



Excellent products and
services plus a commitment
to the communities we serve



Tamworth Co-operative Society
Unaudited Interim Report
for the 26 weeks ended 28th July 2007

Report of the Board of Directors

Half Year Ended 28th July 2007

Total turnover of the Society for the half year ended 28th July 2007 amounted to £11,861,435 an increase of 3% on the previous year. However on a like for like basis the increase was 3.64%.

From a sales point of view, the half year started well with increases across the Society. However, as the Government and the Bank of England started to take measures to control the economy, it was quite apparent that trading was becoming much more difficult and turnover was hard to obtain. The retail market has become much fiercer with most retailers promoting strong price related offers.

Nevertheless we are pleased to have achieved a sales increase over and above inflation figures with Funeral sales particularly strong as customers have moved 'up market', which has suited our particular type of trade as we have always tried to give the very highest level of service.

We are pleased to report that expenses have been controlled at the same level as the previous year and as a consequence the half year trading deficit last year of £62,000 has been turned around into a profit of £124,000 after interest payments have been made.

The Society has been pleased to continue its support of the Superannuation Fund which is providing extremely heavy costs to the Society and these show no signs of decreasing. A triennial valuation is currently being carried out and we await the outcome with interest.

Profit in the Food Division has increased after last year's disappointments and the Funeral Division has provided an excellent result. Losses within the Non-Food Division have been further reduced whilst still causing us a great deal of concern.

At the half year end, we commenced a complete new re-fit at the Wood End Convenience Store where we have trialled the new national brand Co-operative logo. This appears to have been received extremely well by our Members.

The new funeral office at Heath Hayes is nearing completion and will represent the very best facilities available in the area. We look forward to further sales improvements following this very large expenditure.

We have continued to make improvements to the Non-Food Division and have now re-labelled the Swadlincote store with the same 'Invite' fascia that we have been using at Burton on Trent.

We are pleased to report that the Society has agreed the purchase of freehold premises which we intend to use for a convenience store, and this transaction is now in solicitor's hands and we would hope that we will be able to open during the Autumn period.

We have also reached agreement to dispose of some of our land facing onto Marmion Street, Tamworth and this will form part of the Gungate shopping development scheme which we hope will commence during 2008. Whilst this scheme will probably take at least 2 years to build, we consider it vital to the re-development of the Tamworth town centre, whilst recognising that the building work will make trading difficult during that 2 year period.

Whilst trading is likely to prove increasingly difficult following the increase in interest rates, nevertheless we would hope to continue with the improvements shown in the first half as we move forward into the very important second year of the year.

For and on the behalf of the Directors.

G.W. Johnson
Chairman

21st August 2007

Richard A. Hughes
Chief Executive Officer

Interim Statement of Trading Activities

For the 26 weeks ended 28th July 2007

1. Consolidated sales	26 weeks to 28 July 2007 (unaudited) £000	26 weeks to 29 July 2006 (unaudited) £000	52 weeks to 27 Jan 2007 (audited) £000
Turnover	11,861	11,518	23,502
Less Value Added Tax	(1,025)	(1,004)	(2,076)
Net sales	10,836	10,514	21,426
2. Consolidated profit	26 weeks to 28 July 2007 (unaudited) £000	26 weeks to 29 July 2006 (unaudited) £000	52 weeks to 27 Jan 2007 (audited) £000
Trading profit	234	7	113
Net investment income less interest payable	(110)	(69)	(160)
Impairment charge (Loss)	-	-	(161)
Profit/(loss) after interest	124	(62)	(208)
3. Consolidated net assets	As at 28 July 2007 (unaudited) £000	As at 29 July 2006 (unaudited) £000	As at 27 Jan 2007 (audited) £000
Trading activities			
Fixed assets	16,570	6,967	16,556
Goodwill	464	490	477
Net current liabilities	(561)	(436)	(670)
Long term liabilities	(5,623)	(4,794)	(5,468)
Investments and Investment Properties	10,490	9,458	10,375
Net assets	21,340	11,685	21,270
At 27th January 2007 all of the Society's freehold land and buildings were revalued to market value.			
4. Current borrowings	As at 28 July 2007 (unaudited) £000	As at 29 July 2006 (unaudited) £000	As at 27 Jan 2007 (audited) £000
	256	231	243
5. Current overdraft	As at 28 July 2007 (unaudited) £000	As at 29 July 2006 (unaudited) £000	As at 27 Jan 2007 (audited) £000
	(844)	(837)	(1,050)
6. Share capital	As at 28 July 2007 (unaudited) £000	As at 29 July 2006 (unaudited) £000	As at 27 Jan 2007 (audited) £000
	2,567	2,606	2,576

Notes

To the Interim Statement of Trading Activities

- The interim statement has been prepared on the basis of the accounting policies set out in the 2007 Statutory Accounts subject to notes (b) and (c) below. The figures shown for the year to 27th January 2007 are extracted from the Audited Accounts for 2007. 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 28th July 2007 and 29th July 2006 shown in the consolidated net assets statement are after making provisions for share interest and grants. No provision has been made for dividends, which traditionally have been declared following the results of the full 52 week period, or taxation.

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 pages 2 to 3 for the six months ended 28 July 2007. We have read the other information contained in the half-yearly 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 half-yearly report is the responsibility of, and has been approved by, the directors. As disclosed in note a), the annual financial statements of the Society are prepared in accordance with UK Accounting Standards. The financial information included in this half-yearly report has been prepared in accordance with the Statement Half-Yearly Financial Reports as issued by the UK Accounting Standards Board.

Our responsibility

Our responsibility is to express to the Society a conclusion on the financial information in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly report for the six months ended 28 July 2007 is not prepared, in all material respects, in accordance with the Statement Half-Yearly Financial Reports as issued by the UK Accounting Standards Board.

KPMG LLP

KPMG LLP
Chartered Accountants
2 Cornwall Street, Birmingham. B3 2DL
21st August 2007.

Trading Area

The Society's trading area now extends from Cheadle in the north to Cosely in the West Midlands and east as far as Woodville.

Trading outlets currently include a Department Store, a Food Supermarket, 13 Convenience Stores and 9 Funeral Homes. We also operate 4 Post Offices and a Petrol Station.



**Tamworth Co-operative
Society Limited**

Registered Office:

5 Colehill, Tamworth, Staffordshire B79 7HA.

Telephone: 01827 637111

Fax: 01827 629999

Website: www.tamworth.coop

Registered number: 2582R

