

# Tamworth

CO-OPERATIVE SOCIETY



...funeral...property...member...

*Unaudited Interim  
Report for the  
26 weeks ended  
30th July 2005*

*it's your society...*



TAMWORTH CO-OPERATIVE SOCIETY

## Report of the Board of Directors

Half Year Ended 30th July 2005

Total Turnover of the Society for the Half Year Ended 30th July 2005 amounted to £11,746,856, a decrease of 6.23% on the previous year. However, this half year was a period of 26 weeks as opposed to 27 weeks in 2004.

In addition other factors are reflected in the figures, including the closure of the Homemaker Store last year, the purchase of Lilywalk Funeral Business last year and the opening of a new Convenience Store at Lichfield at the beginning of the current year.

Since the beginning of this calendar year, the trading climate across the country has become much more difficult as the Government has sought to reduce consumer spending. The Society has suffered in line with other retailers during the period. The change in Interest Rates announced after the Half Year End, in August, might be regarded by the Retail Trade as being too little too late.

Members will note that, due to changes in Auditing requirements particularly in relation to Pension matters, this year's Accounts are completed on a different basis and the previous year's Accounts have had to be restated in order to provide a like for like comparison.

The trading profit shows a substantial increase against the previous year as the Society has worked hard to reverse the decline in gross margins from the first half of 2004. In addition the Funeral Division has profited from the inclusion of the Lilywalk acquisition in 2004.

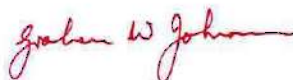
During the year the Society has opened a Convenience Store in Lichfield, which has got off to a reasonably satisfactory start, and in addition the refurbishment of the Tamworth Funeral premises has meant that cash balances have been reduced and higher interest has been payable both to the Bank and in relation to higher Pension costs. Consolidated profit nevertheless has increased by over £200,000 during the period.

During the Half Year the Board has continued to follow its policy of Store improvements and the Whittington Store has had a refit to the benefit of Members in that area.

Considerable effort is being put into the Tamworth Department Store which we hope will result in improved trading figures from that Division and at the same time further enhance the wide range of merchandise available to Members. This work will continue into the second half of the financial year.

The Society Balance Sheet continues to be strengthened and provides a very substantial base for the long term future of the Society.

For and on the behalf of the Directors



Graham W. Johnson,  
Chairman.

23rd August 2005



Richard A. Hughes,  
Chief Executive Officer.

## Interim Statement of Trading Activities

For the 26 weeks  
ended 30th July  
2005

1. Consolidated sales	26 weeks to 30 July 2005 (unaudited) £000	27 weeks to 31 July 2004 (unaudited) £000	53 weeks to 29 Jan 2005 (audited) £000
Turnover	11,747	12,527	24,891
Less Value Added Tax	(1,027)	(1,198)	(2,358)
Net sales	10,720	11,329	22,533
2. Consolidated profit	26 weeks to 30 July 2005 (unaudited) £000	27 weeks to 31 July 2004 (unaudited) £000	53 weeks to 29 Jan 2005 (audited) £000
Trading profit	252	21	449
Net investment income less interest payable	(65)	(43)	(117)
Profit after interest	187	(22)	332
3. Consolidated net assets	As at 30 July 2005 (unaudited) £000	Restated As at 31 July 2004 (unaudited) £000	Restated As at 29 Jan 2005 (audited) £000
Trading activities			
Fixed assets	6,533	5,292	6,029
Goodwill	449	-	426
Net current assets	283	1,613	779
Long term liabilities	(4,309)	(4,132)	(4,173)
Investments and Investment Properties	8,562	7,212	8,411
Net assets	11,518	9,985	11,472
4. Current borrowings	As at 30 July 2005 (unaudited) £000	As at 31 July 2004 (unaudited) £000	As at 29 Jan 2005 (audited) £000
	197	171	182
5. Current (overdraft)/cash	As at 30 July 2005 (unaudited) £000	As at 31 July 2004 (unaudited) £000	As at 29 Jan 2005 (audited) £000
	(78)	969	114
6. Share capital	As at 30 July 2005 (unaudited) £000	As at 31 July 2004 (unaudited) £000	As at 29 Jan 2005 (audited) £000
	2,671	2,297	2,500

## Notes

- The interim statement has been prepared on the basis of the accounting policies set out in the 2005 statutory accounts subject to notes (b), (c) and (d) below. The figures shown for the year to 29th January 2005 are extracted from the audited accounts for 2004. The financial information does not constitute statutory accounts and is not audited.
- The consolidated profit figures exclude share interest and other appropriations and taxation.
- The assets and liabilities at 30th July 2005, 31st July 2004 and 29th January 2005 shown in the consolidated net assets statement are after making estimated provisions for share interest, grants and taxation. No provision has been made for dividends which traditionally have been declared following the full annual results.
- During the current financial year the Society has adopted FRS17 for accounting for pensions. Comparative figures have been restated so that figures shown for earlier years are based on an FRS17 basis.



# Independent review report by KPMG LLP

to Tamworth Co-operative Society Limited

## Introduction

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

This report is made solely to the Society in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Society those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

## Directors' responsibilities

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

## Review work performed

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

## Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th July 2005.

**KPMG LLP**

KPMG LLP Chartered Accountants  
2 Cornwall Street, Birmingham B3 2DL  
23rd August 2005.

## Trading Area

Tamworth Co-operative Society's trading area now extends from Cheadle in the north to Coseley in the West Midlands and east as far as Woodville.

## Tamworth Co-operative Society Limited

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Fax: 01827 62999

Registered No: 2582R

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