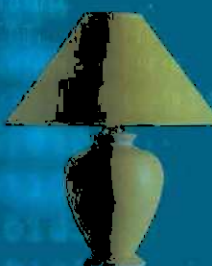




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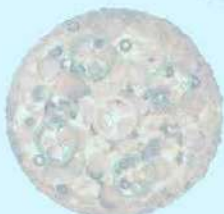
Annual Report & Financial Statements **2003**

Co-operative Mission Statement & Contents



OUR MISSION IS TO CHALLENGE CONVENTIONAL UK ENTERPRISE BY BUILDING A COMMERCIALLY SUCCESSFUL FAMILY OF BUSINESSES THAT OFFERS A CLEAR CO-OPERATIVE ADVANTAGE, THE ADVANTAGE BEING THE PROVISION OF EXCELLENT PRODUCTS OR SERVICES WITH DISTINCT COMPETITIVE BENEFITS DERIVED FROM OUR VALUES AND PRINCIPLES, OUR REWARDS FOR MEMBERS OR OUR COMMITMENT TO THE COMMUNITIES WE SERVE.

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Directors, Officers, Advisers & Notice of Meeting

Board of Directors



Mr. W. B. Atkins*
Chairman



Mrs. E. M. Johnson*
Vice-Chairman



Mr. P. A. Buckley+



Mr. T. J. Cotton*



Mr. G. W. Johnson*



Mr. A. M. King



Mrs. A. M. Poulten*



Mr. R. W. Read



Mr. R. A. Hughes
Chief Executive Officer
& Secretary



Mr. J. Coles
FCCA, ACIS
Deputy Chief Executive
Officer

Non Food Trades Manager

Mr. K. G. Wood

Food Controller

Mr. R. W. Read

Funeral Manager

Miss. A. J. Woodward M.B.I.E.

Financial Services Manager

Mrs. S. Park

Auditors

KPMG LLP, 2 Cornwall Street,
Birmingham B3 2DL.

Bankers

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

Solicitors

Dewes Sketchley,
10 Colehill, Tamworth. B79 7HE.

Registered Office

5 Colehill, Tamworth. B79 7HJ.
Registered Number 2582R

Notice of Meeting

Notice is hereby given that the Ordinary
Annual General Meeting** of the Society
will be held on:

The Second Floor,
Tamworth Department Store,
Church Street, Tamworth.
Wednesday, 9th April 2003 at 7.15 p.m.

* Denotes member of the Remuneration
Committee.

+ Appointed 10th April 2002

** Admission on presentation of valid
Pass Card.

Agenda

1. To confirm the Minutes of the
Ordinary General Meeting held on
10th April 2002.
2. To receive the Report of the
Board of Directors.
3. To consider and adopt the accounts
of the Group for the 52 weeks
ended 25th January 2003 and the
Balance Sheet together with the
Auditors' Report thereon.
4. To confirm donations authorised
by the Board of Directors.
5. To declare the results of the election
to the Board of Directors.
6. To elect scrutineers.
7. To appoint Auditors.
8. To receive a report upon the
Annual General Meeting of the
Co-operative Group (CWS) Ltd.
9. To receive a report upon the
Co-operative Congress 2002.
10. To receive the Report and Accounts
of the Member Relations Committee.
11. To elect 7 Members to serve on
the Member Relations Committee.
12. To approve or otherwise that the
following increases should apply
forthwith to Board of Directors'
fees etc.

Chairman:

from £594.77 p.a. to £1000.00 p.a.

Vice Chairman:

from £535.30 p.a. to £900.00 p.a.

Directors:

from £475.83 p.a. to £800.00 p.a.

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

By Order of the Board

Richard A. Hughes,

Secretary.

4th March 2003.

Key Performance Indicators

Turnover £000's

2003 - 24,256

2002 - 24,207

2001 - 24,598

2000 - 25,182

Capital Expenditure as a % of Sales

2003 - 5.7%

2002 - 3.6%

2001 - 2.3%

2000 - 5.4%

Return on Capital Employed

2003 - 1.6%

2002 - 0.5%

2001 - 2.0%

2000 - 0.8%

Reserves £000's

2003 - 9,401

2002 - 9,200

2001 - 8,930

2000 - 8,637

Key Performance Indicators

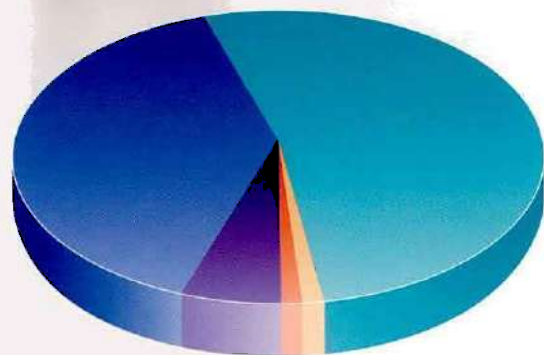
Year Ended 25th January 2003

	2000	2001	2002	2003
Return on Capital employed as a %	0.8	2.0	0.5	1.6
Net Profit as a % of Sales	0.8	1.4	0.4	0.9
Trade Profit after Depreciation as a % of Sales	0.4	1.0	0.3	0.9
Trade Profit before Depreciation as a % of Sales	2.7	3.3	2.6	3.0
Gearing %	6.9	(5.5)	3.7	6.6
Interest Cover (times)	6.0	12.0	4.0	7.2
Retention as a % of Sales	(2.0)	0.3	(0.4)	0.1
Capital Expenditure as a % of Sales	5.4	2.3	3.6	5.7
Total Net Assets (£000's)	9,912	10,176	10,431	10,950
Represented by:				
Share Capital (£000's)	1,275	1,246	1,231	1,549
Reserves (£000's)	8,637	8,930	9,200	9,401

All figures have been calculated in line with Co-operative Union Recommendations.

Report of the Board of Directors

SOCIETY TRADE BALANCE



Food = 54.1%	Non Food = 38.6%
Funeral = 5.3%	Motor = 1.0%
Sundry = 1.0%	

PRINCIPAL ACTIVITIES

Tamworth Co-operative Society Limited was formed in 1886 and the Policy of the Board of Directors has always been to provide a Co-operative alternative method of trading in a wide range of commodities and to provide economic services to Members.

The Society currently operates Retail Shops in both Food and Non-Food. In addition it has an expanding Funeral Division and also provides a range of Financial and other Services for Members. The Society also retails petrol from a site close to the Town Centre of Tamworth, adjacent to Workshops which maintain the Society's Internal Fleet and provide a full MOT Service to the public.

A Property Portfolio is held for Investment purposes by the Society which helps to underpin its financial base.

The Society currently operates in the areas of South and East Staffordshire, North Warwickshire and South Derbyshire.

The Board of Directors continues to believe that the Society should maintain a totally non-political stance.

FINANCIAL REVIEW

Total Turnover for the Year Ending 25th January 2003 amounted to £24,256,000 an increase of 0.2% on the previous year. Part of the previous year's Turnover included the sales from a Petrol Station in Rosliston which was closed during that year. If sales from this are omitted, Turnover shows an increase of 1.2%. Sales in Food would show an increase of 1.1%, Non-Food a decrease of 0.7% and Funerals an increase of 10.1%. Trade at the Garage, including Petrol sales, was up 20.8%.

As has been mentioned in previous Reports, the Tamworth Town Centre continues its year by year decline. As a result sales within the Town Centre properties are down by more than half a million pounds when compared with the previous year and have in fact declined by more than £1,000,000 over a 2 year period. This problem has caused the Board of Directors a great deal of anxiety and strengthens the Board's view that the Society should continue to seek new methods of trading, wherever possible, in order to mitigate the effects of this erosion.

Work on the Pedestrianisation of the Town Centre caused severe disruption throughout the year and even now has not been fully completed, after 15 months. Road works are now planned affecting the Town Ring Road system for a 6 month period which will continue to disrupt traffic flow and discourage visitors to the Town.

The Society has been delighted however with the performance of the growing Funeral Division which has again produced record figures. Considerable sales improvements have also been achieved at Homelectric (Swadlincote), Homemaker and at the Convenience Stores situated at Wood End, Bolehall, Stanton, Stretton and Whittington.

Almost £1.2 million pounds has been spent on capital improvements, with two-thirds of this having been spent on the Society's very successful Property Division.

Report of the Board of Directors

DIVIDEND

The Board of Directors is mindful of the importance of Dividend to our Members and is also aware that the Society's support of local Charities is extremely popular. Accordingly we are pleased to declare an improved Dividend rate of 1.6% on all qualifying purchases and are also pleased to maintain the same level of Dividend awarded to Charities as in the previous year.

During the year the Society made individual donations to approximately 140 local groups and charities and has also maintained its policy of giving Gift Tokens of £20 to those Members who got married or celebrated their Golden or Diamond Wedding Anniversaries during the year.

Major donations were made to the following organisations:

Age Concern, Tamworth
Friends of St. Mary's, Uttoxeter
Home-Start, Tamworth
ICA World Trade Centre Appeal
Kingsbury Over 60's Club
Myasthenia Gravis Association
New Tamworth Stroke Club
Pathway Project
Queens Hospital, Burton
S.O.B.S. (Survivors of Bereavement by Suicide)
Stretton Bowls Club
Tamworth Disabled Holidays
Victim Support
Vision Homes

The decision to join the Co-operative Retail Trading Group which initially had a detrimental impact on the profits of the Food Division has now proved to be a correct and timely move and has had a marked effect on the Society's profits this year.

Trading surplus was up by £124,000 to £208,000.

After allowing for Interest received and paid, the total surplus for the year before distribution showed an increase of 110% to £219,000.

Property changes and re-valuation of properties, together with the transfer to reserves from the Revenue Account have enabled the Society to increase its total net assets by more than half a million pounds to a new record level of almost £11,000,000.

During the year the Board of Directors reviewed its policy on Interest on Share Accounts and a new tiered rate of Interest commenced in May 2002. This has been hugely successful and current rates of Interest can be found on the posters at all our Financial Services Counters and also on the Society's Web Site, www.tamworth.coop.

Mention however, must be made of the possible impact upon the Society's finances by the effect of new Accounting Rules due to take effect in January 2005 when the revised Accounting Standard FRS 17 is fully operational. Attention of the Members is drawn to note 20 on page 27 which highlights the possible implications. The current economic climate and uncertainty of war, or even a series of wars, has brought investments of Pension Funds dramatically down, and had this standard been introduced fully in this year's Accounts it would have resulted in a £2.3m reduction to the Reserves. Whilst we believe the Balance Sheet is strong enough to withstand this, whilst it remains at this level, nevertheless it would severely impede on future financial and business decisions.

Jo Mohsen-Mohammed from Tamworth Department Store takes a dive in aid of The Muscular Dystrophy Campaign



Report of the Board of Directors

In addition money raised in conjunction with Employees has resulted in substantial Donations to Acorns Children's Hospice Trust, N.S.P.C.C. and Quince Tree Special School.

The Board recommends a distribution of surplus as follows:

	£
Dividend Certificates	121,000
Waived Dividends to Charities	5,000
Total	126,000

MEMBERSHIP

The Society has been pleased to receive a further 916 Members into the Society during the year whilst deaths and removals accounted for a closure of 160 accounts. In addition a further 982 Dormant Accounts have been placed in a Suspense File. This leaves a total Membership now amounting to 35,702.

AUDITORS

In accordance with the Industrial & Provident Societies Act 1968 a Resolution for the re-appointment of KPMG LLP as Auditors to the Society is to be proposed at the forthcoming Annual General Meeting.

FOOD DIVISION

Supermarket & Convenience Stores

In last year's Annual Report the Board of Directors commented on the decision to join the National Co-operative Retail Trading Group (CRTG) and the impact which this had on the Food profits during its first 12 months. The Board also advised that it anticipated that the significantly improved strength of the buying power of the CRTG would be of benefit to the Society in the future. We are pleased to report that this indeed has been

the case and the Division has returned to a significantly better profitable base with improved margins as well as providing our Members with considerably extended ranges.

Members will recall that the Society also took the decision during the previous year to close the Society's Petrol Station at Rosliston whilst maintaining, and indeed improving, the range of Food within the Convenience Store. We are pleased to report that the loss of Petrol sales had been partially offset by improved Food sales with substantially better margins.

However, during the year, the Society encountered problems with small leaks of Petrol coming from the land beneath and adjacent to the old tanks, despite the fact that the tanks had been emptied. As a result the Society had to make the difficult decision to remove the old tanks and all the contaminated soil from the site. The soil was then replaced with a new surface in order that full use could be made of the land subsequently. The total cost of this operation was in excess of £200,000, part of which has been borne by its asset value and the remainder has been written off within the Revenue Account.

During the year the Society has been pleased to completely replace the refrigerated cabinets at the Tamworth Supermarket and in addition new cold stores have been installed at Glascote and Wood End Convenience Stores. The Glascote Branch, in fact, has undergone a complete refit and building work at the rear has enabled a small extension to the total sales area.

The work has been completed with a new fascia which is similar to the one installed at Stretton Park during the previous year. In addition further improvements have been made by the installation of a new shop front at Whittington and increased landscaping at Stretton Park.

Towards the end of the year the decision was also taken to install new CCTV security cameras at the Supermarket and also new ovens which will extend the capability of Hot Food at that Unit.

Whilst Food retailing in the Tamworth Town Centre continues to cause concern the Society has maintained its policy of upgrading Branches wherever possible and this has helped to produce additional sales at Wood End, Kingsbury, Bolehall, Stanton, Whittington and Stretton Park. During the forthcoming period it is intended to refurbish the Polesworth Branch with new fixtures, shop front and fascia.

The Board of Directors will continue to look for further opportunities for expanding this part of the Business, whilst also ensuring that services to Members are maintained or improved. In this regard we were delighted to be able to re-open Post Office facilities in the Village of Wood End by incorporating a Counter within our Branch.

NON-FOOD

We have previously reported the Board's concern with the trading losses suffered by this Division and regret to report that these have again increased this year.

The Board of Directors, Management and Staff have worked extremely hard to correct the position but nevertheless further measures will have to be taken in order to improve the situation.

The main problem appears to be the erosion of trade within the Tamworth Town Centre and the fact that most Non-Food sales are only arising from Promotional activity.

During the period, the Lease at the Swadlincote Gift Shop came to an end and it was decided that this would not be renewed.

A review of trade at the other Non-Food Unit in the centre of Swadlincote was taken and it was decided that the Gifts would be incorporated within that shop and in addition we would also sell Linens and a small range of Furniture alongside the Franchise Post Office. This should have the effect of reducing costs and increasing margins to improve the overall position.

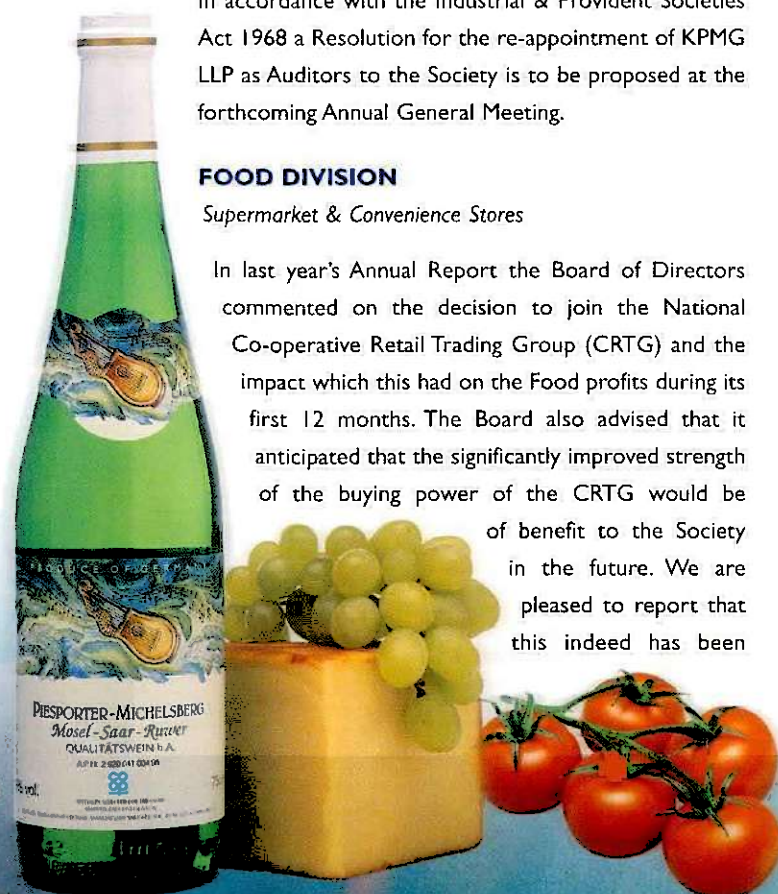
Expenses have been closely monitored and contained wherever possible and capital expenditure this year has been mainly restricted to the replacement of walkways on the First Floor of the Department Store and an upgrading of the emergency lighting on the Ground Floor.

Sales have improved at Homelectric Swadlincote and at Homemaker, but the latter in particular has been achieved mainly through Promotional activity with the resulting loss of margin.

This Division has also suffered by a recent decision in the European Courts which has resulted in a VAT Claim by Customs & Excise which amounted to around £27,000.

The Board is very aware of the importance of the extensive range of Non-Food which the Society carries and is able to provide to its Members. Nevertheless, this level of losses cannot be maintained indefinitely and the situation will continue to be closely monitored with action taken as necessary.

During the year, the Society took the decision to replace the Caterers within the Heritage View Cafeteria in the Tamworth Department Store. Considerable improvements have been made to the quality, range and service available to our Members which have resulted in improved turnover and a number of favourable comments, which have been very pleasing.



Report of the Board of Directors

FUNERAL SERVICES

Despite the continued fall in the death rate, we are delighted to report another record year for this Division. The number of Funerals has been maintained overall and the newer Offices at Atherstone, Woodville, Uttoxeter and Cheadle have become more firmly established in these areas which has helped to offset a small decrease in the number of Funerals in Tamworth itself. Increases in turnover in the other services provided by the Funeral Department have taken the Division to record sales as well as record profits.

The Society has continued to successfully market its Pre-Payment Plans and new arrangements, in this regard, are now all invested with the Co-operative Insurance Society Limited in Contracts of Whole Life Insurance. The Society is now able to offer Funeral facilities for Pets and we have also extended the facilities for Limousine Hire.

Orders have been placed for a new Fleet of Jaguar vehicles which will be delivered at the beginning of the new Financial Year. In addition the Society has purchased a new, purpose built, Vauxhall Estate vehicle for transportation of the deceased. It is the Society's continued policy to offer the very highest quality of all our Funeral Services and we are sure that Members will be delighted with the standard of these new vehicles.

It is the Board's intention to continue to expand this Division where possible and we continue to seek out opportunities across the area.

PROPERTY

We are pleased to report that, following success in obtaining Planning Permission for the conversion of our Orchard Street premises to Office accommodation, Phase 1 of this work has now been completed successfully. The property is to be known as Offa House, which recognises the history of its location. Work has now commenced on Phase 2 which converts the former Stables at the area of the premises to further quality Offices. Lettings have commenced and should result in

increased rental income during the current financial year, followed by full benefits in the succeeding period.

The past year saw the completion of the Lettings of the new premises built adjacent to our Stretton Convenience Store and income is now being derived from this site. New Lettings have also been commenced at both the George Street and Market Street premises in Tamworth Town Centre. In the meantime, our Upper Gungate properties have become vacant and consideration is currently being given to the development of this site. As a result of all this work, rental income is again down during the period just completed but long term growth looks assured.

The Society disposed of its premises at 56/57 Church Street, Tamworth during the year and this has resulted in a transfer of £253,290 from Revaluation Reserves to Revenue Reserves. This is offset by a further increase in the overall valuation of our Investment Properties made on 25th January 2003.

FINANCIAL SERVICES

The Society has again maintained its Financial Services Counters in the Tamworth Department Store, Burton Homelectric, Swadlincote Homelectric as well as at the Convenience Stores in Dordon, Kingsbury and Polesworth. We have also been pleased to continue to provide the Post Office services in Tamworth, Swadlincote and Rosliston and are delighted that we have been able to provide our Wood End Members with new Post Office facilities in the Convenience Store in that Village. In addition the Society has agreed to provide facilities for the New Way Credit Union to operate a Collection Point within our Branches in the North Warwickshire area. This co-operation with another Co-operative Organisation is being made as part of our support for like minded Groups.

We are also pleased to report that net costs within the Financial Services Division have been reduced during the current year.

HUMAN RESOURCES

The Society continues to do its best to respond to the needs of Employees, Customers, Members and the Community at large and to use everyone's talents and abilities to the full. It maintains a Policy of promoting an environment free from discrimination, harassment and victimisation where everyone receives equal treatment regardless of their gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions are based solely upon work criteria and individual merit.

The Board itself is currently composed of 6 male and 2 female Directors.

Senior Management comprises 4 men and 2 women.

The Society aims to fill future Management vacancies from within and will always consider the sponsorship of training opportunities for Staff who are willing to learn in order to improve their career prospects.

The Society's Policy is to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and that their employment opportunities should be based on realistic assessment of their aptitudes and abilities.

During the year a considerable amount of work has been done by Management in producing a Staff Handbook which will shortly become available and which will become the catalyst for training within the Society.

During the year, the Board of Directors has itself been the subject of a Skills Audit which will enable future Board Training to be more focused.

The Board of Directors recognises the substantial efforts which Staff have made during the year and wishes to record its sincere gratitude to all Employees for their loyalty and hard work.

REMUNERATION POLICY

The Remuneration Policy set by the Board and individual Remuneration Packages for Executive Management are determined by the Remuneration Committee within the framework of its Policy. Details of Directors who were Members of the Remuneration Committee during the period ending 25th January 2003 can be found on page 2 of the Report. The Remuneration Committee has access to independent advice where it considers it appropriate. Further details concerning Executive Remuneration can be found on page 26.

RETIREMENTS

The Society remembers Employees who have retired during the year and extends its very grateful and sincere thanks for the dedicated service provided over many years, wishing them a long, happy and healthy retirement.

OBITUARIES

The Board very much regrets the death of former Employees and their families and remembers them all with much affection and gratitude.



The Society encourages its Directors to attend the Co-operative College to achieve the Institute of Co-operative Directors Certificates (ICD) and currently 5 out of the 8 Directors have received this certificate.

The Board of Directors is ultimately responsible for the Society's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Co-operative Union's Amended (July 2001) Corporate Governance Code of Best Practice introduced a requirement that the Directors review the effectiveness of the Society's system of internal controls. This extends the existing requirement in respect of internal financial controls to cover all controls including financial, operational, compliance and risk management.

The objective of the Board is to comply with the Code of Best Practice as far as is practicable in the Society's particular circumstances. The Board is delighted to report that, in its 2002 Implementation Report, the Co-operative Union Limited gave the Society a 100% mark as its Corporate Governance Indicator of Compliance, for the second successive year.

The Society encourages its Directors to attend the Co-operative College to achieve the Institute of Co-operative Directors Certificates (ICD) and currently 5 out of the 8 Directors have received this certificate. Ongoing training is readily available.

GOING CONCERN

After making all appropriate enquiries, the Directors have a reasonable expectation that the Society has adequate resources to continue in operational existence

for the foreseeable future. For this reason they continue to adopt the Going Concern basis in preparing the Society's accounts.

INTERNAL CONTROL

The entire Board sits as the Audit Committee, and it has been agreed that the Vice-Chairman should act as Chairman of this Committee. In addition the Board has now appointed a Sub-Committee to deal with Remuneration and details of the Members of that Committee can be found on page 2 of this Report.

The Board of Directors has continued to review and report upon Internal Financial Controls. The Society has commenced work on establishing procedures necessary with regard to implementation of the Turnbull Guidance, as adapted by the Co-operative Union Corporate Governance Code of Best Practice, issued in May 2000, and wherever possible additional Reports are being made and controls implemented as is considered appropriate for a Society of this size.

The key elements of the Society's system of Internal Financial Controls are as follows:

(a) Control Environment

The Society is committed to the highest standards of Business Conduct and seeks to maintain these standards across all of its operations.

The Society has an appropriate Organisational Structure for planning, executing, controlling and monitoring Business Operations in order to achieve Society

objectives. Lines of responsibility and delegations of authority are documented.

A full Society Strategy has been put in place and is being regularly reviewed.

(b) Risk Identification

Society Management are responsible for the identification and evaluation of Key Risks applicable to their areas of Business. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

(c) Information and Communication

The Society's Businesses participate in periodic Strategic Reviews which include consideration of long term financial projections and the evaluation of Business alternatives. Operating Units prepare Annual Budgets and Strategic Plans. Performance against Plan is actively monitored at the Board and Section Level supported by regular Forecasts and Meetings between Senior Management and the Board of Directors. Forecasts and Results are consolidated and presented to the Board on a regular basis.

Through these mechanisms, Society performance is continually monitored, risks identified in a timely manner, their financial implications assessed, control procedures re-evaluated and corrective actions agreed and implemented.

(d) Control Procedures

The Society and its Operating Units have implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of Assets or Fraud.

(e) Monitoring & Corrective Action

There are clear and consistent procedures in place for monitoring the system of Internal Financial Controls. The Board of Directors meets regularly to review the effectiveness of the Society's system of Financial Controls. Monthly Management Accounts are considered in detail and any action taken where appropriate.

For and on behalf of the Directors

W B Atkins
W B Atkins

William B. Atkins
Chairman of the Board

Richard A. Hughes
Richard A. Hughes

Richard A. Hughes
Chief Executive Officer

4th March 2003

Statement of Directors' Responsibilities & Board Certification

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 Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and any other irregularities.

DIRECTORS' ATTENDANCES

Name	Appointment Expires	Possible Attendances	Actual Attendances
Mr. W. B. Atkins	2005	25	22
Mr. P. A. Buckley	2004	14	11
Mr. T. J. Coton	2004	23	20
Mrs. E. M. Johnson	2005	21	19
Mr. G. W. Johnson	2003	25	23
Mr. A. M. King	2003	17	15
Mrs. A. M. Poulten	2004	21	19
Mr. R. W. Read	2005	19	18

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

The accounts and notes on pages 14 to 28 are hereby signed on behalf of the Board of Directors pursuant to Section 3(5)(c) of the Friendly and Industrial and Provident Societies Act 1968.

W B Atkins
W B Atkins

William B. Atkins
Chairman

4th March, 2003

E. M. Johnson

E. Margaret Johnson
Vice-Chairman

E. M. Johnson

Richard A. Hughes

Richard A. Hughes
Chief Executive Officer

Richard A. Hughes

Independent Auditors' Report

Independent auditor's report to the Members of Tamworth Co-operative Society Limited

We have audited the financial statements on pages 14 to 28.

This report is made solely to the Society's Members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Society's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors & Auditors

The Directors are responsible for preparing the Annual Report. As described on page 12 this includes responsibility for preparing financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent Auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Co-operative Union Limited's Code of Best Practice ("The Code") and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Act 1965 to 1978 and the Industrial and Provident Societies (Group Accounts) Regulations 1969. We also report to you if, in our opinion, the Society has not kept proper accounting records and if we have not received all the information and explanations we require for our Audit.

We review whether the statement on pages 10 and 11 reflects the Society's compliance with paragraphs 31 and 32 of The Code, and we report if it does not. We are not required to form an opinion on the effectiveness of the Society's Corporate Governance procedures or its internal financial controls.

We read the other information contained in the Annual Report, including the statement on paragraphs 31 and 32 of The Code, and consider whether it is consistent with the audited financial statements. We consider the

implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

We conducted 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 state of affairs of the Group and Society as at 25th January 2003 and of the income and expenditure of the Group for the year then ended, and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 1978 and the Industrial and Provident Societies (Group Accounts) Regulations 1969.

KPMG LLP *KPMG LLP*

KPMG LLP

Chartered Accountants,
Registered Auditors,
2 Cornwall Street,
Birmingham, B3 2DL.

4th March, 2003.

The Accounts are prepared in compliance with all Accounting Standards using the Historical Cost Accounting Convention

(1) BASIS OF ACCOUNTING

The Accounts are prepared in compliance with all Current Accounting Standards using the Historical Cost Accounting Convention modified to include the revaluation of investment properties.

(2) ACCOUNTING DATE

The Accounts are in respect of the year ended 25th January 2003 with comparative figures for the year ended 26th January 2002.

(3) BASIS OF CONSOLIDATION

The Group Accounts consolidate the Accounts of the Tamworth Co-operative Society Limited and the wholly owned Subsidiaries, TCS Estates Services Limited and McGregor Co-operative Society Limited. The results of Businesses which may have been acquired or sold during the year are included in the Group Accounts from or to their respective dates of acquisition or disposal.

(4) GROUP TURNOVER

Turnover includes Cash Sales, Goods sold on Credit and Television/Video Rental Income, inclusive of Value Added Tax.

(5) INVESTMENT INCOME

Interest receivable is accounted for on an accruals basis. Dividends are accounted for when received.

(6) GOODWILL

Goodwill purchased is capitalized and written off over its useful economic life. The useful economic life ranges from 1 year to 20 years.

(7) TANGIBLE FIXED ASSETS & DEPRECIATION

No Depreciation is provided on Freehold Land. The cost of Tangible Fixed Assets used for trading purposes less their estimated residual value, is depreciated over their expected working lives by equal annual installments at the following minimum rates:

- Freehold Buildings - 2.5% per annum
- Leasehold Buildings - over the unexpired period of the lease
- Fixtures & Fittings and Plant - over the expected working life or 10 years, whichever is the least
- Transport - 25% per annum
- Rental Assets - 33.3% per annum

Investment Properties are included in the Accounts at professional valuation in accordance with Statement of Standard Accounting Practice No. 19 and the aggregate surplus or deficit is transferred to a Revaluation Reserve.

No Depreciation is provided in respect of Freehold Investment Properties. The Directors consider that this Accounting Policy results in the Accounts giving a true and fair view. These properties are not held for consumption but for Investment and the Directors consider that systematic annual depreciation would be inappropriate. Depreciation is only one of the many factors reflected in the Annual Valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

(8) ASSETS LEASED TO THE GROUP

Rentals due under Operating Leases are charged to the Revenue Account in the year that the cost accrues.

The future commitment relating to Operating Leases is based on the minimum amounts payable.

(9) TAXATION

Current:

Provision has been made for the estimated liability on Accounts to date at the appropriate rate.

Deferred:

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

(10) STOCKS

Stocks are valued at the lower of cost and net realisable value.

(11) REPAIRS

Repair expenditure is charged against profits in the year that the cost is incurred.

(12) FUNERAL PLAN

Liabilities under the Funeral Plan are based on the total commitment at the Balance Sheet date.

Based on the Group's experience of Funerals handled under its Pre-payment 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. For Funeral Plans sold after 1st January 2002 amounts paid by Customers have been applied towards Contracts of Whole Life Insurance on the life of the Customer. The Life Insurance Contracts have been arranged by the Co-operative Insurance Society Limited.

(13) PENSIONS

The Society operates a Pension Scheme covering the majority of its Employees. The funding for past service is invested externally through the Scheme's Trustees, whilst contributions for the current year are charged to the Revenue Account as they arise and the monies transferred to the Trustees for investment. Actuarial Valuation of the Funds are carried out every 3 years. Deficits arising on these Valuations are charged to the Revenue Account as special contributions in accordance with the Actuary's guidance.

Group Revenue Account

Year ended 25 January 2003

	NOTES	2003 £'000	2002 £'000
Turnover		24,256	24,207
Value Added Tax		2,391	2,399
Net sales		21,865	21,808
Cost of sales		15,083	15,094
Gross profit		6,782	6,714
Expenses less income from property	1	6,574	6,630
Trading surplus		208	84
Surplus on sale of Fixed Assets		—	—
Surplus before Interest		208	84
Interest received	2	34	47
Interest paid	3	(23)	(27)
Surplus for year before distribution		219	104
Share interest		27	24
Dividend	4	126	118
Grants	5	36	39
Surplus/(Deficit) for year before taxation		30	(77)
Taxation charge	6	—	(5)
Surplus/(Deficit) for year		30	(82)

Group Balance Sheet

Year ended 25 January 2003

	NOTES	2003 £'000	2002 £'000
Fixed assets			
Tangible assets	7	5,294	5,475
Investment properties	8	5,055	4,320
Other Investments	9	273	103
		10,622	9,898
Current assets			
Stocks	10	2,322	2,325
Debtors and prepayments	11	862	805
Investments	12	19	36
Cash in hand and at bank		809	813
		4,012	3,979
Current liabilities			
Amounts falling due within one year			
Creditors -- Trade	13	2,307	2,169
Dividend		154	144
Other		1	4
		2,462	2,317
Loans	14	153	145
		2,615	2,462
Net current assets		1,397	1,517
Total assets		12,019	11,415
Provision for deferred taxation	16	103	103
Funeral prepayment plans		966	881
Net assets		10,950	10,431
Financed by:			
Share capital	17	1,549	1,231
Revaluation reserves	18	2,633	2,716
Revenue reserves	18	6,768	6,484
		10,950	10,431

Group Cash Flow Statement & Reconciliation of Net Cash Flow

Year ended 25 January 2003

GROUP CASH FLOW STATEMENT

	NOTES	2003 £'000	2002 £'000
Cash inflow from Operating Activities	21(a)	909	44
Returns on Investments and Servicing of Finance	21(b)	30	43
Benefits paid to Members		(116)	(211)
Taxation recovered		-	-
Capital expenditure and financial investment	21(c)	(1,130)	(794)
Cash outflow before use of liquid resources and financing		(307)	(918)
Management of liquid resources	21(d)	17	18
Financing	21(e)	286	(37)
Decrease in cash in the year		(4)	(937)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	NOTES	2003 £'000	2002 £'000
Decrease in cash in the year		(4)	(937)
Cash inflow from management of liquid resources		(17)	(18)
Change in net funds resulting from cash flows	21(f)	(21)	(955)
Net funds at 26th January 2002	21(f)	849	1,804
Net funds at 25th January 2003	21(f)	828	849

Statement of Total Recognised Gains and Losses & Reconciliation of Movements in Shareholders' Funds

Year ended 25 January 2003

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	NOTES	2003 £'000	2002 £'000
Surplus/(Deficit)		30	(82)
Unrealised surplus on revaluation	18	171	352
Total recognised gains		201	270

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £'000	2002 £'000
Surplus before distribution and tax	219	104
Distributions and tax	(189)	(186)
Surplus/(Deficit) after distributions and tax	30	(82)
Revaluation surplus arising in the year	171	352
Contributions and interest less withdrawals during the year	318	(15)
Movement in Year	519	255
Opening Shareholders' Funds	10,431	10,176
Closing Shareholders' Funds	10,950	10,431

Notes to the Accounts

Year ended 25 January 2003

1. Expenses	2003 £'000	2002 £'000
Personnel costs	4,188	4,184
Occupancy costs	1,355	1,356
Depreciation*	468	517
Audit fees paid to KPMG LLP	21	19
Taxation Advice fees paid to KPMG LLP	14	17
Other fees paid to KPMG LLP	3	2
Directors' fees	5	5
Other expenses	877	912
Income from property	(357)	(382)
	6,574	6,630

*Depreciation charged to cost of sales amounts to £53,487 (2002: £51,039)

No Director's remuneration exceeded £1,000

2. Interest received	2003 £'000	2002 £'000
CWS Limited	7	7
Other I & P Societies: Shares and Loans	3	4
	10	11
Short term deposits/other	24	36
	34	47

3. Interest paid	2003 £'000	2002 £'000
Sales Club	2	3
Other	2	—
Funeral prepayment plans	19	24
	23	27

4. Dividend	2003 £'000	2002 £'000
Dividend to Shareholders	121	113
Waived dividends given to charity	5	5
	126	118

5. Grants and Donations	2003 £'000	2002 £'000
Member Relations Committee	2	2
Employee related	34	37
	36	39

Notes to the Accounts

Year ended 25 January 2003

6(a) Taxation charge (credit)	2003 £'000	2002 £'000
Corporation Tax at 30%	—	—
Deferred Tax	—	(6)
Prior year adjustment:		
Corporation Tax	—	—
Deferred Tax	—	1
	—	(5)

6(b) Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 30% (2002 30%).

The differences are explained below:

	2003 £'000	2002 £'000
Profit/(loss) on ordinary activities before tax	30	(77)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002 30%)	9	(23)
Effects of:		
Expenses not deductible for tax purposes	59	1
Short term timing differences	(97)	—
Capital allowance in excess of depreciation	(15)	63
Group relief claimed	(1)	—
Increase in provisions	—	4
Utilisation of tax losses	45	(45)
Current tax charge for period	0	0

6(c) Deferred taxation	Provided £'000	Provided £'000
Accelerated capital allowances	37	37
Other timing differences	66	66
	103	103

The potential taxation liability, if all the Society's investment properties were disposed of at their revalued amount, has not been quantified because there is no intention to dispose of them. The maximum liability is estimated to be approximately £0.6 million.

Notes to the Accounts

Year ended 25 January 2003

7. Tangible Assets

	Freehold Land & Buildings £'000	Leasehold Buildings £'000	Fixtures & Fittings, Plant £'000	Transport £'000	TV & Video Rental sets £'000	Total £'000
Cost at start of year	4,628	481	4,843	631	318	10,901
Additions	11	—	299	35	68	413
Disposals	—	(18)	—	(51)	(93)	(162)
Reallocation to Investment Properties	(50)	—	—	—	—	(50)
Cost at end of year	4,589	463	5,142	615	293	11,102
Accumulated Depreciation:						
At start of year	1,185	173	3,294	553	221	5,426
Charge for year	100	21	313	34	53	521
Disposals	—	(18)	—	(48)	(73)	(139)
At end of year	1,285	176	3,607	539	201	5,808
Net book value at 25th January 2003	3,304	287	1,535	76	92	5,294
Net book value at 26th January 2002	3,443	308	1,549	78	97	5,475

The original cost of land included in the above figures which is not depreciated is £500,000.

Notes to the Accounts

Year ended 25 January 2003

8. Investment Properties

	Freehold Investment Property £'000
Valuation at start of year	4,320
Additions	826
Disposal	(275)
Reallocation from freehold land and buildings	50
Revaluation Surplus	171
Reduction in value	(37)
Valuation at end of year	5,055

Freehold investment properties are stated at valuation by Peter J. Hicks & Co., Chartered Surveyors on the basis of open market value as at 25th January 2003. The historic cost of investment properties included at valuation is as follows:

	£'000
Cost	2,521
Accumulated Depreciation	(99)
Net Book Value	2,422

9. Fixed Asset Investments

	2003 £'000	2002 £'000
CWS Limited: Shares	100	100
Other I & P Societies: Shares	4	3
CIS Ltd: Re. Funeral Plans	169	—
	273	103

10. Stocks

	2003 £'000	2002 £'000
Goods held for resale	2,322	2,325

Notes to the Accounts

Year ended 25 January 2003

11. Debtors	2003 £'000	2002 £'000
Customer accounts	646	581
Prepayments	214	220
VAT recoverable	2	4
	862	805
<hr/>		
12. Current Asset Investments	2003 £'000	2002 £'000
Other I & P Societies: Loans	7	22
Shares	12	14
	19	36
<hr/>		
13. Creditors Falling Due Within 1 Year	2003 £'000	2002 £'000
Trade creditors	1,826	1,587
Accrued charges	249	182
Value Added Tax	38	182
Holiday pay reserve	194	218
	2,307	2,169
<hr/>		
14. Loans Falling Due Within 1 Year	2003 £'000	2002 £'000
Funeral prepayment plan	138	126
Sales Club	15	19
	153	145

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

15. Capital Commitments

Further capital expenditure authorised and contracted for £300,371.87 (2002 Nil).

Notes to the Accounts

Year ended 25 January 2003

16. Provision for Liabilities and Charges	2003 Deferred Tax £'000	2002 Deferred Tax £'000
Balance to commence	103	98
Transfer from Revenue Account	-	5
Balance to end	103	103
<hr/>		
17. Share Capital	2003 £'000	2002 £'000
Balance to commence	1,231	1,246
Contributions	630	312
Interest	27	24
	1,888	1,582
Withdrawals	339	351
Balance to end	1,549	1,231

Share Capital is Non Equity Share Capital comprising 1,549,020 shares of £1 each, attracting interest currently between Nil and 4.25% per annum depending on the amounts.

Shares are withdrawable on periods of notice varying according to the amount involved, however this requirement can be waived by the Directors under Rule 21(c).

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.

18. Reserves	Revaluation reserves £'000	Revenue reserves £'000	Total 2003 £'000	2002 £'000
Balance to commence	2,716	6,484	9,200	8,930
Transfer	(254)	254	-	-
Revaluation surplus arising in the year	171	-	171	352
Surplus/(Deficit) for the year	-	30	30	(82)
Balance to end	2,633	6,768	9,401	9,200

Notes to the Accounts

Year ended 25 January 2003

19. Staff	2003	2002
Full time	170	166
Part time	301	311
	471	477

The total employment costs of the Society for the year were:

	£'000	£'000
Salaries and wages	3,768	3,785
National Insurance	226	231
Pension Fund contributions	174	154
Other	20	14
	4,188	4,184

The remuneration of the Chief Executive Officer (who is also the highest paid employee) included above was as follows:

	2003	2002
	£	£
Salary	79,343	75,685
Taxable Benefits	11,766	8,892
	91,109	84,577
Pension Contributions	7,851	6,227
	98,960	90,804

The following number of executive management received remuneration (including taxable benefits) falling within the following ranges:

	2003	2002
	No.	No.
£25,001 - £30,000	-	1
£30,001 - £40,000	2	1
£40,001 - £50,000	1	1
£50,001 - £60,000	1	2
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

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 fund administered by trustees.

The last valuation of the Fund was carried out as at 31st March 2001 by a qualified actuary employed by 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, pensions and equity dividends. For the purpose of the valuation as at 31st March 2001, it was assumed that the investment return would average 6.5% per annum, that earnings inflation would average 4.5% per annum, that present and future pensions would increase at an average rate of 2.5% per annum and that equity dividends would increase at an average rate of 3.5% per annum.

Notes to the Accounts

Year ended 25 January 2003

20. Pensions (continued)

The contributions charged in the profit and loss account were assessed using the projected unit method.

At the date of the valuation, the market value of the Fund's assets was £8.33 million and the actuarial value was £7.43 million. The actuarial value of the assets represented 99% of the actuarial value of all benefits accrued to members and pensioners at that date, after allowing for the assumed future increases in wages and pensions. The deficiency is being amortised in the Society's accounts over the remaining expected service lives of the current members.

The pension costs charged in the Revenue Account did not differ materially from this.

For the purposes of FRS 17, the full actuarial valuation was updated to 25th January 2003, by a qualified actuary employed by Co-operative Insurance Society Limited.

The main assumptions used by the actuary were:

	At 25.1.03	At 26.1.02
Rate of increase in salaries	3.80%	4.00%
Rate of increase in pensions in payment	2.30%	2.50%
Discount rate	5.20%	5.80%
Inflation assumption	2.30%	2.50%

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 25.1.03	Value at 25.1.03 £000's	Long term rate of return expected at 26.1.02	Value at 26.1.02 £000's
Equities	6.8%	4,100	7.5%	5,939
Bonds	4.3%	1,889	5.0%	1,752
Total market value of assets		5,989		7,691
Present value of scheme liabilities		(9,231)		(8,273)
Surplus (deficiency) in the scheme		(3,242)		(582)
Related deferred tax asset*		973		175
Net pension asset (liability)		(2,269)		(407)

*(This assumes a Society corporation tax rate of 30% for the year ended 25th January 2003 and a rate of 30% for the year ended 26th January 2002).

The amount of this net pension liability would have a consequential effect on reserves.

The Society pays contributions at the rate of 9.5% of the Normal Component of pensionable wages. This was increased from 8.6% on 1st April 2002 following the actuarial valuation as at 31st March 2001.

The Society is following the transitional arrangements as outlined in Financial Reporting Standard 17 (Retirement Benefits), and the requirements of FRS 17 are to be introduced in stages until full compliance is made in the accounting period ending January 2005.

Notes to the Accounts

Year ended 25 January 2003

21. Cash Flow	2003	2002	
(a) Reconciliation of operating surplus to operating cash flow	£'000	£'000	
Operating profit	208	84	
Write down of investment property	37	—	
Depreciation charge	521	567	
Grants and donations	(36)	(39)	
Decrease/(Increase) in stock	22	(2)	
Increase in debtors	(57)	(113)	
Increase/(Decrease) in creditors	138	(530)	
Decrease in other liabilities	(3)	(1)	
Increase in funeral prepayments	79	78	
Net cash inflow from operating activities	909	44	
(b) Returns on investment and servicing of finance	£'000	£'000	
Interest received	34	47	
Interest paid	(4)	(4)	
Net cash inflow from returns on investment and servicing of finance	30	43	
(c) Capital expenditure and financial investment	£'000	£'000	
Purchase of tangible fixed assets	(1,239)	(796)	
Sale of fixed assets	279	2	
Purchase of fixed asset investments	(173)	—	
Disposal of fixed asset investments	3	—	
Net cash outflow from capital expenditure and financial investment	(1,130)	(794)	
(d) Management of liquid resources	£'000	£'000	
Purchase of current asset investments	(7)	(14)	
Disposal of current asset investments	24	32	
Net cash inflow from management of liquid resources	17	18	
(e) Financing	£'000	£'000	
Contributions to share capital	630	312	
Withdrawals of share capital	(339)	(351)	
Loans due within a year - (net repayment)/income	(5)	2	
Net cash outflow from financing	286	(37)	
(f) Analysis of net funds	At beginning of year £'000	Cash flow £'000	At end of year £'000
Cash in hand and at bank	813	(4)	809
Current asset investments	36	(17)	19
Total	849	(21)	828

Group Value Added Statement

Year ended 25 January 2003

	2003		2002	
	£'000	%	£'000	%
Turnover	24,256		24,207	
Less Value Added Tax	2,391		2,399	
Sales	21,865		21,808	
Less bought-in materials and services	17,028		17,078	
Value added by group	4,837	100	4,730	100
Applied as follows:				
To employees:				
Net pay, Income Tax,				
National Insurance & Pension Fund deduction	3,788		3,799	
Group contributions for National Insurance	226		231	
Group contributions for Pension Fund	174		154	
Employee related distribution	34		37	
	4,222	87.3	4,221	89.2
To members and other providers of capital:				
Share interest	27		24	
Interest on savings club	2		4	
Interest on other loans	21		24	
Rent	277		275	
	327		327	
Less investment income and rents received	391		429	
	(64)	(1.3)	(102)	(2.1)
To members, customers and community:				
Dividend	121		113	
Charity dividend	5		5	
Education	2		2	
	128	2.6	120	2.5
Taxation charge (deferred and corporate)	-		5	0.1
For the replacement of assets and expansion of the group:				
Depreciation	521		568	
Retained surplus/(deficit)	30		(82)	
	551	11.4	486	10.3
	4,837	100	4,730	100

The Co-operative Difference & Society Outlets

On the 13th November 1886 a Meeting arranged in Tamworth and attended by just over 80 people decided to form what is now known as Tamworth Co-operative Society Limited. By the end of that month the first stock had been delivered and trading had commenced.

The Society was controlled by a democratically elected Committee, all local people and totalling 12 in number. Today's Society still has a Board of Directors now comprised of 8 Members who are still elected democratically by Members to serve for 3 years on rotation.

Members are actively encouraged to apply for Directorship and any training required will be provided.

In 1887 the Committee decided to allocate part of its turnover for education purposes. Nowadays the Society still allocates money in the same way and a Member Relations Committee works hard to improve Members' knowledge of Co-operation.

On 26th March 1887 payment of the Society's first Dividend was arranged. Whilst Members waived their right to this Dividend on that occasion, nevertheless the Society has fully committed itself to the Dividend principle and still shares its profits to its Members consistently every year, and in the last 5 years over £2,500,000 has been shared by local people.

SOCIETY OUTLETS

FOOD SUPERMARKET

Church Street, Tamworth.

CONVENIENCE STORES

70 New Street, Dordon.
264 Main Road, Amington.
251 Main Road, Glascoate.
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.
James Brindley Way, Stretton.
Burton upon Trent.

POST OFFICES

Church Street, Tamworth.
The Delph, Swadlincote.
Main Street, Rosliston.

NON FOOD STORES

Department Store, Church Street, Tamworth.
Homemaker, Ventura Retail Park, Tamworth.
The Delph, Swadlincote.
Homelectric, Civic Way, Swadlincote.
Homelectric, The Octagon Centre, Burton upon Trent.

FUNERAL SERVICES

Upper Gungate, Tamworth.
Station Street, Atherstone.
Granville Street, Woodville.
High Street, Uttoxeter.
Queen Street, Cheadle.

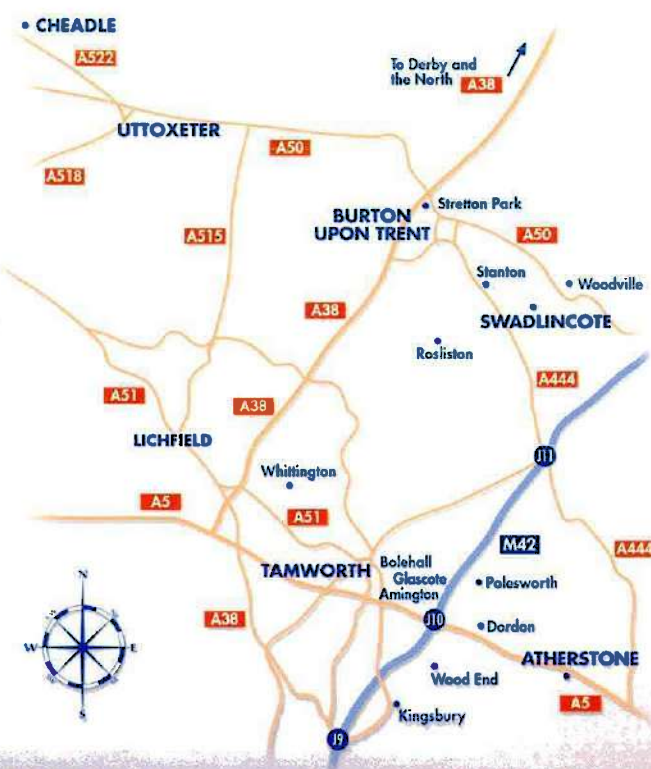
PETROL STATIONS

Bonehill Road, Tamworth.

In 1889 the first Charitable Grants were allocated by the Committee. Since that date the Society has continued to play its part within the Community by making Grants to local Charities. In the last 5 years over £40,000 has been allocated for these purposes.

- Your Society continues to be owned and controlled in a democratic way through its local Membership.
- We aim to achieve the highest standards of service and to provide a variety and choice within a range of trading outlets together with courteous and personal attention.
- It is our continued belief that Members should be entitled to share in the profits of the Society whilst ensuring that there are sufficient Reserves for the Society to be able to ensure a Co-operative trading future for Members in the years to come.
- The Society plays an important part in the local Community and is proud of its strong associations with the areas from which it trades.

Further details of how Members can play a full part in the Society can be obtained from the Chief Executive Officer.



Member Relations Report

The Member Relations Committee of Tamworth Co-operative Society has spent another year arranging events and activities for the benefit of all interested Members. A survey was sent out to a random selection of Members towards the end of 2002 and this will be evaluated in the new year in order that the Committee can meet the interests of Members to the best of its ability. The Committee would like to thank all those who took part and congratulate Mrs P. Rogers for winning the Prize Draw, selected at random from those who completed the document.

Your Committee has continued to support the Kingsbury Woodcraft Folk who meet on a regular basis. The Woodcraft Folk help to provide a Co-operative background for young people to enable them to understand the benefit of co-operating with others.

Events During the Year

The Bowling Competition for the Co-op Cup has now become a regular fixture and this year was held in the Castle Grounds on the Bank Holiday Monday, 3rd June. Congratulations are extended to Tamworth Sons of Rest

on winning the trophy this year, which was presented by the Chairman of the Committee Mr. P.A. Buckley.

We were again pleased to host two Educational Training Days, sponsored by West Midlands Co-op Member Education Group and held in the Philip Dix Centre during 2002. All Members attending found the days both enjoyable and informative.

Due to popular demand, two rambles were held this year the first being from Monyash to Youlgreave in Derbyshire and the second was held at Tittesworth Reservoir. The weather obviously affects these considerably and glorious sunshine on the first occasion made the event that extra bit special. It is proposed to hold at least one more Ramble in the coming year possibly to Much Wenlock Edge in Shropshire and further details will be available in our shops nearer to the time.

In August a coach of Co-operators from Midlands Society enjoyed a Day Trip to the historical city of Bath and a few Tamworth Members were able to join in this event.



Member Relations Report & Statement of Accounts

The Women's Guild continues to meet every Thursday in the Department Store, Colehill, Tamworth and the ladies are always pleased to welcome new Members.

In November a repeat coach trip was organised to Turners at Northampton for the first of their Christmas Special Shows. This proved a great way to start the Christmas season with an evening's entertainment for all. Early in 2003 we shall be taking two Coach Trips to Wolverhampton to the Grand Theatre where Members and their children will be able to enjoy the pantomime, Snow White & The Seven Dwarfs.

We have been delighted once again to be able to support Members of the Society and their families to further their education in other parts of the world with sponsorship.

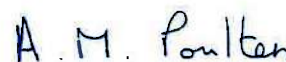
The committee would like to express its sincere thanks to Mrs. Ann Akers who has decided not to seek re-election to the committee after being a valued Member for the last 5 years.

The Member Relation Committee aims to develop and co-ordinate educational, social and cultural activities for all Society Members and to promote participation in our Society's democratic affairs. If you would like to learn more about becoming a Member of the Committee, please call into the Tamworth Department Store or e.mail MRC at www.tamworth.coop

We look forward with hope and anticipation for more involvement from our Members in 2003.



Philip A. Buckley, Chairman



Audrey M. Poulten, Secretary.

MEMBER RELATIONS STATEMENT OF ACCOUNTS

Year Ended 25th January 2003

	2003		2002	
	£	£	£	£
Balance to Commence	2,348		2,743	
Grant from Society	1,796		1,941	
		4,144		4,684
LESS Secretary's Salary	75		125	
Grants/Donations	243		925	
Woodcraft Folk	-		450	
Conference	135		-	
Affiliations and Subscriptions	276		282	
Social Events	576		302	
Sundry Expenses	100		252	
Leaflets	1,461		-	2,336
Screen	382		-	
Training/education	374	3,622	-	
Balance to End		522		2,348



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