

Tamworth Co-operative Society Limited

A n n u a l R e p o r t & F i n a n c i a l S t a t e m e n t s 2 0 0 4



Provision of excellent products or services with distinct competitive benefits derived from our values and principles...

Co-operative Mission Statement
Executive Officers & Directors



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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Chief Executive & Deputy Chief Executive Officers



Mr. R. A. Hughes (right)
Chief Executive Officer & Secretary

Mr. J. Coles FCCA, ACIS (left)
Deputy Chief Executive Officer

Board of Directors

Mrs. E. M. Johnson* - Chairman
Mrs. A. M. Poulten* - Vice Chairman
Mr. W. B. Atkins*
Mr. P. A. Buckley
Mr. T. J. Coton*
Mr. G. W. Johnson*
Mr. A. M. King
Mr. R. W. Read

* Member of the Remuneration Committee

Managers and Advisers Notice of Meetings



Mr. K. G. Wood

Mrs. S. Park

Miss. A. J. Woodward

Mr. R. W. Read

The overall performance of the Society remains strong with some sectors showing encouraging signs of growth during the year...

Key Performance Indicators

Managers

Mr. K. G. Wood - Non Food Trades Manager
Mrs. S. Park - Financial Services Manager
Miss. A. Woodward M.B.I.E. - Funeral Manager
Mr. R. W. Read - Food Controller

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 7HA.
Registered Number 2582R

Notice of Special General Meeting

Notice is hereby given that a Special General Meeting of Members will be held immediately preceding the Annual General Meeting on:
Wednesday, 7th April 2004 at 7.15 p.m.

The purpose of the Meeting will be to consider and approve (or otherwise) a proposal by the Board of Directors that the Rules of the Society be partially amended as follows:

- Rule 7 be amended by deleting 'Co-operative Union' and replacing with 'Co-operatives UK.'
- Rule 35 - be amended by deleting in its entirety and replacing with the following:

'The Society shall in each year hold one ordinary meeting, to be called the annual meeting to be held within six months of the financial year end.'

- Rule 49 be amended by deleting the words 'in March or April' at the end of the first paragraph.
- Rule 50 be amended by deleting the words 'as secretary to the Member Relations Committee or who is' and insert the word 'if' before 'appointed at the yearly...' and in the last line by deleting 'Co-operative Union' and replacing with 'Co-operatives UK.'
- Rule 52(g) be amended by inserting at the end of the Rule the following words 'and in particular but not exclusively to encourage member education in the principles and practices of co-operation.'
- Rule 52(h) be amended by deleting 'Co-operative Union' and replacing with 'Co-operatives UK.'
- Rule 52(vii) be amended by deleting 'Co-operative Union' and replacing with 'Co-operatives UK,' and by deleting 'Co-operative Wholesale Society' and replacing with 'The Co-operative Group (CWS).'
- Rule 52(xi) be amended by inserting after 0.05% 'or a sum as agreed by the Board from time to time.'
- Rule 53 be deleted in its entirety.
- Rule 67 be deleted in its entirety.
- Rule 71(c) be deleted in its entirety, and the remaining sub clause be re-ordered accordingly.
- Rule 73 be amended by deleting 'Co-operative Union' and replacing with 'Co-operatives UK.'

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 7th April 2004 at 7.15 p.m.

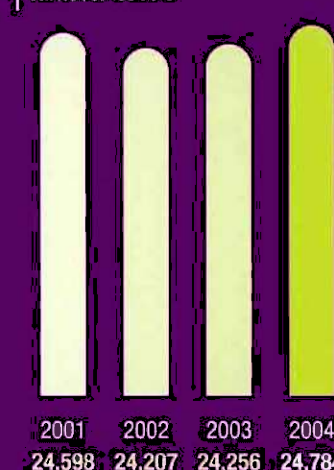
Agenda

- To confirm the Minutes of the Ordinary General Meeting held on 9th April 2003.
- To receive the Report of the Board of Directors.
- To consider and adopt the accounts of the Group for the 52 weeks ended 24th January 2004 and the Balance Sheet together with the Auditors' Report thereon.
- To confirm donations authorised by the Board of Directors.
- To declare the results of the election to the Board of Directors.
- To elect Scrutineers.
- To appoint Auditors.
- To receive a report upon the Annual General Meeting of the Co-operative Group (CWS) Ltd.
- To receive a report upon the Co-operative Congress 2003.
- To receive the Report and Accounts of the Member Relations Committee.
- Any other business as necessary.

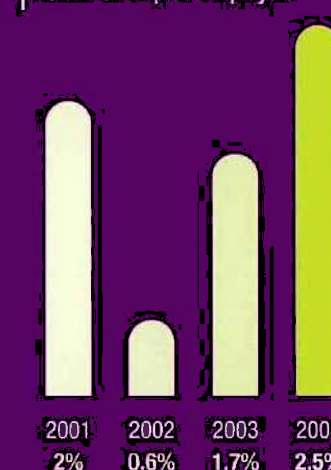
By Order of the Board
Richard A. Hughes,
Secretary.
2nd March 2004.

* Admission on presentation of a valid Pass Card.

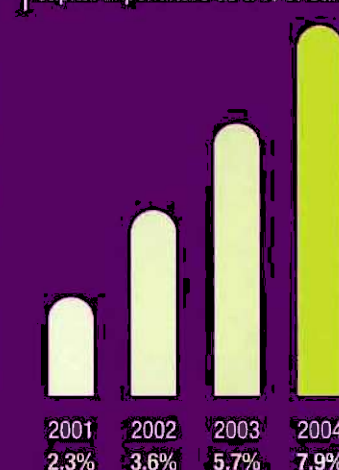
Turnover £000's



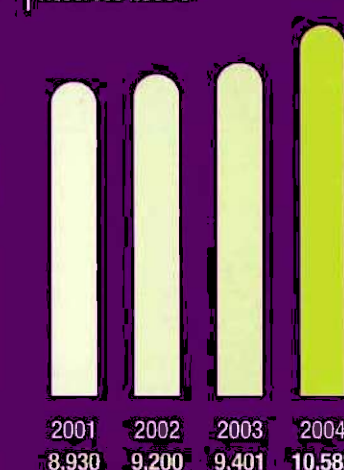
Return on Capital Employed



Capital Expenditure as a % of Sales



Reserves £000's



Key Performance Indicators

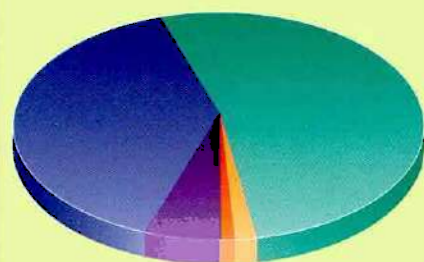
Year Ended 24th January 2004

	2001	2002	2003	2004
Return on Capital employed as a %	2.0	0.6	1.7	2.5
Net Profit as a % of Sales	1.4	0.5	1.0	1.4
Trade Profit after Depreciation as a % of Sales	1.0	0.3	0.9	1.3
Trade Profit before Depreciation as a % of Sales	3.3	2.6	3.0	3.8
Gearing %	(5.5)	(7.6)	(7.3)	0.4
Interest Cover (times)	12.0	4.0	7.2	5.3
Retention as a % of Sales	0.3	(0.4)	0.1	0.2
Capital Expenditure as a % of Sales	2.3	3.6	5.7	7.9
Total Net Assets (£000's)	10,176	10,431	10,950	12,681
Represented by:				
Share Capital (£000's)	1,246	1,231	1,549	2,099
Reserves (£000's)	8,930	9,200	9,401	10,582

Note: All figures have been calculated in line with current Co-operatives UK recommendations and updated where applicable.

This has been a year of progress for the Society as we have aimed to take the Society forward following improved results in the previous year

Society Trade Balance



Trade Balance by Division

The pie chart above and table below illustrate the % breakdown of sales by division.

●	Food = 55.9%
●	Non Food = 36.4%
●	Funeral = 5.1%
●	Motor = 1.1%
●	Sundry = 1.5%

Principal Activities

Since Tamworth Co-operative Society Limited was formed in 1886 the Policy of the Board of Directors has been to provide a Co-operative alternative method of trading in a wide variety of commodities, wherever it has felt it would be in the Members' interests.

The Society currently operates Retail Shops in both Food and Non-Food. It also has a comprehensive Funeral Division and provides a range of Financial Services for Members. Its Transport Division is essentially there to provide vehicle services for the Society's internal fleet but it also provides the Society's Members with full MOT Services and has a Petrol Station from which Members can buy petrol and ancillary products thus being able to obtain Dividend on purchases.

In recent years the Board of Directors has supported Management in building up a Property Portfolio for investment purposes.

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

The Society endeavours at all times to take a totally non-political stance.

Financial Review

This has been a year of progress for the Society as we have aimed to take the Society forward following the improved results in the previous year. None of this would have been possible without the support of our Active Members and Employees to whom the Board would like to express thanks.

The Society has continued to endeavour to maintain its social purpose with its mission to offer a clear Co-operative advantage whilst providing excellent products and services and maintaining our values and principles. 2003 saw the Society substantially increase its capital expenditure thereby strengthening its commitment to Members to further consolidate the Society's already excellent financial base.

In particular the Board authorised Management to purchase a further property for its Investment Portfolio in the Tamworth Town Centre, and this represented an investment of around £800,000. We have also completely refitted two additional Grocery Branches and undertaken further large refurbishment of the Tamworth Department Store.

Access has been improved to a number of premises for our Disabled Members and we have further extended our ranges in various Food Stores by additional refrigeration for the benefit of our Customers. Unfortunately we have also had to spend money on strengthening the security at a number of Stores in order to further protect our Staff and our merchandise which has become more and more necessary in recent times.

Our fleet of vehicles has also received considerable attention and in particular we have purchased a new fleet of Jaguar vehicles for our Funeral Department.

Information Technology has also improved with a totally new Payroll system which gives the Society better support.

Total Turnover for the year amounted to £24,784,423 an increase of 2.2% over the previous year. On a strictly like for like basis this increases to 2.5%.

As a result of improved trading performance we are pleased to declare a further improvement to the Dividend rate...

This level of Turnover has been achieved despite yet further erosion of sales within the Town Centre properties which are down by another £550,000 compared with the previous year.

Outstanding results have however been obtained at several of the Society's Convenience Stores which underlines the Board's decision to continually upgrade these premises on an on-going basis.

We are pleased to report an increase of 53% in the Society's trading surplus and this now amounts to £318,000.

During the year the Society has made use of an overdraft facility and as a result this year interest paid exceeds interest received leaving a net surplus for the year before distribution of £308,000.

The Board of Directors has continued its policy, initiated the previous year, of having a tiered rate of interest for the Share Accounts and has been delighted with the faith shown in the future of the Society which has resulted in an increase in Share Capital of £550,000. Share Interest has therefore increased which should benefit Members during a period of low inflation.

We commented in last year's Annual Report with regard to the possible impact upon the Society's finances by the effects of new Accounting Rules with regard to the Society's Superannuation Fund. Attention of the Members is again drawn to Note 20 on page 27 which highlights the possible implications.

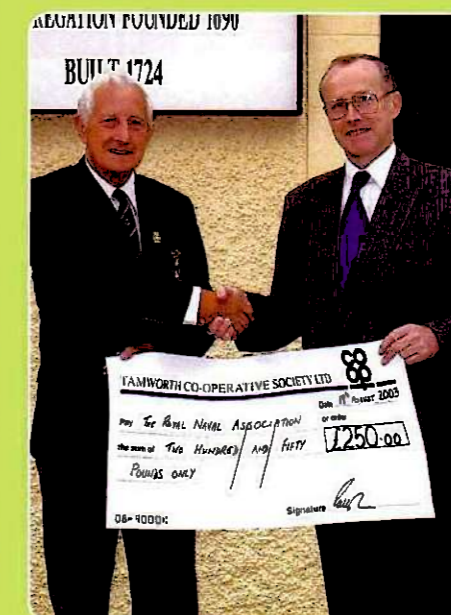
Following a poor investment performance the Society has increased its contribution to the Fund in anticipation of the next Actuarial Valuation which is due to take place as at the end of March 2004.

Following the payment of Dividend detailed below, the Society is able to increase the amount paid into Revenue Reserves to £44,000, after tax.

Coupled with a substantial increase in Revenue Reserves this leaves the total Net Assets of the Society 15.8% higher at a new record level of £12,681,000.

Dividend

The Board of Directors continues to be mindful of the importance of Dividend to our Members. As a result of improved trading performance we are pleased to declare a further improvement to the Dividend rate which we are increasing to 2.25% on all qualifying purchases. This enables the Society to reward participating Members. In addition we are increasing the level of Dividend awarded to Charities by 20%.



Major Donations were made to the following organisations during the year:

CRUSE Bereavement Care
County Air Ambulance
St. George's Children's Holiday Club
Royal Naval Association
St. John Ambulance Wilnecote
Tamworth Samaritans
Polesworth Abbey Bell Appeal
Home-Start
St. Giles Hospice

We are also pleased to report that money raised in conjunction with Employees has resulted in a substantial donation to the BBC Children in Need Appeal.

The Board recommends a distribution of surplus as follows:

	£
Dividend	
Certificates	159,000
Waived Dividends to Charities	6,000
Total	165,000

The Food Division has outperformed the general grocery market this year at a time when the pressure of competition has never been stronger

Membership

The Society is pleased to welcome a further 943 Members into the Society during the year and hopes they will fully utilise the facilities on offer and in time will involve themselves in the democratic processes.

Deaths and removals have accounted for a closure of 375 accounts which leaves a total Membership now amounting to 36,270.

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

We are delighted to report that our Food Division has outperformed the general Grocery market this year, at a time when the pressure of competition has never been stronger.

Whilst the Town Centre Supermarket has continued to decline, albeit slower than previously, our Convenience Stores have excelled with increases well above inflation.

The Board of Directors is committed to continuing with the retail strategy of developing our Convenience Store Chain and improving facilities whenever economically possible.

Complete refits have been carried out during the year at our Bolehall and Polesworth Branches and we have extended the refrigeration at Whittington, Wood End, Kingsbury, Stretton and the Town Centre Supermarket.



We are also pleased to report to Members that improved disabled access has been provided at Polesworth, Wood End and Whittington.

Outstanding sales figures have been achieved in some Branches with Glascote, Wood End, Polesworth, Rosliston and Stretton all providing increases in turnover in double figures.

The successful acquisition of the Alldays and Balfour Chains of Convenience Stores made by the Co-operative Group has further strengthened the CRTG buying capability and this has enabled us to offer both competitive pricing and the promise of growing profits and margins.

During the year the CRTG has also further developed its own brand Fairtrade items and there is no doubt that this is being welcomed by many Members particularly with regard to Chocolate and Wines.

The overall performance of our Grocery Division has been the main source of additional profit during the year and the Board of Directors will continue to look for further opportunities for enlarging this part of the Business.



The Board is aware of the importance of the range of Non-Food carried by the Society and the importance Members place on it

Non-Food

Non-Food has disappointed the Board for a number of years and this year is no exception.

The erosion of trade within the Tamworth Town Centre has impacted more heavily on the Tamworth Department Store than elsewhere and the competitive market place has also had a substantial affect on margins, particularly with regard to Electrical merchandise. An improvement has however been made at our unit in the centre of Swadlincote following the integration of the two shops last year. This has had an effect of reducing costs and increasing margins which has substantially reduced the losses and it is hoped will eventually lead to profitability.

During the important Christmas Season the opening of the new Bull Ring Centre in Birmingham also attracted many potential Customers following its high visibility in the media. This had the effect

of reducing the number of Customers to our Shops particularly at weekends.

The Board continues to be aware of the importance of the extensive range of Non-Food carried by the Society and the importance which Members place on the continuance of our Operations in this area. Nevertheless, as has been said previously, the current level of losses cannot be maintained indefinitely and the Board of Directors has been reviewing the situation with a view to taking unpleasant but necessary action.

Whilst sales have been maintained at our Homemaker Store on the Ventura Retail Park, Tamworth, costs have continued to increase out of all proportion and have reached a stage where they can no longer be acceptable.

Accordingly the Board has decided to dispose of the Lease and this will take effect early in the New Trading Year. Regrettably this will involve some redundancies.



The previous year's decision to replace the caterers within the Heritage View Cafeteria has been successful and trade has grown within this department particularly since the closure of the Milk Bar during the summer. We are pleased to report that this Section has returned to profitability.



Early in the year work was completed on Phase 2 of the conversion of our Orchard Street premises to office accommodation

The Board of Directors recognises the substantial efforts made by Staff during the year and places on record its sincere gratitude to all concerned

Funeral Services

We are delighted to report that the Funeral Department has again had a very successful trading year.

Whilst the number of Funerals has dropped as a result of the continued fall in death rate, the steady growth in trade in the outlying branches has been helpful.

The Society has invested heavily on a new Jaguar funeral fleet which continues to ensure that we are able to offer the best facilities for Funerals in the area.



During the year, the Society has successfully obtained Planning Permission to enlarge the Tamworth Office, improve Catering availability and provide much better overall facilities for our clients. It is hoped that this development will commence during the current year.

The Society has again successfully marketed its Pre-Payment Plans during the last twelve months and all new arrangements are invested with the Co-operative Insurance Society Limited in Contracts of Whole Life Insurance.

The development of these plans ensures a continued base for our trade in this area and at the same time provides peace of mind to many of our more elderly members.

It remains the Board's intention to further expand the Funeral Division where possible.

Property

We are delighted to report that, during the early part of the year, work was completed on Phase 2 of the conversion of our Orchard Street premises to Office accommodation. This involved converting what used to be the old stables area and this has subsequently been let as a Children's Day Nursery which should be of considerable benefit to parents working in and around the Town Centre. This building has been renamed Orchard House.

The adjacent, Offa House, has been successfully marketed during the year and several lettings have commenced. The Society has been keen to ensure that the quality of Tenants has been high and the length of tenancies has been optimised. The financial return on this investment is now confirming that the decision to develop the site was a wise one.

During the year the Board of Directors has authorised the purchase of new premises for this Division in George Street, Tamworth. The premises occupy a prime position with a pedestrian access way into the Town's main Shopping Centre along the eastern side of the premises. The accommodation is fully let with the main Tenants being Halifax Plc and Subway Realty Limited, both providing a secure base to the income from the site.

The Society has also decided to transfer the premises at 4 Colehill, Tamworth, formerly occupied by the Milk Bar, to this Division.

The Board has however agreed to dispose of two of its investment properties to finance the development of trade elsewhere in the Society and these sales should be completed shortly.

The Board's decision to develop this part of the Society's Business has proved to be extremely beneficial to the Society and the value of the assets in this Division has now reached over £7,000,000 with the revaluation surplus this year amounting to £1,137,000.

Should the right opportunity arise the Board will further extend the Division in the future.



Financial Services

The Society has continued to maintain 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. Post Office operations continue in Swadlincote, Tamworth, Rosliston and Wood End.

This Division however does operate as a loss making service to our Members and has to be carefully controlled in order that it does not impact too heavily on overall profits. This year has seen increased costs and Members should take this into account when looking at the benefits received from the Society.

Human Resources

We are in Business to meet both our Co-operative and Social goals ensuring that we respond to the needs of Employees, Customers, Members and the Community at large. Our 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 must be maintained, and all decisions based solely upon work criteria and individual merit.

With that in mind we have been pleased to support the Union of Shop, Distributive & Allied Workers and the rest of the Movement in the Freedom from Fear Campaign which has successfully highlighted the ongoing problem of violence and harassment in retail jobs across the country.

During the year the Society has developed its Training capacity following the production of a Staff Handbook during the previous year.

Additionally, we have been pleased to support Staff with further Training opportunities both inside and outside the Society.

The Board itself is currently composed of 6 male and 2 female Directors, whilst Senior Management comprises 4 men and 2 women.

The Society aims to fill future Management vacancies from within and continues to endeavour to ensure that Employees are readily trained to take up more Senior positions when presented with the opportunity.

The Board of Directors recognises the substantial efforts made by Staff during the year and places on record its sincere gratitude to all concerned.

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 are Members of the Remuneration Committee during the period ending 24th January 2004 can be found on page 1 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.

The Board of Directors particularly wishes to recognise the work of Terry Coton who has decided to stand down after 5 years service on the Board.

The Board recognises and appreciates the input which he has made throughout this period and places on record the thanks of his Fellow Directors on behalf of the Society's Members.



Obituaries

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

Far left: Amanda Woodward, Funeral Services Manager, receives the keys to the new fleet of Jaguar funeral cars

Left: Successful investment property at Offa House, Tamworth

Above: Retiring Board Member Terry Coton

Co-operatives^{UK} Limited has again given the Society a 100% mark as its Corporate Governance Indicator of Compliance

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-operatives^{UK}'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 extended 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 again delighted to report that Co-operatives^{UK} Limited, in its 2003 Implementation Report, gave the Society a 100% mark as its Corporate Governance Indicator of Compliance. This is the third successive year that we have achieved this mark which shows a clear indication of the Board's wishes to keep its Members fully informed.

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 whilst other Directors are working towards the achievement.

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 as such, meets the Auditor to have a full and frank discussion. In addition the Management letter from the Auditors is also presented to the full Board. It has been agreed that the Vice-Chairman should act as Chairman of this Committee.

In addition the Board has appointed a Sub-Committee to deal with Remuneration and details of the Members of that Committee can be found on page 1 of this Report.

The Board of Directors has continued to review and report upon Internal Financial Controls. The Society has continued with its work on establishing procedures necessary to comply with Legislation and the Corporate Governance Code of Best Practice and wherever possible additional Reports are 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 entire Board sits as the Audit Committee and it has been agreed that the Vice-Chairman should act as Chairman of this Committee

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.

The annual budget and long term plan of the Group and of each Division are reviewed and approved. A full Society Strategy is in place and is reviewed at least on an annual basis.

(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 Executive Levels 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

E. M. Johnson

E. Margaret Johnson
Chairman of the Board

Richard A. Hughes

Richard A. Hughes
Chief Executive Officer

2nd March 2004



The Directors are required by Industrial and Provident Society Law to ensure the preparation of financial statements...

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.

E. M. Johnson
E. M. Johnson

E. Margaret Johnson
Chairman

A. M. Poulten
A. M. Poulten

Audrey M. Poulten
Vice-Chairman

Richard A. Hughes
Richard A. Hughes

Richard A. Hughes
Chief Executive Officer

2nd March, 2004

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	29	20
Mr. P. A. Buckley	2004	23	21
Mr. T. J. Coton	2004	24	20
Mrs. E. M. Johnson	2005	24	24
Mr. G. W. Johnson	2006	29	26
Mr. A. M. King	2006	18	15
Mrs. A. M. Poulten	2004	24	19
Mr. R. W. Read	2005	23	23

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

Independent auditors' 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 by statute, the Auditing Practices Board, the Co-operatives UK 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 2002 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 24th January 2004 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 2002 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.

2nd March, 2004.



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

The Society operates a Pension Scheme covering most of its Employees... Actuarial Valuations of the Funds are carried out every three years.

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.

Accounting Date

The Accounts are in respect of the 52 week period ended 24th January 2004 with comparative figures for the 52 week period ended 25th January 2003.

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.

Group Turnover

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

Investment Income

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

Goodwill

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

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 - over the expected working life or 4 years
- 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.

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.

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.

Stocks

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

Repairs

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

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.

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 Valuations 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 24 January 2004

	NOTES	2004 £'000	2003 £'000
Turnover		24,784	24,256
Value Added Tax		2,444	2,391
Net sales		22,340	21,865
Cost of sales		15,131	15,083
Gross profit		7,209	6,782
Expenses less income from property	1	6,891	6,574
Trading surplus		318	208
Surplus before interest		318	208
Interest received	2	21	34
Interest paid	3	(31)	(23)
Surplus for year before distribution		308	219
Share interest		46	27
Dividend	4	159	126
Grants	5	37	36
Surplus for year before taxation		66	30
Taxation charge	6	(22)	–
Surplus for year		44	30

Group Balance Sheet
Year ended 24 January 2004

	NOTES	2004 £'000	2003 £'000
Fixed assets			
Tangible assets	7	5,516	5,294
Investment properties	8	7,120	5,055
Other Investments	9	439	273
		13,075	10,622
Current assets			
Stocks	10	2,400	2,322
Debtors and prepayments	11	935	862
Investments	12	12	19
Cash in hand and at bank		–	809
		3,347	4,012
Current liabilities			
Amounts falling due within one year			
Bank overdraft		62	–
Creditors – Trade	13	2,120	2,307
Dividend		195	154
Other		2	1
		2,379	2,462
Loans	14	160	153
		2,539	2,615
Net current assets		808	1,397
Total assets		13,883	12,019
Provision for deferred taxation	16	125	103
Funeral prepayment plans		1,077	966
Net assets		12,681	10,950
Financed by:			
Share capital	17	2,099	1,549
Revaluation reserves	18	3,770	2,633
Revenue reserves	18	6,812	6,768
		12,681	10,950

Group Cash Flow Statement
Year ended 24 January 2004

	NOTES	2004 £'000	2003 £'000
Cash inflow from Operating Activities	21(a)	663	909
Returns on Investments and Servicing of Finance	21(b)	9	30
Benefits paid to Members		(118)	(116)
Taxation		-	-
Capital expenditure and financial investment	21(c)	(1,928)	(1,130)
Cash outflow before use of liquid resources and financing		(1,374)	(307)
Management of liquid resources	21(d)	7	17
Financing	21(e)	496	286
Decrease in cash in the year		(871)	(4)

Reconciliation of Net Cash Flow to Movement in Net(Debt)/Funds
Year ended 24 January 2004

	NOTES	2004 £'000	2003 £'000
Decrease in cash in the year		(871)	(4)
Cash inflow from management of liquid resources		(7)	(17)
Change in net funds resulting from cash flows	21(f)	(878)	(21)
Net funds at 25th January 2003	21(f)	828	849
Net(debt)/funds at 24th January 2004	21(f)	(50)	828

Statement of Total Recognised Gains & Losses
Year ended 24 January 2004

	NOTES	2004 £'000	2003 £'000
Surplus		44	30
Unrealised surplus on revaluation	18	1,137	171
Total recognised gains		1,181	201

Reconciliation of Movements in Shareholders' Funds
Year ended 24 January 2004

	2004 £'000	2003 £'000
Surplus before distribution and tax	308	219
Distributions and tax	(264)	(189)
Surplus after distributions and tax	44	30
Revaluation surplus arising in the year	1,137	171
Contributions and interest less withdrawals during the year	550	318
Movement in Year	1,731	519
Opening Shareholders' Funds	10,950	10,431
Closing Shareholders' Funds	12,681	10,950

1. Expenses	2004 £'000	2003 £'000
Personnel costs	4,300	4,188
Occupancy costs	1,491	1,355
Depreciation*	547	468
Audit fees paid to KPMG LLP	18	21
Taxation Advice fees paid to KPMG LLP	13	14
Other fees paid to KPMG LLP	2	3
Directors' fees	6	5
Other expenses	993	877
Income from property	(479)	(357)
	6,891	6,574

*Depreciation charged to cost of sales amounts to £48,172 (2003: £53,487). No Director's remuneration exceeded £1,000.

2. Interest received	2004 £'000	2003 £'000
Co-operative Group	7	7
Other I & P Societies: Shares and Loans	1	3
	8	10
Short term deposits/other	13	24
	21	34

3. Interest paid	2004 £'000	2003 £'000
Bank	8	—
Sales Club	—	2
Other	4	2
Funeral prepayment plans	19	19
	31	23

4. Dividend	2004 £'000	2003 £'000
Dividend to Shareholders	159	121
Waived dividends given to charity	6	5
Reversal of over provision in earlier years	(6)	—
	159	126

5. Grants and Donations	2004 £'000	2003 £'000
Member Relations Committee	2	2
Employee related	35	34
	37	36

6(a) Taxation charge	2004 £'000	2003 £'000
Corporation Tax at 30%	—	—
Deferred Tax	41	—
Prior year adjustment:		
Corporation Tax	—	—
Deferred Tax	(19)	—
	22	—

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% (2003 30%).

The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	66	30
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 30%)	20	9
Effects of:		
Expenses not deductible for tax purposes	55	59
Short term timing differences	4	(97)
Capital allowance in excess of depreciation	(24)	(15)
Group relief claimed	—	(1)
Increase in provisions	—	—
Utilisation of tax losses	(55)	45
Current tax charge for period	—	—

6(c) Deferred taxation	2004 Provided £'000	2003 Provided £'000
Accelerated capital allowances	66	37
Other timing differences	59	66
	125	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.

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	4,589	463	5,142	615	293	11,102
Additions	1	—	548	250	41	840
Disposals	—	—	(40)	(126)	(85)	(251)
Reallocation to Investment Properties	(34)	—	—	—	—	(34)
Cost at end of year	4,556	463	5,650	739	249	11,657
Accumulated Depreciation:						
At start of year	1,285	176	3,607	539	201	5,808
Charge for year	99	19	358	71	48	595
Disposals	—	—	(40)	(126)	(68)	(234)
Reallocation to Investment Properties	(28)	—	—	—	—	(28)
At end of year	1,356	195	3,925	484	181	6,141
Net book value at 24th January 2004	3,200	268	1,725	255	68	5,516
Net book value at 25th January 2003	3,304	287	1,535	76	92	5,294

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

8. Investment Properties	Freehold Investment Property £'000
Valuation at start of year	5,055
Additions	922
Reallocation from freehold land and buildings	6
Revaluation Surplus	1,137
Valuation at end of year	7,120

Freehold investment properties are stated at valuation by Peter J. Hicks & Co., Chartered Surveyors on the basis of open market value as at 24th January 2004. The historic cost of investment properties included at valuation is as follows:

Cost	£'000
Accumulated Depreciation	2,554
	(127)
Net Book Value	2,427

9. Fixed Asset Investments	2004 £'000	2003 £'000
Co-operative Group: Shares	100	100
CIS Investment re: Funeral Plans	336	169
Other I & P Societies: Shares	3	4
	439	273

10. Stocks	2004 £'000	2003 £'000
Goods held for resale	2,400	2,322

11. Debtors	2004	2003
	£'000	£'000
Customer accounts	648	646
Prepayments	283	214
VAT recoverable	4	2
	935	862
12. Current Asset Investments	2004	2003
	£'000	£'000
Other I & P Societies: Loans	–	7
Shares	12	12
	12	19
13. Creditors Falling Due Within 1 Year	2004	2003
	£'000	£'000
Trade creditors	1,483	1,826
Accrued charges	354	249
Value Added Tax	101	38
Holiday pay reserve	182	194
	2,120	2,307
14. Loans Falling Due Within 1 Year	2004	2003
	£'000	£'000
Funeral prepayment plan	154	138
Sales Club	6	15
	160	153

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

15. Capital Commitments

Further capital expenditure authorised and contracted amounted to £ nil (2003: £300,372).

16. Provision for Liabilities and Charges	2004	2003
	Deferred Tax	Deferred Tax
	£'000	£'000
Balance to commence	103	103
Transfer from Revenue Account	22	–
Balance to end	125	103
17. Share Capital	2004	2003
	£'000	£'000
Balance to commence	1,549	1,231
Contributions	1,042	630
Interest	46	27
	2,637	1,888
Withdrawals	538	339
Balance to end	2,099	1,549

Share Capital is Non Equity Share Capital comprising 2,098,576 shares of £1 each, attracting interest currently between Nil and 4.00% 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	Revenue	Total	2003
	reserves	reserves	2004	
	£'000	£'000	£'000	£'000
Balance to commence	2,633	6,768	9,401	9,200
Revaluation surplus arising in the year	1,137	–	1,137	171
Surplus for the year	–	44	44	30
Balance to end	3,770	6,812	10,582	9,401

19. Staff	2004	2003
Full time	158	170
Part time	292	301
	450	471
The total employment costs of the Society for the year were:		
	£'000	£'000
Salaries and wages	3,852	3,768
National Insurance	253	226
Pension Fund contributions	181	174
Other	14	20
	4,300	4,188
The remuneration of the Chief Executive Officer (who is also the highest paid employee) included above was as follows:		
	2004	2003
	£	£
Salary	83,527	79,343
Taxable Benefits	10,574	11,766
	94,101	91,109
Pension Contributions	8,296	7,851
	102,397	98,960
The following number of executive management received remuneration (including taxable benefits) falling within the following ranges:		
	2004	2003
	No.	No.
£30,001 - £40,000	2	2
£40,001 - £50,000	1	1
£50,001 - £60,000	1	1
£60,001 - £70,000	1	1
£80,001 - £90,000	—	—
£90,001 - £100,000	1	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.

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

20. Pensions (continued)

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.

During the year, the Society made contributions to the Fund amounting to approximately £221,000. The pension costs charged in the profit and loss account amounted to £181,000 and the prepayment shown in the Society's balance sheet amounted to £40,000.

For the purposes of FRS 17, the full actuarial valuation was updated to 24th January 2004, by a qualified actuary employed by Co-operative Insurance Society Limited.

The main assumptions used by the actuary were:

	At 24.1.04	At 25.1.03	At 26.1.02
Rate of increase in salaries	4.30%	3.80%	4.00%
Rate of increase in pensions in payment	2.80%	2.30%	2.50%
Discount rate	5.30%	5.20%	5.80%
Inflation assumption	2.80%	2.30%	2.50%

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

	Long term rate of return expected at 24.1.04	Value at 24.1.04 £000's	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	7.3%	5,323	6.8%	4,100	7.5%	5,939
Bonds	4.8%	1,647	4.3%	1,889	5.0%	1,752
Total market value of assets		6,970		5,989		7,691
Present value of scheme liabilities		(11,005)		(9,231)		(8,273)
Deficiency in the scheme		(4,035)		(3,242)		(582)
Related deferred tax asset*		1,211		973		175
Net pension liability		(2,824)		(2,269)		(407)

*(This assumes a Society corporation tax rate of 30% for the years ended 24th January 2004, 25th January 2003 and 26th January 2002).

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

The Society paid contributions at the rate of 9.5% of the Normal Component of pensionable wages until 31st October 2003. From the 1st November 2003, the Society has been paying contributions at the rate of 12%. In addition, the Society paid a special contribution of £30,000 into the Fund during the year.

Total contributions paid by the Society during the year ended 24th January 2004 amounted to approximately £221,000. The contribution rate will be reviewed in conjunction with the next formal valuation of the Fund due to be carried out as at March 2004.

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 2006.

21. Cash Flow	2004	2003	
(a) Reconciliation of trading surplus to operating cash flow	£'000	£'000	
Trading surplus	318	208	
Write down of investment property	—	37	
Depreciation charge	595	521	
Grants and donations	(37)	(36)	
(Increase)/Decrease in stock	(61)	22	
Increase in debtors	(73)	(57)	
(Decrease)/Increase in creditors	(187)	138	
Increase/(Decrease) in other liabilities	1	(3)	
Increase in funeral prepayments	107	79	
Net cash inflow from operating activities	663	909	
(b) Returns on investment and servicing of finance	£'000	£'000	
Interest received	21	34	
Interest paid	(12)	(4)	
Net cash inflow from returns on investment and servicing of finance	9	30	
(c) Capital expenditure and financial investment	£'000	£'000	
Purchase of tangible fixed assets	(1,762)	(1,239)	
Sale of fixed assets	—	279	
Purchase of fixed asset investments	(191)	(173)	
Disposal of fixed asset investments	25	3	
Net cash outflow from capital expenditure and financial investment	(1,928)	(1,130)	
(d) Management of liquid resources	£'000	£'000	
Purchase of current asset investments	—	(7)	
Disposal of current asset investments	7	24	
Net cash inflow from management of liquid resources	7	17	
(e) Financing	£'000	£'000	
Contributions to share capital	1,042	630	
Withdrawals of share capital	(538)	(339)	
Loans due within a year - net repayment	(8)	(5)	
Net cash inflow from financing	496	286	
(f) Analysis of net funds	At beginning of year £'000	Cash flow £'000	At end of year £'000
Cash in hand and at bank	809	(871)	(62)
Current asset investments	19	(7)	12
Total	828	(878)	(50)

	2004	%	2003	%
	£'000		£'000	
Turnover	24,784		24,256	
Less Value Added Tax	2,444		2,391	
Sales	22,340		21,865	
Less bought-in materials and services	17,222		17,028	
Value added by group	5,118	100	4,837	100
Applied as follows:				
To employees:				
Net pay, Income Tax, National Insurance and Pension Fund deduction	3,866		3,788	
Group contributions for National Insurance	253		226	
Group contributions for Pension Fund	181		174	
Employee related distribution	35		34	
	4,335	84.7	4,222	87.3
To members and other providers of capital:				
Share interest	46		27	
Interest on savings club	—		2	
Interest on other loans	31		21	
Rent	385		277	
	462		327	
Less investment income and rents received	501		391	
	(39)	(0.8)	(64)	(1.3)
To members, customers and community:				
Dividend	153		121	
Charity dividend	6		5	
Education	2		2	
	161	3.2	128	2.6
Taxation charge (deferred and corporate)	22	0.4	—	
For the replacement of assets and expansion of the group:				
Depreciation	595		521	
Retained surplus	44		30	
	639	12.5	551	11.4
	5,118	100	4,837	100

The Society still shares its profits to its Members consistently every year, and in the last 5 years over £1,000,000 has been shared by local people

The aims of the Member Relations Committee have always been to develop and co-ordinate educational, social and cultural activities for Society Members

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 £1,000,000 has been shared by local people.

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 almost £35,000 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.

Food Supermarket

Church Street, Tamworth.

Convenience Stores

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.
James Brindley Way, Stretton.
Burton upon Trent.

Post Offices

Church Street, Tamworth.
The Delph, Swadlincote.
Main Street, Rosliston.
Tamworth Road, Wood End.

Non Food Stores

Department Store, Church Street, Tamworth.

Homemaker, Ventura Retail Park, Tamworth.

The Delph, Swadlincote.

Homelectric, Civic Way, Swadlincote.

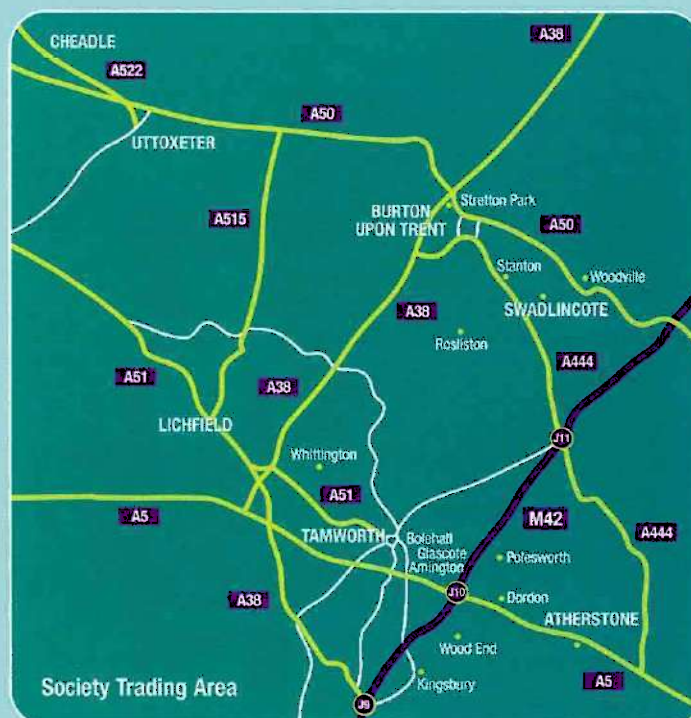
Homelectric, The Octagon Centre, Burton upon Trent.

Funeral Services

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

Petrol Stations

Bonehill Road, Tamworth.



The Member Relations Committee of Tamworth Co-operative Society has spent another year arranging events and activities for Members.

The survey sent out to a random selection of Members towards the end of 2002 raised the issue of contacting Members more efficiently. After consideration of this survey by the Board it was agreed software alterations would be made to the Membership Register, and this work has now been completed.

The Committee has continued to support the Kingsbury Woodcraft Folk which meets on a regular basis at Kingsbury.

Any Member wishing to know more about this worthy cause please contact the Chief Executive's Office and we will pass on your name to the 'Folk.' The Woodcraft Folk, in a fun way, help to provide a Co-operative background for young people to enable them to understand the benefit of co-operating with others.

The **Bowling Competition** for the Co-op Centenary Cup was again played in the Castle Grounds on Bank Holiday Monday, 26th May 2003. Tamworth Member Relations Committee was pleased to be able to sponsor this event once again. Congratulations to 'The Sons of Rest' who were the Winning Team on this occasion.

We have once again been able to support Members of our Society to further their education here and in other parts of the world with sponsorship. A Trophy was given to Kettlebrook PRU to be presented to the most co-operative pupil at the end of each term.

A trip to **Wigan Pier** on 20th July arranged with West Midland Co-operatives Member Education Group gave an opportunity for the Society's Members to meet up with other Co-op Members in the Group as well as have a wonderful day out!

A trip to **Blackpool** on 26th October was enjoyed by all. The coach was full and once again the weather was kind.

As the NCEA no longer exists West Midland Co-operatives Member Education Group is now an independent body and it was necessary to change the constitution in 2003. This Group consists, at the moment, of Tamworth, Heart of England, Midlands and West Midlands Societies plus Auxiliaries such as the Woodcraft Folk. The aim is, over the next year, to encourage other Mutual Organisations to join, in order to make training for all Members more cost effective.

Unfortunately we have to report that Mrs. Joan Bashford and Mr. Neil Sharp have resigned their Membership of our Committee.

Although Joan has not been a Member of the Committee for long her contribution was appreciated.

Neil Sharp has been a valued Member for 2 years but has found that since his change of employment he is no longer able to attend Meetings.

The Committee would like to extend grateful thanks for their support.

The aims of the Member Relations Committee have always been to develop and co-ordinate educational, social and cultural activities for Society Members and to promote participation in our Society's democratic affairs.



Rocky fun for the Woodcraft Folk

Due to a reduction in Membership of the Committee it is becoming increasingly difficult to hold Meetings and is causing concern as to viability of the Committee in the future. As a result, the decision has been made by the Board to recommend a change of Rule at the Annual General Meeting on 7th April 2004. We hope there will be a good attendance so that interested Members can be fully apprised of the situation.

Philip Buckley

Philip Buckley
Chairman.

A. M. Poulton

Audrey Poulton
Secretary.

Year ended 24 January 2004

Notes

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