

*Tamworth
Co-operative
Society
Limited*

**Unaudited
Interim Report**

For the 26 weeks
ended 28th July 2001



Report of the Board of Directors

Half Year Ended 28th July 2001

Total turnover of the Society for the Half Year Ended 28th July 2001 amounted to £11,698,149, a decrease of 0.89% on the previous year. Sales fluctuated quite appreciably during the period, and also between the various Branches.

The Tamworth Town Centre continues to disappoint whilst the Society performed much better in Swadlincote. Trade also improved further at Kingsbury and in addition the Society opened its new Convenience Store at Stretton Park, Burton on Trent. Trading at Stretton Park has slowly increased over the period since opening and is expected to grow further when the Society's Investment Properties, adjacent, are also trading.

The Funeral Department had a much improved Half Year with Turnover increasing by 23% during the trading period.

Gross margins however showed a decrease on the previous year mainly due to the clearance of residue Grocery Stocks following the change of Main Supplier following the Society's decision to join the CRTG at the beginning of the Financial Year. Whilst this has impacted on profits initially, it is expected that this will prove beneficial in the long term.

The Non-Food Department continues to disappoint and causes concern to both the Board and Management, and the situation is being closely monitored with a view to the necessary corrective actions being taken.

Rental income from Investment Properties again shows some improvement and the Society is currently working on a programme to develop the Society's Orchard Street, Tamworth site which should generate further Investment Income in the future.

The lowering of the Society's cash balances following the development at Stretton and substantial investment in the Tamworth Department Store, together with lowering Interest Rates has resulted in a decrease of Net Interest receivable to £33,000. The lower gross profit together with an increase in expenses has meant that the Society has had an overall deficit for the period of £95,000 against a surplus of £130,000 in the previous year.

During the Half Year the Board has carried out a full Strategic Review of the Business and plans are in hand for the foreseeable future.

The Board believes that this period's deficit will be reversed during the second half but it will be extremely difficult to maintain last year's profit figures bearing in mind the considerable disruption which is likely to take place to the Tamworth Town Centre during the coming months as substantial road works take effect.

For and on the behalf of the Directors.



Mr G.W. Johnson,
Chairman.



Mr R.A. Hughes,
Chief Executive Officer.

30th August 2001


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Interim statement of trading activities

for the 26 weeks ended 28th July 2001

1. Consolidated sales	26 weeks to 28 July 2001 (unaudited) £000	26 weeks to 29 July 2000 (unaudited) £000	52 weeks to 27 Jan 2001 (audited) £000
Turnover	11,698	11,804	24,598
Less Value Added Tax	1,124	1,115	2,419
Total net sales	10,574	10,689	22,179
2. Consolidated (loss)/profit	26 weeks to 28 July 2001 (unaudited) £000	26 weeks to 29 July 2000 (unaudited) £000	52 weeks to 27 Jan 2001 (audited) £000
Trading (loss)/profit	(128)	--	218
Net investment income less interest payable	33	53	87
(Loss)/Profit after interest	(95)	130	335
3. Consolidated net assets	As at 28 July 2001 (unaudited) £000	As at 29 July 2000 (unaudited) £000	As at 27 Jan 2001 (audited) £000
Trading activities			
Fixed assets	5,930	5,469	5,570
Net current assets	1,353	1,878	1,727
Long term liabilities	(931)	(937)	(890)
Investments and Investment Properties	3,769	3,621	3,769
Net assets	10,121	10,031	10,176

4. Current borrowings	As at 28 July 2001 (unaudited) £000	As at 29 July 2000 (unaudited) £000	As at 27 Jan 2001 (audited) £000
	162	148	130
4. Current cash	As at 28 July 2001 (unaudited) £000	As at 29 July 2000 (unaudited) £000	As at 27 Jan 2001 (audited) £000
	662	1711	1804
6. Share capital	As at 28 July 2001 (unaudited) £000	As at 29 July 2000 (unaudited) £000	As at 27 Jan 2001 (audited) £000
	1,305	1,289	1,216

Notes

- (a) The interim statement has been prepared on the basis of the accounting policies set out in the 2001 statutory accounts subject to notes (b) and (c) below. The figures shown for the year to 27th January 2001 are extracted from the audited accounts for 2001. The financial information does not constitute statutory accounts and is not audited.
- (b) The consolidated (loss)/profit statement excludes share interest and other appropriations and taxation.
- (c) The assets and liabilities at 28th July 2001 and 29th July 2000 shown in the consolidated net assets statement are after making estimated provisions for share interest, grants and taxation. No provision has been made for dividends which traditionally have been declared following the results of the full 52 week period.

Independent review report by KPMG, to Tamworth Co-operative Society Limited

Introduction

We have been instructed by the Society to review the financial information set out on pages 2 to 3 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. In preparing this interim report, the Directors aim to ensure that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: "Review of Interim Financial Information" issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise declared. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the 26 weeks ended 28th July 2001.

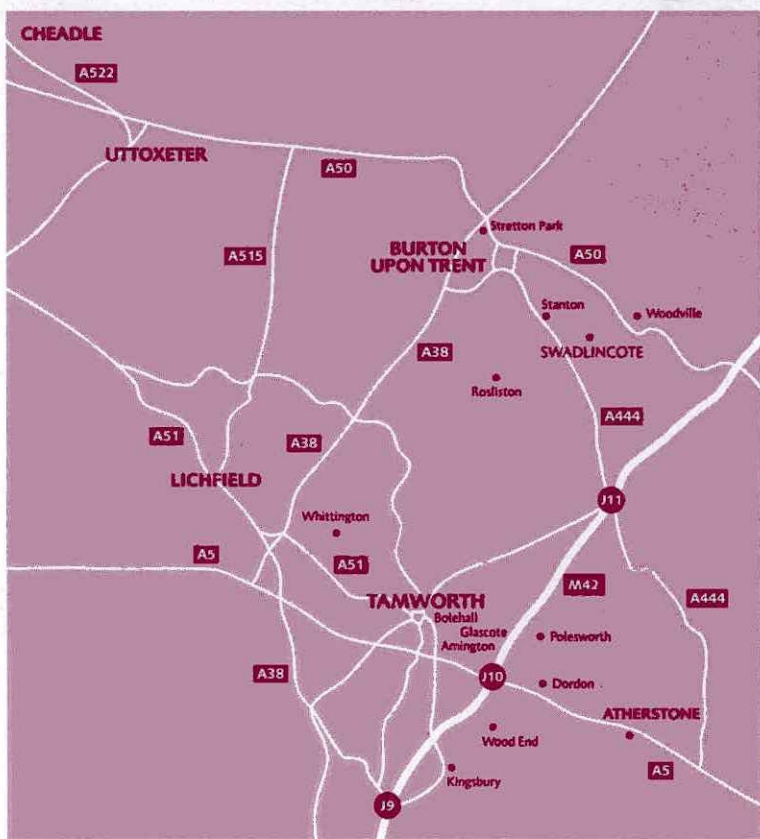
KPMG KPMG

KPMG

Chartered Accountants

2 Cornwall Street, Birmingham B3 2DL

30th August 2001.



Tamworth Co-operative Society Limited

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