has no doubt that it will remain a major player within this sector.

Financial Services

The franchise Post Offices operating in both Tamworth and Swadlincote received a supportive public response in 1994, and this has resulted in an excellent first year's trading, with income exceeding initial forecasts.

The Tamworth Handybank also provided a healthy income during the year, although the smaller Handybanks in outlying areas were generally unable to contribute to the profit of this department. They do, however, provide an important service to members in these areas, and the Society expects to be able to maintain these benefits for the foreseeable future.

The development of the Kingsbury convenience store is now underway, and the resulting increased space will make way for an enlarged Financial Centre.



Society outlets are highly regarded. Pictured above: Funeral Services premises. Top: Menswear Section Head Georgina Brown.



The Society continues to offer Building Society facilities at Tamworth, Dordon, Kingsbury and Polesworth, and the relationship with the Derbyshire Building Society remains strong.

Future Development

During 1994, the Society purchased premises and land in Lower Gungate. Previously owned by Post Office Counters Ltd, this land lies adjacent to other premises owned by the Society, and consideration is now being given to its potential for future development.



The ongoing development of local stores emphasises the importance which the Society places on local community services, and these will certainly play a key role in future planning.

Staff

Staffing levels increased slightly during 1994, with the Society playing an ongoing role as a major local employer. The Board recognises that Society staff are highly regarded within the community, and thanks them for their loyalty and hard work during a period of significant development.

Equal Opportunities

The Society believes firmly in a policy of equal opportunity and welcomes the career advancement of both men and women. The Board itself is currently composed of four male and five female Directors. Senior management comprises six men and two women. Middle management totals eight men and nine women.

All staff enquiries concerning further



training and development are considered fully, and a number of employees are currently obtaining qualifications through Society-financed college courses. This ensures that future management vacancies are filled internally wherever possible.

The Society has also assisted schools and colleges with work placements which provide valuable experience for students prior to commencing their chosen careers. In addition, the Society has provided sandwich course placements to various university students during recent years, and there are hopes that such placements will be repeated in the future.

Retirements

The Society remembers the following employees who retired during the year and extends its grateful thanks for their



dedicated service, wishing them all a long and happy retirement.

Mr. D. Bell - Grocery
Mrs. D. Brussey - Milk Bar
Mrs. P. Griffin - Funeral Services
Mrs. D. Riley - Polesworth Store
Mr. A. Stewart - Dairy
Mrs. P. Weighall - Grocery

Obituaries

The Board very much regrets the death of former employees as follows:

Mr. C. Ball
Miss E. Beardsmore
Mr. D. Howells

The Board also regretfully records the death of Mr Arthur Heathcote MBE, JP a former Director and Chairman of the Society.

These former co-operators are remembered with much affection and gratitude.

For and on behalf of the Directors,

K. M. Johnson
K. M. Johnson

Mrs. K.M. Johnson,
Chairman of the Board.

R.A. Hughes

Mr. R.A. Hughes,
Chief Executive Officer.

7th March, 1995.



Results at a Glance

	1995		1994	
	£000's	£000's	£000's	£000's
We received from:				
Selling goods and services		27,866		27,358
Interest on investments		257		314
Renting property		291		239
Total received		28,414		27,911
We paid for:				
Goods and services	18,613		18,024	
Cost of staff	4,103		3,791	
Rates, heating, lighting and other operating costs	1,583		1,537	
Depreciation - money retained to cover cost of wear and tear of equipment	403		404	
Interest due to investors and Bank	69		46	
Grants	40		44	
Value Added Tax	2,387		2,232	
Taxation	22		(44)	
Dividend to Society members	1,083		1,313	
		28,303		27,347
Retained surplus for year		111		564

Statement of Accounting Policies

1 Basis of Accounts

The accounts have been prepared under the Historical Cost Convention.

2 Accounting Date

The accounts are in respect of the 52 week period ended 28th January, 1995 with comparative figures of the 53 week period ended 29th January, 1994.

The Group Accounts consolidate the accounts of the Tamworth Co-operative Society Limited and the wholly owned subsidiary, T.C.S. Estates Services Limited.

3 Net Sales

Net sales include cash and credit sales and T.V. rental payments.

4 Stocks

Stocks are valued at the lower of cost and net realisable value. Television rental sets are included in trading stocks and are written off over three years.

5 Depreciation

Depreciation is not provided on freehold land. The value of tangible fixed assets less their estimated residual value, are depreciated over their expected working lives by equal instalments based on cost over the following periods:

Freehold buildings - 40 years.

Leasehold buildings - over the unexpired period of the lease.

Fixtures, fittings and machinery - 10 years.

Transport - 4 years.

6 Taxation

The charge for taxation is based on the surplus for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

7 Debtors

Accounts are included at gross value less a suitable provision for bad and doubtful debts.

8 Pension Fund

The Society operates a defined benefit pension scheme covering full time employees which is funded by payment of contributions to a separately administered fund.

9 Goodwill and Intangible Assets

Purchased goodwill is written off in the year of acquisition. Amounts paid in respect of franchise fees are included in intangible assets and amortised over five years.

10 Funeral Prepayment Plan

The Society operates a funeral prepayment plan, the liability of which is included in loans in the Group Balance Sheet.

Based on the Group's experience of funerals handled under its prepayment plan, the liability has been divided between the current liability for those plans which may be completed within one year, and the remainder, where the liability is classified as an amount falling due after one year.

Group Revenue Account

Year ended 28th January, 1995

	NOTES	1995		1994	
		£000's	£000's	£000's	£000's
Turnover			27,866		27,358
Value Added Tax			2,387		2,232
Net sales			25,479		25,126
Cost of sales			18,613		18,068
Gross profit			6,866		7,058
Expenses	1		6,089		5,683
Trading surplus			777		1,375
Interest received	5		257		314
Interest paid	4		1,034		1,689
			37		22
Income from property			997		1,667
			291		239
Surplus for the year before distribution			1,288		1,906
Share interest			32		29
Dividend	18		1,083		1,313
Grants	2		40		44
			1,155		1,386
Taxation	13		133		520
			22		(44)
Retained surplus for year	16		111		564

Group Balance Sheet

As at 28th January, 1995

	NOTES	1995		1994	
		£000's	£000's	£000's	£000's
Fixed Assets					
Tangible assets	6a		5,520		4,130
Investments	6b		2,654		2,714
			8,174		6,844
Intangible Assets	7		147		187
			8,321		7,031
Current Assets					
Stocks			2,617		2,100
Investments	9		35		288
Debtors and prepayments	10		561		740
Cash in hand and at Bank			94		132
			3,307		3,260
Current Liabilities					
Amounts falling due within one year					
Creditors - Trade	11		2,937		1,896
Dividend			793		891
Other			3		3
Bank overdraft			323		129
			4,056		2,919
Loans	12		144		167
			4,200		3,086
Net current assets/(liabilities)			(893)		174
Total assets less current liabilities			7,428		7,205
Provision for deferred taxation	21		249		289
Funeral prepayment plans			338		238
Net assets			6,841		6,678
Financed by:					
Share capital	15		1,044		992
Revenue reserves	16		5,797		5,686
			6,841		6,678

Cashflow Statement

Year ended 28th January, 1995

	NOTES	1995		1994	
		£000's	£000's	£000's	£000's
Net Cash Inflow from Operating Activities	22(a)		2,182		1,949
Returns on Investments and Servicing of Finance					
Interest received		278		245	
Interest paid		(37)	241	(17)	228
Benefits Paid to Members					
Dividend			(1,181)		(1,268)
Taxation					
Corporation Tax			(16)		(31)
Investing Activities					
Purchase of fixed assets					
(net of disposals)		(1,793)		(959)	
Purchase of intangible assets			-	(200)	
Sales/(purchase) of investments			60	(339)	
(Increase)/decrease in short term investments			253	537	
Net Cash Outflow From Investing Activities			(1,480)		(961)
Net Cash Outflow Before Financing			(254)		(83)
Financing					
Increase/(reduction) in loans			2		(8)
Increase/(decrease) in share capital	22(d)		20		(15)
Decrease in Cash and Cash Equivalents	22(b)		(232)		(106)

Notes to the Accounts

Year ended 28th January, 1995

1 Expenses	1995	1994
	£000's	£000's
Personnel costs	4,103	3,791
Occupancy costs	1,015	893
Depreciation	403	404
Audit fees	16	12
Directors fees	3	3
Other expenses	549	580
	6,089	5,683

2 Grants and Donations	1995	1994
	£000's	£000's
Member Relations Committee	2	2
Employee related	38	42
	40	44

3 Statement of Total Recognised Gains and Losses
The Group has no recognised gains or losses, other than the surplus for the period.

4 Interest Paid	1995	1994
	£000's	£000's
Ordinary loans	3	6
Sales Club	7	10
Bank interest	20	1
Prepayment plans	7	5
	37	22

Notes to the Accounts (continued)

5 Interest Received	1995 £000's	1994 £000's
CWS Limited: Shares	4	4
Loans	3	7
Other I & P Societies: Shares	3	2
Securities	231	269
	241	282
Short term deposits	16	32
	257	314

6a Tangible Assets

	Trade Assets				
	Freehold Land and Buildings	Leasehold Buildings	Fixtures, Fittings, Plant	Transport	Total
	£000's	£000's	£000's	£000's	£000's
Cost brought forward	2,767	447	2,652	330	6,196
Additions	1,339	17	411	29	1,796
Disposals	(3)	-	-	-	(3)
Carried forward	4,103	464	3,063	359	7,989
Depreciation brought forward	749	4	1,119	194	2,066
Provided this period	67	17	235	84	403
Disposals	-	-	-	-	-
Depreciation carried forward	816	21	1,354	278	2,469
Net book value 1995	3,287	443	1,709	81	5,520
Net book value 1994	2,018	443	1,533	136	4,130

Notes to the Accounts (continued)

6b Fixed Asset Investments	1995 £000's	1994 £000's
CWS Limited: Shares	100	100
Other I & P Societies: Shares	4	4
Securities quoted	2,550	2,610
	2,654	2,714
Securities quoted - market value	2,580	3,252

7 Intangible Assets	1995 £000's
Franchise fees:	
Cost brought forward	200
Additions	-
Carried forward	200
Amortisation brought forward	13
Amortisation provided this period	40
Amortisation carried forward	53
Net book value 1995	147
Net book value 1994	187

8 Stocks	1995 £000's
Stocks include television rental sets as follows:	
Cost brought forward	435
Additions	227
Disposals	(72)
Carried forward	590
Depreciation brought forward	208
Charge for the year	172
Disposals	(72)
Depreciation carried forward	308
Net book value 1995	282
Net book value 1994	227

Notes to the Accounts (continued)

9 Current Asset Investments	1995 £000's	1994 £000's
Other I & P Societies: Loans	18	18
Securities quoted	10	270
Deposit Protection Scheme	7	-
	35	288
<hr/>		
10 Debtors	1995 £000's	1994 £000's
Customer accounts	235	322
Prepayments	326	235
Corporation Tax	-	183
	561	740
<hr/>		
11 Creditors Falling Due Within 1 Year	1995 £000's	1994 £000's
Trade creditors	2,418	1,324
Accrued charges	141	111
Value Added Tax	71	28
Corporation Tax	7	144
Holiday pay reserve	300	289
	2,937	1,896
<hr/>		
12 Loans Falling Due Within 1 Year	1995 £000's	1994 £000's
Savings Bank	4	4
Ordinary loans	72	70
Funeral prepayment plan	25	50
Sales Club	43	43
	144	167

The above amounts, none of which are secured, are repayable on demand.

Notes to the Accounts (continued)

13 Taxation	1995 £000's	1994 £000's
Corporation Tax	60	221
Deferred tax	(47)	(44)
Prior year adjustment:		
Corporation Tax	2	7
Deferred tax	7	(228)
	<hr/>	<hr/>
	22	(44)
	<hr/>	<hr/>

	1995 Provided £000's	Not Provided For £000's	1994 Provided £000's	Not Provided For £000's
Accelerated capital allowances	209	100	174	100
Other timing differences	40	279	115	336
	<hr/>	<hr/>	<hr/>	<hr/>
	249	379	289	436

14 Capital Commitments

- (a) Future capital expenditure authorised and contracted for - £138,882 (1994: £611,332)
(b) Future capital expenditure authorised but not yet contracted for - £200,000 (1994: nil)

Notes to the Accounts (continued)

15 Share Capital	1995 £000's	1994 £000's
Balance to commence	992	978
Contributions	469	485
Interest	32	29
	1,493	1,492
Withdrawals	449	500
Balance to end	1,044	992

Share Capital is Non Equity Share Capital comprising 1,044,000 shares of £1 each, attracting interest currently of 2.75% per annum.

The Share Capital is withdrawable upon giving the following notice to the Society:-

Where the amount to be repaid upon withdrawal does not exceed £100: five weeks, and for every additional sum of £25 or fraction thereof, an additional week's notice.

Each member is entitled to one vote.

The Society Rules do not provide for the distribution of the surplus in the event of winding up but such dissolution would take place according to case law and the relevant Acts of Parliament applicable at that time.

16 Reserves	1995 £000's	1994 £000's
Balance to commence	5,686	5,122
Retained surplus for the year	111	564
Balance to end	5,797	5,686

17 Reconciliation of Movements in Shareholders' Funds	1995 £000's	1994 £000's
Surplus after tax	111	564
Contributions and interest less withdrawals during the year	52	14
	163	578
Opening shareholders' funds	6,678	6,100
Closing shareholders' funds	6,841	6,678

Notes to the Accounts (continued)

18 Dividend	1995 £000's	1994 £000's
Dividend to shareholders	1,073	1,303
Waived dividends given to charity	10	10
	1,083	1,313

19 Staff	1995 No.	1994 No.
Full time	249	241
Part time	320	324
	569	565

The total employment costs of the Society for the year were:	£000's	£000's
Salaries/wages	3,706	3,408
National Insurance	269	266
Pension Fund contributions	80	76
Other	48	41
	4,103	3,791

20 Pensions

The Tamworth Co-operative Society Limited Employees' Superannuation Fund is a defined benefit pension scheme, the assets of which are held in a separate trustee administered fund.

The last valuation of the Fund was carried out as at 28th March, 1992 by a qualified actuary employed by the Co-operative Insurance Society Limited. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. For the purpose of the last valuation, it was assumed that the investments return would be 8.5% per annum, that salary increase would average 6.5% per annum and that present and future pensions would increase at the rate of 4.5% per annum.

The contributions charged in the profit and loss account were assessed using the attained age method.

At the valuation date, the market value of the Fund's assets was £4,122,000 and the actuarial value was £4,988,000. The actuarial value of the assets represented 122% of the actuarial value of all benefits accrued to members and pensioners at the valuation date, after allowing for the assumed future salary and pension increases.

During the year 1994/95, the Society made contributions to the Fund amounting to approximately £79,972.

Notes to the Accounts (continued)

21 Provision for Liabilities and Charges	1995 Deferred Tax £000's	1994 Deferred Tax £000's
Balance to commence Revenue account	289 (40)	487 (198)
Balance to end	249	289

22 Cashflow	1995 £000's	1994 £000's
(a) Reconciliation of operating profits to net cash inflow from operating activities		
Operating profits	777	1,370
Income from property	291	239
Depreciation charge	403	404
Holiday pay provision	11	(5)
Intangible asset amortisation	40	13
Grants and donations	(40)	(44)
(Increase)/decrease in stock	(517)	36
(Increase) in debtors	(25)	(221)
Increase in creditors	1,167	72
Increase in funeral prepayment	75	85
	2,182	1,949
(b) Analysis of changes in cash and cash equivalents during the year		
Balance to commence	3	109
Net cash outflow	(232)	(106)
Balance to end	(229)	3

Notes to the Accounts (continued)

(c) Analysis of the balance of cash and cash equivalents as shown in the balance sheet	1995 £000's	1994 £000's
Net Bank overdraft (1994 cash in hand)	(229)	3
Short term deposits	-	-
	(229)	3

(d) Analysis of changes in financing during the year	Share Capital 1995 £000's	Loans 1995 £000's
Balance to commence	992	167
Interest credited	32	-
Increase/(decrease) in share capital/loans	20	(23)
	1,044	144

23 Contingent Liabilities

The Society is a member of the Co-operative Deposit Protection Scheme which exists to give protection to investors in co-operative societies, including investors in withdrawable share capital. The Society has guaranteed to support the scheme, along with other members, in the event of a call by the trustees of the scheme arising from the insolvency of another member society. It is not practicable to estimate the amount of any liability that might arise in respect of this contingency.

Board Certification

The accounts and notes on pages 13 to 25 are hereby signed on behalf of the Board of Directors pursuant of Section 3(5)(C) of the Friendly and Industrial and Provident Societies Act 1968.

K. M. Johnson

Mrs. K.M. Johnson,
Chairman.

C. Walker

Mrs. C. Walker,
Vice Chairman.

R.A. Hughes

Mr. R.A. Hughes,
Chief Executive Officer.

7th March, 1995.

Auditors' Report



TO THE MEMBERS OF TAMWORTH CO-OPERATIVE SOCIETY LIMITED

We have audited the financial statements set out on pages 13 to 25.

Respective Responsibilities for Directors and Auditors

As described on page 27, the Society's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on these statements and to report our opinion to you.

Basis of Opinion

We conduct our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the Group's affairs at 28th January, 1995, and of the income and expenditure for the year then ended, and comply with Industrial and Provident Societies Acts 1965 to 1978 and the Industrial and Provident Societies (Group Accounts) Regulations 1969.

KPMG *KPMG* *KPMG*
Chartered Accountants. Registered Auditors, Birmingham.

7th March, 1995.

Statement of Directors' Responsibilities

The Directors are required by Industrial and Provident Society Law to ensure the preparation of financial statements which give a true and fair view of the state of the affairs of the Society and the Group at the end of each financial year, and of the income and expenditure for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 ensuring the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with requirements of the Industrial and Provident Societies Acts. 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.

Directors' Attendances

Name	Appointment Expires	Possible Attendances	Actual Attendances
Mrs. J. Ankers	1995	27	24
Mr. W. B. Atkins, J.P.	1996	34	34
Mr. P. Buckley	1997	22	20
Mrs. H. M. Fowler	1996	31	28
Mr. G. Johnson	1997	33	30
Mrs. K. M. Johnson	1996	30	29
Mrs. A. M. Poulten	1995	30	25
Mrs. C. Walker	1997	30	25
Mr. F. A. Wood	1995	27	17

Directors attended all meetings, except when illness or other commitments prevented them from so doing.



Society Directorship

Democracy in action

The Society has a Board of Directors composed of nine members who are each elected to serve for three years on rotation, and nominations for elections are invited from members each year.

Every November/December, a notice is placed in the Society's premises advising members that nomination forms are available from the Chief Executive's office and detailing the final date for such nominations.

The Rules of the Society state that applicants for directorship must satisfy the following criteria:-

1. The nominee must have been a member for at least three years in his/her own right. They must also have purchased goods from the Society of at least £500 per annum in total, although purchases made by the nominee's spouse are added in arriving at the total.

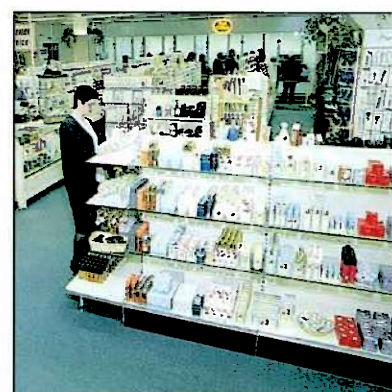
2. No person shall be eligible for election to the Board after attaining the age of 60 years, unless such a person is a sitting member of the Board.

3. Candidates must not be directly or indirectly concerned in businesses which are similar in any way to those undertaken by the Society, and

canvassing for votes during an election is prohibited.

Further details can be obtained from the Chief Executive Officer.

The Board of Directors welcomes enquiries from members who are interested in seeking nomination to the Board and who are prepared to accept the high responsibilities of this office, thus ensuring that democracy is maintained in this strong, independent Society. If required, full training can be obtained throughout a period of office via the Institute of Co-operative Directors.



Advice and Information

If any further advice or information is required, please telephone on one of the following numbers, or write to the Chief Executive Officer at 5, Colehill, Tamworth, Staffordshire B79 7HJ.

Woodcraft Folk - 01827 873966
Women's Guild - 01827 63711 (Ext. 215)
Member Relations
Committee - 01827 63711 (Ext. 215)
Share accounts - 01827 63711 (Ext. 246)
Dividend queries - 01827 63711 (Ext. 232)

Outlets

Tamworth's Department Store, Church Street, Tamworth.
Homemaker, Ventura Retail Park, Tamworth.
Tamworth Co-operative Society in Swadlincote, The Delph, Swadlincote.
Homelectric (Midlands) Ltd, Civic Way, Swadlincote.
Tamworth Co-operative Society Funeral Services, Upper Gungate, Tamworth.
Tamworth Co-operative Society Funeral Services, Ratcliffe Street, Atherstone.
Tamworth Co-operative Society Dairy Department, Victoria Road, Tamworth.
Tamworth Co-operative Supermarket, Church Street, Tamworth.
The Pantry, Colehill, Tamworth.
Tamworth Co-operative Convenience
Stores at:
70 New Street, Dordon.
264 Main Road, Amington.
251 Main Road, Glascote.
High Street, Polesworth.
129 Stanton Road, Stanton.
Tamworth Road, Wood End.
109 Tamworth Road, Kingsbury.
107 Amington Road, Bolehall.
Main Street, Rosliston.
Main Road, Whittington.





Tamworth Co-operative Society Limited

Registered Office: 5, Colehill,
Tamworth, Staffordshire B79 7JJ.

Registered No: 2582R

Telephone: 01827 63711

Fax: 01827 62999



Strength in sharing





Member Relations Committee Report

Year ended 28th January, 1995

A Successful Year

The Member Relations Committee of Tamworth Co-operative Society is pleased to present its annual report and accounts for 1994, following a varied and most successful year of activities. The committee exists to provide Society members and their families with opportunities to meet for social enjoyment, and to learn more about their Society with the wider community in mind. During 1994, its achievements were considerable, and committee members look forward to ongoing successes.

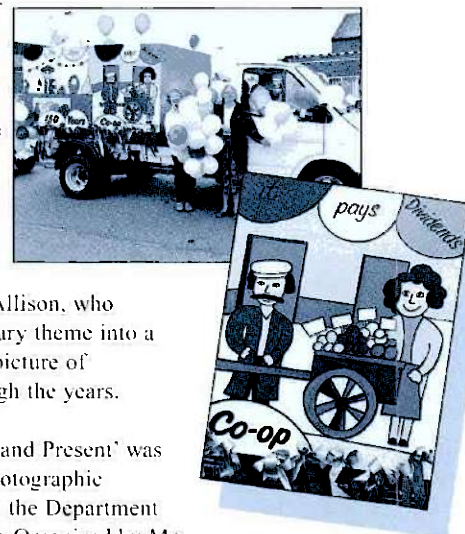
Anniversary Celebrations

The Member Relations Committee celebrated 150 years of the Co-operative Movement in style, by organising a competition to design a float for Tamworth's carnival procession. The winning design was supplied by 11 years old Flax Hill School pupil Kathryn Allison, who developed the anniversary theme into a striking and colourful picture of Co-operative life through the years.

'Tamworth Co-op Past and Present' was also the subject of a photographic exhibition, displayed in the Department Store during November. Organised by Mr Philip Buckley and Mr Graham Johnson, it featured archive photographs spanning a hundred years, and gave a real flavour of the Society's history.

Kingsbury Woodcraft Folk

Currently in their 25th year, Kingsbury Woodcraft Folk continue to enjoy an enthusiastic following. Elfins, Pioneers and



Venturers are the three age groups of youngsters who meet regularly, and take part in a variety of activities designed to teach co-operation and social awareness. In the last 12 months, these have included everything from nature rambles and camps to 10 pin bowling.

Other events organised by the group included an Anniversary Barn Dance in October, which proved very successful and raised £125.

A sponsored group event to help raise money for the Society's ChildLine Midlands campaign was also well supported. It involved using plastic carrier bags to make bunting, and resulted in £176 being divided between ChildLine and the Woodcraft group.

Community Links

As part of a continuing emphasis on supporting young people in the community, Mrs Ann Goulding attended the NCEA Education Convention at Stanford Hall. 'Working with Schools and Colleges' was one of the subjects covered.

Sponsorships were once again a high priority during the year, and the committee assisted Coton Green County Primary School, and youngsters taking part in the Duke of Edinburgh Gold Award scheme. Tame Anker Bowls also received sponsorship support.

Women's Guild

The Women's Guild continues to meet every Thursday in the Department Store, and is always pleased to welcome new members.

Tributes

Committee Secretary Mrs Hazel Fowler stood down during 1994, following 18 years of dedicated service in the post. She remains a valued member of the committee, and as a sign of its great appreciation for her enormous contribution, the committee presented a gift to her, with its sincere best wishes.

Obituaries

It is with great regret that the Member Relations Committee records the death of Mrs Phyllis Heathcote, and also Mr Arthur Heathcote, a former Chairman of the committee.

Membership

Society members and their families are welcome to take part in Member Relations



Youngsters take part in a wide variety of activities.

activities. Anyone interested in more information is invited to contact the Chief Executive's office on 01827 63711.

A. M. Poulten

Mrs. A.M. Poulten, Chairman

J. Ankers

Mrs. J. Ankers, Secretary
28th January, 1995.



Member Relations Statement of Accounts

Year ended 28th January, 1995

	1995		1994	
	£	£	£	£
Balance to commence		1,038		1,136
Grant from Society		2,300		2,200
Grant from West Midlands Group		41		-
		<u>3,379</u>		<u>3,336</u>
LESS Secretary's salary	150		200	
Grants/donations	260		490	
Woodcraft Folk	377		397	
Conference	141		152	
Affiliation and subscriptions	301		283	
Social events	-		284	
Sundry expenses	489		492	
150th anniversary celebrations	906	2,624		2,298
		<u>755</u>		<u>1,038</u>
Balance to end				



Member Relations Committee
Tamworth Co-operative Society Limited
Registered Office: 5, Colehill,
Tamworth, Staffordshire B79 7HJ.
Registered No: 2582R
Telephone: 01827 63711
Fax: 01827 62999