

The Co-operative College

Annual Report and Accounts

Year Ended 31 July 2020

Trustees Report

We were shocked and saddened to hear of the passing of our Chair of Trustees, Nigel Todd, who died suddenly and peacefully at his home on March 26th 2021. He was a stalwart and thoughtful chair of the Co-operative College, a truly democratic councillor in his beloved North East, a people's historian, a WEA champion and a massive supporter of radical co-operative education. He was passionate about equality, was unassuming and modest, but as true as steel in his commitment to a socialist and co-operative world. He will be very, very much missed and our thoughts are with his friends and family now and in the future.

The following trustees report is as agreed with Nigel ahead of formal board approval.

As we entered our new financial year in August 2019, we were in the midst of our centenary celebrations, looking forward to the next 100 years. A new strategic plan was about to be unveiled at our Centenary Conference that November and we were hopeful of significant progress towards our ambitions of achieving degree awarding powers. So much has taken place since that point, but the overriding event, which must inform much of this report and will have a lasting impact on the College, as it will throughout the world, is that of the COVID-19 pandemic. It has changed our understanding of the world, changed the way we think and work, and resulted in a very different start to the next centenary than that envisaged.

As we enter 2021, changes are taking place at the College, which whilst not wholly caused by the pandemic, are certainly necessary due to the new context the virus has created. Our intention is that the College comes through this period on a more stable financial footing, with a realistic but ambitious vision and the right team to realise that.

The work of the College is varied and rarely static. Whilst this report can provide some insight into the last 12 to 18 months and our plans for the future, we would welcome all visitors to our website at www.co-op.ac.uk to gain a better understanding of our work and of how they may become involved in it.

Our work is only possible due to the continued hard work of our colleagues and the support of our Board of Trustees, so our thanks go to them all.

Objects and activities

The College's charitable objective is *to promote the education of the public, in particular, but not exclusively, by the provision and conduct of a College for the education of people in a manner consistent with the values and principles of the co-operative movement.*

At the College's centenary conference, our new key strategic aims to which all our activities contribute were outlined. They are as follows:

We are Global in our aspirations and in our reach

We will increase our impact in marginalised communities, both in the UK and internationally, by delivering co-operative learning opportunities

We will be the go to organisation for co-operative education.

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We have identified four key outcomes, which we strive to achieve to ensure the strategic aims are met:

To be **financially sustainable** to meet the long term needs of **all beneficiaries**.

To offer opportunities in **diverse learning spaces** to increase our impact in response to identified need.

To place membership at **the core of everything we do** growing an engaged network of co-operators.

To have a **progressive and diverse workforce**, committed to an outstanding quality of work, and that role models co-operative values and principles.

We put our strategy into action across the following major areas of activity:

Learning and Development: The Co-operative Learning and Development team is the 'hub' for the design, delivery and quality assurance of a wide range of programmes to meet the needs of co-operatives and learners. Our learning offer reaches across every aspect of the College's work.

Projects: Our project work has global impact, from international co-operative development in countries such as Malawi, Zambia, and Rwanda to a range of UK and European programmes that look to tackle some of society's biggest challenges, including youth unemployment and the rebalancing of the economy to provide decent living and working conditions.

Events: We hold a wide range of events from conferences to roundtable discussions drawing in delegates from around the world to explore current topics and issues. We also co-ordinate co-operative tours and host study visits, incorporating trips to regional co-operatives and the Rochdale Pioneers Museum.

Research: We believe in researching every aspect of global co-operation in order to understand the role, place and potential of co-ops in the 21st century. We have strong established relationships with universities and researchers across the globe.

Our work will be significantly different as a result of the COVID-19 pandemic. Nevertheless, we will continue to work towards our strategic aims and outcomes across all these areas of activity.

Achievements and Performance

From August 2019, alongside 'business as usual' activities, a couple of significant activities continued to be progressed within the College. The first of these was the College's ongoing commitment towards registering with the Office for Students as part of its ambition to acquire Degree Awarding Powers - on the journey towards becoming a Co-operative University.

The second event the College was working towards, (and which it had been marking all year), was its international Centenary Conference. Held over a three day period at Rochdale Town Hall in November 2019, it offered a snapshot of the College's new strategy, new thinking, and its work in progress, on the eve of the College's 101st year.

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With speakers from across five continents, the conference clearly showed the global reach of the College and with days themed around youth and the future of co-operation, the event highlighted the key role that co-operatives must play in the years to come.

The centenary year was marked by many study visits, including those of co-operators from Denmark, Brazil, the Philippines, Japan and India. Other co-operators associated with the our new European projects, such as Coop4Edu, also visited. Throughout the year, the College ran monthly webinars for members and the international co-operative movement, showcasing our work but also discussing and offering possible co-operative solutions around key issues such as the climate crisis, automation and decent work.

2019 also saw the College reconnecting with its historic partners and its educational roots. Joint events were run with the Workers' Educational Association and significantly, the College was involved in the Centenary Commission on Adult Education along with the Universities of Nottingham and Oxford <https://www.centenarycommission.org/>. This activity further enabled the repositioning of the College within adult education so that community projects with emerging co-operators could be developed. Throughout this period the College continued a commitment to 'looking outwards' beyond its previous and existing work with its traditional co-operative stakeholders.

Several internal College structures changed in 2019. For example, an Interim Academic Board was constituted which was answerable to the College's Board of Trustees and responsible for the quality of future accredited learning. The College Leadership Team continued to develop the strategy for the new 5-year plan, presented at the Centenary Conference, which also proved to be the final day of Simon Parkinson's tenure as CEO and Principal. Simon was succeeded by Dr Cilla Ross, who agreed to take the role in an interim capacity for a year.

Sadly, October 2019 saw the Co-operative Heritage Trust (CHT) leave the second floor of Holyoake House that it shared with The College. A decision to end the management agreement through which the College had overseen and provided support to the operation of CHT also saw the end of joint employment of CHT staff. This effectively meant that the College lost a number of valued colleagues. Whilst we miss working so closely together, we are committed to supporting CHT as partners wherever possible in the future.

As we entered 2020, new colleagues joined the College, connected to the Co-operative University Project. One was responsible for student experience, the other, for technology-enhanced learning. In the light of the coming COVID storm, both appointments proved vital to work right across the College.

In addition to developing the College's ongoing learning offer, the opening months of 2020 focused on continuing professional development in terms of curriculum development and delivery. It was clear that the College needed to develop more flexible delivery methods and so, even before the pandemic hit us, work had begun on developing a blended learning offer. At the same time, we looked to build relationships with the existing and emerging co-operative movement recognising the need for a wider learner and customer base and to revisit longstanding relationships.

We continue to develop our membership and leadership programmes and have extended our range of coaching courses, but we have also now established

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workshops on key issues such as diversity and equality and climate change. Our Chartered Management Institute accreditation has enabled us to commence working on a programme of professional development training for 'barefoot co-operative developers' so that they can support other co-operatives and community businesses.

The College has often 'punched above its weight' in many areas of its work and this period was no exception. For example it produced the Centenary publication, 'Learning for a Co-operative World', was commissioned to write a report on peace and co-operatives and continued to be sought out as a partner for a number of international, European and UK projects and bids.

The work of our UK projects team developed and grew in the latter part of 2019. Our Co-operative (ad)Venture project worked with young people with learning difficulties, disabilities and autism, helping them to reach their full potential in a world that puts so many barriers in their way.

The project is designed so that the young people all have an equal voice, gain the confidence and skills to take into their future education, training and employment, and to build their own co-operative action and events in their local community. From an art exhibition in Manchester, to tombola charity fundraising in Cannock and an inspirational drop in day for the homeless community in Kircaldy, these young people proved what they could achieve together. We thank the Potterspurty Lodge Trust for providing the funds to allow us to carry out such valuable work.

Another project, Youth Co-operative Action began in earnest, funded by the Co-operative Foundation and Big Lottery #iwill Fund. The project aims to inspire young people to use co-operative values and principles to make a change where they live. Beginning in Greater Manchester, and later rolled out in Hartlepool and Plymouth, each cohort is encouraged to think differently to solve problems in their communities.

Our international development work continued in Africa with a number of valued partners. We have been working in Malawi since 2012 and that continued as we visited the country again in 2019, working with our German partner DGRV and the Malawi Federation of Co-operatives to develop member education that is both relevant and accessible across all levels. We continued work in Rwanda with Tearfund to train communities and especially work with women farmers develop a range of skills that will ensure they can run ambitious and successful co-operative organisations. Similarly, in Zambia, with our partner Christian Aid, we are training people so that they may take more control over their own economic lives and that women, in particular, can develop a strong voice in their communities.

We also took part in a number of European Union funded projects that focus particularly on youth co-operative entrepreneurship and tackling unemployment. Working with a number of partners across Europe, we looked to build online platforms, tools and networks, which can act as mechanisms and resources to support future generations of co-operators.

Our networks and partnerships continued to grow across all areas of our work. For instance, we are building a strong relationship with the Co-operative Councils Innovation Network, now comprising 32 councils across the country, for whom we developed online induction training.

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March 2020 hit the College as hard as it hit so many businesses. The staff team immediately began to work from home and had to deal with postponements and delays to most College work. At one stroke, the overseas visits and international work streams dried up, as did much of our UK face-to-face training.

Whilst not new to our thinking there was a swift change in focus to transitioning our programmes towards online learning. This involved developing methods of online delivery of workshops, adjusting existing materials to ensure that they lend themselves to blended /online approaches and trialling a range of affordable tech options and tools to repurpose College core content. The College had by no means closed down and we were looking to the future.

By May, we had begun delivering online workshops via Zoom with extremely high satisfaction ratings. We developed three programmes of self-learning through the Rise online platform with a number of further courses in the pipeline. Our international work has suffered significant delays but, in September 2020, we delivered training for our Rwanda programme online, European projects are ongoing and, in June 2020, we continued our excellent relationship with CLIMBS in the Philippines delivering a Youth Social Action Hackathon. Further Co-operative Executive Masterclass webinars are planned with them in 2021.

Our youth projects in the UK also went on hold due to the pandemic but by the end of April, we were hosting weekly online sessions for our young learners, which continued through to August 2020.

With weekly guest speakers, the sessions covered a wide range of topics, a number chosen by the participants, including transforming your perspective in the lockdown, mental health and wellbeing, social action and human rights in the modern world. Our youth projects have now all recommenced and we are already seeing outputs related to the current world context as our Co-op (ad)Venture group in Fife created a virtual tour of local landmarks for War veterans unable to leave their homes.

We have also been able to provide online facilitation services through our ability to manage Zoom sessions with breakout rooms, combined with other tools to allow engagement and co-operative learning and working.

We talk about COVID-19 as changing the world, but we firmly believe that we must all play our part in changing the world for the better. On 25th May 2020, George Floyd was murdered by a police officer in Minneapolis and the Black Lives Matter movement became a very belated part of popular consciousness. The College team held open conversations, space for us to discuss freely our experiences and thoughts and in particular, to learn from each other. Out of these discussions came the following pledges:

We will continue to find time and space to have the important conversations.

This is a collective effort and one that we are committed to continuing as an organisation. Learning from each other, breaking down any barriers, sharing experiences, and having a safe space to talk are right at the heart of this.

We will encourage employee activism. Our Annual Leave & Time Off Policy allows for all staff to take up to three days off (paid) to do volunteer work per year. We will expand our consideration of what we mean by 'volunteering' under this policy, to include the opportunity for staff to attend and participate in organised activism events such as protests.

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We will reimburse all employees for purchasing literature or learning resources. Anyone wishing to self-educate on matters relating to race, black history or the black experience can reclaim the cost of such resources through our expenses system. Such resources could include books, materials or attending webinars.

We will appeal to the co-operative movement for people to share their experiences, learning and journey to help educate others. We will actively encourage the discussion of a broad range of culturally diverse topics, creating spaces for people to share their thoughts, opinions and ideas.

Commitment to the community. We will better reflect the communities we work with, increasing the diversity of our staff team and engage with a broader range of communities.

In addition, we provided a bank of resources and invited others to add their materials, links etc. to the collection.

It is all of our responsibility to educate ourselves on things we do not know, do not understand, and perhaps most importantly, do not experience.

We stand in solidarity with the victims of this injustice, their families and their communities. At the College, we are committed to our values of equality, equity and solidarity.

Future Plans

Whilst the work of the College was developing, the financial position was clearly worsening. The pandemic has undoubtedly hit our income in the short term. Whilst some organisations have embraced our online delivery, certain organisations have paused programmes with us in favour of future face-to-face delivery. Whilst we have suffered little in the way of cancelled contracts or project work, we have suffered months of delay whilst adapting our work and still cannot carry out all our international development work.

From April we had to place members of our staff on furlough, approximately half our workforce through the spring and then to a lesser degree we have used the flexible furlough scheme from July to December 2020. As with all organisations that have needed to use the scheme it has been of assistance but only contributes part way towards staff costs, and the need to develop our offer for the future meant we needed resource even with income streams significantly reduced.

The most significant impact to come out of the pandemic though affected our ongoing work towards attaining degree awarding powers. Significant investment had gone into the Co-operative University Project, but as the impact of the pandemic on the higher education sector became clearer, the Office for Students paused all applications for degree awarding powers until further notice. The income streams we had envisaged for our higher education offer would have contributed greatly to our future financial stability, and whilst we are exploring other routes to accreditation of learning at all levels up to and including higher education, this meant we had to now had to reconsider our financial model.

The pandemic wasn't the only factor to seriously impact our finances in the last year. We no longer shared much of our infrastructure and back office costs with CHT. We had also seen a reduction in our core funding from the movement over a number of years and we suffered a significant financial blow just after our financial year-end when The Co-operative Group reduced their core funding to nil. We will

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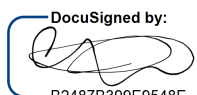
continue to work closely across delivery of many programmes of learning and projects with The Co-operative Group, but we will need to seek new ways of financially supporting our central costs


So it was decided in Summer 2020, following increasing concern at the financial projections for the coming year, that a Scenario Planning Group (consisting of members from both the College's management team and board of trustees) would need to be constituted. This team continue to meet to plot a path for the College's future, but unfortunately it became clear that for us to be able to continue our great work in the long term, 'right-sizing' of the cost base was necessary.

Significant savings clearly needed to be made and a restructure was proposed, together with a move to a smaller office base, greater home working and a standard 4-day week. Consultation on these changes completed in January 2021 and transition to the new structure is now underway. This is being overseen by an interim CEO, John Chilcott, a former trustee of the College, and aided by Cilla Ross, who continues as College Principal until a new management team is in place.

There are a number of new posts within the structure, bringing in key expertise in areas including business development and fundraising, but with savings to be made, we have had to reduce the headcount and this has meant the loss of some long standing members of staff who have contributed so much to the College. We are extremely grateful for the considerable effort, passion and commitment to the College over the years.

This is obviously a challenging and difficult time for the College, but with greater financial stability, we believe there are strong foundations upon which to rebuild. The College's 101st year has been like no other, but the world has come together in response to the pandemic and we firmly believe that the College is preparing, as it must, to be fit for purpose in a world where co-operation and co-operative education have never been more needed.

DocuSigned by:

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Emma Robinson
On behalf of the Board of Trustees

DocuSigned by:

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Cilla Ross
College Principal

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Overview of Financial Results

Our 2018-19 annual report showed an improving financial position but one that was still in significant deficit and was unsustainable in the long term.

It was upon this position of existing losses that the College suffered a number of further blows to its financial performance, not least that of the COVID-19 pandemic.

The deficit suffered in 2019-20 was £435,084 reducing overall reserves to £2,860,696.

Around £125k of this deficit represented investment in the Co-operative University Project. We anticipated that the Office for Students would grant provisional degree awarding powers within the year and expected that this would result in an increasing stream of income from 2020-21 onwards. Forecasts showed that net positive contribution would be achieved within 2022, which would increase to circa £180k net income by 2023-24. This forecast was built upon a small number of courses and it was felt that with a number of organisations interested in partnering the College in years to come, the potential was far greater.

In March 2020, the UK went into lockdown as the reality of the COVID-19 pandemic became clear. The Office for Students withdrew from processing any new degree awarding powers for an indefinite period and potential partners of the College were forced to look elsewhere for accreditation or see their own income streams disappear. This was a significant blow for the future income of the College.

The immediate financial position of the College had already been impacted early in the financial year by the withdrawal of the Co-operative Heritage Trust (CHT) from the management agreement held with the College since 2008, and from a shared office base and services. The impact on net margin of both the loss of income and of shared costs is about £70k per annum.

The pandemic hit College delivery plans immediately. Whilst neither training nor project delivery suffered much in the way of outright cancellation, transition to online delivery was slow in some cases and impossible in others, delaying some work for months, whilst certain elements of our international work and certain courses where the customer would rather wait for face-to-face delivery, remain on hold. In addition, early discussions with potential new customers were largely paused.

Within 2019-20 it was estimated that the College lost around £150k of income (£90k net margin) directly related to postponement or cancellation due to the pandemic. £52k of furlough support helped stem some of this impact. As we enter 2021, the pandemic still continues to delay existing and potential work, so the financial impact will be felt to some extent in the next financial year.

The 2019-20 year saw a decrease in the amount of core funding the College received from the co-operative movement. Following this, shortly after our year-end, it was announced that this unrestricted funding from the Co-operative Group (previously £87k per annum) was going to be cancelled to be replaced by key pieces of work that they wish the College to work on. Whilst we are keen to work with The Co-operative Group on their priority areas, the income will now largely go on delivery costs, with little feeding through as net contribution to central costs.

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These factors layered on to an existing annual deficit performance meant that it was essential to have a review of our operating model. From July 2020 through into 2021 a weekly working group of senior management and trustees have been working through the operations and finances of the College. It was concluded that, whilst there was seen to be great potential to grow income over time, there was no apparent step change on the near horizon and the College could not afford to continue carrying its current cost base in that context.

The main fixed cost the College carries is the investment in our staffing. So sadly, a review of our structure and working practices was key to a reduced cost base. In January 2021, the consultation on the proposed changes was completed. A reduced management team and move to a standard four-day week are the main changes. Alongside planned reduction in office space with greater home working, we anticipate savings in the region of £400k.

Whilst these are major savings, we have tried to focus the new structure on maintaining delivery resource as much as possible. We have also introduced business development and fundraising roles to build on the potential that is undoubtedly there for income growth, and to grow the number and diversity of our learners. We believe financial stability goes hand in hand with better delivering on our charitable objective *to promote the education of the public in a manner consistent with the values and principles of the co-operative movement*.

Income

Our projects work has continued to be our greatest source of income at £246,225. This comprises £171,476 of income from grants and service contracts and £74,749 of donations for specific projects. Due mainly to the COVID-19 pandemic, this is significantly less than the £368,332 achieved in the previous year as our work, both internationally and in the UK, went largely on hold from March 2020 through to our year end.

We continue to work in Malawi, Rwanda and Zambia, partnering with DGRV, Tearfund and Christian Aid. Whilst we await returning to these countries in person, we have been able to deliver certain work online and we are in discussion with our partners to roll out our co-operative development education across more of Southern Africa.

Our UK project work was in the process of expanding to new areas of the country as lockdown hit in March 2020. Our funders have all been very supportive, acknowledging the difficulties involved in some delivery, encouraging development of new ways of working and extending funding periods so that our work will be completed in full. Out of the need to adapt sprang our online youth sessions taking place weekly from May to August and proving a great success.

Our projects have now recommenced. Our 'Youth Co-operative Action' project funded by the Co-op Foundation/Big Lottery Fund's #iWill Fund is now taking place in Hartlepool and Plymouth and continuing across Greater Manchester.

With funding from Potterspury Lodge Trust we have had further cohorts of our Co-operative (ad)Venture project running in Fife and Manchester, providing young people with learning difficulties and autism, support and skills development to assist with the transition from compulsory education to further education, training and employment. Also in Scotland, our Together Enterprise project funded by The Royal Bank of Scotland's Skills and Opportunities Fund should reach completion in early

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2021, providing budding young entrepreneurs an insight into co-operation as a potential track for their future businesses.

Our learning and development income had been slowly increasing but fell back due to delays in delivery during the early months of the pandemic, with total income of just £48,932. A mixture of work postponed into 2020-21 and new business developed has led to a rosier picture with income expected to be over £100k and possibly up to approx. £140k in 2020-21.

Clearly, our income from study visits has been severely impacted by the COVID-19 pandemic. Whilst we expect to be able to return to similar levels of face-to-face visits in future years, we are now exploring how we can provide education to a more global market that has been brought together and grown accustomed to the technology of remote activity during the past year.

Finally, the biggest change to our income levels year on year is under the heading of Heritage. From October 2019, we have no longer been jointly employing staff, sharing facilities or providing management oversight and back office support to the Co-operative Heritage Trust. As such, we show a reduction in income of £212,532. This income is largely recharged expenses and so is offset by reduced costs.

Expenditure

Our charitable expenditure has fallen year on year by approximately £100,000. The main cause of this is the ending of the management relationship and joint employment/facilities by the Co-operative Heritage Trust in 2019. This resulted in a reduction of circa £211k direct costs relating to and recharged to CHT.

There has been increased investment in the Co-operative University Project in 2019-20, an increase of £84,837 in costs directly attributed to that area. This was mainly due to the appointment of two new staff. As the progress with Office for Students halted, those staff worked across all areas of the College, which has enabled us to develop our quality assurance processes and explore different technologies and delivery solutions. In this way, the investment in the University Project has not been wasted, preparing us better for a global online world and creating flexibility in how we can work and teach.

There have also been increased costs for events. This amounted to approximately £42k more than in 2018-19, mainly based around the Centenary Conference 3 day event and other centenary events throughout the year.

Balance Sheet

The College balance sheet remains strong with £2,860,696 total funds. The College runs a tight cashflow regime with the vast majority of available funds invested as detailed below. Investments are liquid allowing us to withdraw funds if necessary within a few days, thereby enabling us to protect any funds held for specific purposes should there be a significant devaluation in investment value. To date we have continued to add funds to specific project monies held through our investments.

Precaution over the COVID -19 pandemic caused us to hold a greater level of funds in our bank account to ensure we did not have to bring back funds and realise losses if there was a large dip in investment values due to the pandemic. This

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looked likely in March 2020 but by year-end, we had seen significant gains for the year.

There is a significant decrease in debtors year on year. This simply relates to a large amount owed to the College by the Co-operative Heritage Trust in the prior year for recharged costs and management fees. An increase in fixed assets reflects an investment in IT equipment, particularly in laptops available for all staff to enable greater flexibility in working patterns and locations.

Investments

Investment Policy

The Board of Trustees have agreed that funds be invested in order that the interest and dividends arising be used in the furtherance of the object of the charity and to achieve capital growth of funds in the medium to long term so that the income generating potential of the fund is not compromised.

It is recognised that the College does not have expertise in making longer-term investment decisions for capital growth and as such have appointed investment advisers to manage the College's portfolio.

Performance

Investments have been held in Royal London Asset Management's Sustainable Diversified Fund for a number of years. This is a mixed portfolio, which falls into the 20% to 60% level of shares category. Typically, the mix has been almost 60% equity with the remainder earning fixed rates of income. Sector rankings to 2019 showed the fund to have performed 2nd out of 140 similar funds over three years and 1st out of 119 similar funds over five years.

The returns on interest and dividends remain quite low at under 2%, but with capital growth remaining high, overall returns were 9%.

The trustees are pleased with this performance and there is no impetus to change our investment management at present.

Reserves

Reserves Policy

The Board of Trustees have agreed that unrestricted reserves should not fall below the minimum funds required should the College have an unplanned closure including redundancy costs and operating lease commitments.

For the current period that minimum level of reserves is calculated at £282,000. These calculations are reviewed on an annual basis as part of the budgeting process.

Performance

The level of unrestricted reserves held at the year-end is £282,000 in line with the College's reserves policy. Of these unrestricted funds, £17,174 of funds held would only be realised by the sale of fixed assets, thereby leaving £264,826 as free reserves.

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Total reserves were £2,860,696 with endowment funds making up £1,526,762 and restricted funds £1,051,934.

The level of unrestricted reserves at year-end falls at the minimum level, supported by release from The Co-operative College Fund, an expendable endowment from which the Trustees reserve the right to release funds for strategic purposes. The trustees have determined that the working capital requirements of re-purposing the College and developing new workstreams such as the Co-operative University Project represent appropriate use of these funds. In the year to 31 July 2020, £648,076 was released.

It is recognised that expected performance for the year to 31 July 2020 would result in unrestricted reserves falling below the stated minimum. In order to ensure that the reserves are within the policy boundaries by the end of the next financial period the Trustees have agreed a transfer from the College endowment fund to unrestricted funds.

It was also recognised that there is a lead time between development and results, and that significant developments can have a gradual impact over a number of years. The period to the end of financial year 2021-2022, was considered an appropriate timescale to assess the current operating model of the College. It became clear though, that with the impact of the COVID-19 pandemic, not least on our ability to progress our application for degree awarding powers, coupled with the end of the management agreement and shared costs with CHT that it was no longer appropriate to wait until the end of the 2021-22 year. The review of the College model was brought forward and resulted in the ongoing changes that have been discussed earlier in this report.

The mix of reserves has changed somewhat in the last few years. Investment gains, which have been very significant, are attributed across all funds and so this has led to growth in restricted funds year on year.

The largest restricted fund, The Co-operative Pioneers Memorial Fund, is primarily but not exclusively to fund learners facing financial difficulties to allow them to participate in programmes arranged by the Co-operative College.

This has traditionally been used to fund bursaries for College training programmes but the mix of the College work is such that this means its use was very minor compared to the investment gains credited to it. To rectify the underuse of such an important fund the trustees have agreed in principle that the fund also be used for match funding on projects which clearly benefit those who otherwise would be unable to benefit from College programmes. All such use will be presented to the trustees for approval.

The Les Stannard Co-operative Citizenship Fund, created to fund educational work with young people, predominantly in the South East, was not accessed in the year. Activity under this fund has been approved and delivery of a pilot version of our Youth Co-operative Action project in London began in February/March 2021.

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Going Concern

In light of recent performance and the impact of the COVID-19 pandemic, the Trustees have undertaken a strategic review of the College's operations, which has led them to 'right-size' the cost base of the College. Savings have been identified which will reduce the cost base by £400k whilst retaining delivery resource and bringing in expertise in business development and fundraising. Forecast calculations reflect a funding gap to be bridged of approximately £90k from 2021-22. Over the past year, the College has developed the resources and technical ability to deliver courses and projects virtually and the trustees firmly believe that this provides potential for growth in the UK and internationally to bridge that gap.

The College has £282k of unrestricted reserves and over £1.5m of expendable endowment. The latter, is invested for income and long term gains but accessible within three days should it be required. The trustees wish to preserve the expendable endowment for the long term but will use the fund as necessary to support costs of transition and to support a period to close the funding gap. This will be reviewed annually, commencing in July 2022. Taking all these factors into account, the Trustees consider that there are no material uncertainties about the College's ability to continue as a going concern.

Structure, Governance and Management

Governance

Governance of the Co-operative College is the responsibility of the Trustees who act in an unpaid capacity.

Trustees meet at least four times a year as a collective with further sub committees meeting when required. For the Audit and Risk Committee this was a minimum of once per quarter, but in light of the focus needed on the operational performance and financial stability of the College, the trustees on the Audit and Risk Committee began to meet weekly towards the end of the year as part of the Scenario Planning Working Group. These meetings, having focused on 'right-sizing' the cost base of the College now continue to manage transition to a new structure and management team and to help plan the future for the College. All meetings are attended by relevant members of the executive and where appropriate other colleagues.

The Chief Executive & Principal provides first line leadership. The key role of the Chief Executive provides clear leadership in policy making, strategic planning and executive management to deliver the College's objectives and ambitions. The Chief Executive & Principal was supported by the Vice Principal. The Executive team is supported by a wider leadership team who are accountable for specific areas of the College's work.

During the year to July 2020 the executive team comprised:

Name	Role	Length of service	Professional Qualifications
Simon Parkinson	Chief Executive & Principal (to 8th December 2019)	4 years	Masters in Public Administration
Cilla Ross	Vice Principal – Co-operative Education and Research College Principal (from 8th December 2019)	5 years	PhD, Senior Fellow of the Higher Education Academy

Simon Parkinson left the College in on 8th December 2019. The Trustees appointed Cilla Ross as College Principal initially until the end of 2020 to provide continuity during a period of change.

Post year end, the initial review of the College operational model completed and the College entered a period of consultation to be followed by the agreed restructure. To aid this transitional period John Chilcott, a former College trustee, was appointed as an interim CEO to work alongside Cilla Ross. Both will step down from these roles once a new management team is in place.

Remuneration for the Executive staff team is determined via the College's Reward & Recognition policy whereby all colleagues' roles are evaluated against specific role and salary bands. The role of the Chief Executive & Principal is external to these salary bands and is determined via the College's Remuneration and Employment Committee with reference to market conditions and specific skill sets.

Structure, Governance and Management

Risk Management

The College's Trustees and management have a clear responsibility for:

- Identifying risks facing the business.
- Putting in place actions and procedures to mitigate and control risks.
- Monitoring risks

Potential risks are considered at Audit and Risk Committee meetings and Board meetings where decision is made to add them to the risk register.

All risks are assessed against a framework of impact and likelihood. Each risk is attributed to a member of the College leadership team to monitor. The risk is detailed, controls identified, mitigating factors considered, any further actions to be taken identified together with a consideration of the level to which we are able to reduce the risk. Re-assessment against the framework is undertaken for each risk and the risk register updated accordingly.

The risk register is presented to every Audit and Risk Committee and Board Meeting allowing regular interrogation and consideration of the risk profile of the College.

The top strategic risk facing the College remains that of financial sustainability and with this in mind the Scenario Planning Working Group was convened to review the College's operational and financial model in detail. Meeting weekly, the work of this group has for the time being replaced that of the Audit and Risk Committee whose members sit upon the new working group.

The first steps to reduce financial risk have been taken through the work of this group. Over £400k of annual savings have been identified, with a new College staffing structure being put in place with resource centred around delivery and income generation. There is still much work to do, as we manage the transition to a new team and develop the focus of future College work.

Whilst the COVID-19 pandemic has played its part in precipitating the changes taking place at the College, the College is now better prepared to operate on a global scale with varying delivery methods and technologies.

Over the past twelve to eighteen months it is also felt that the College has developed and revisited relationships with a wider range of learners, customers and networks and as such it is felt that income growth can be achieved alongside the much reduced cost base to create a financially viable College for the long term.

Internal Controls

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

Key procedures have been established, providing effective internal financial control. These include:

Structure, Governance and Management

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the College's management team.
- Reporting to and review by the College's Audit and Risk Committee and Trustees on a regular basis.

Trustee Method of Appointment

The maximum number of Board members is 12, made up from the following categories:

- Up to seven Board members can be elected by and from the membership.
- Up to two Board members can be appointed by co-option by the Board of Governors for their particular skills and/or experience.
- One Board member who is a student/learner at the College can be nominated and elected by the students/learners.
- One Board member who is a member of the College staff can be nominated and elected by staff of the College.
- Up to one Board member can be appointed by Co-operatives UK.

The trustees determined that 4 places were up for election by and from the membership (one from the individual membership category, two from the organisational membership category and one from the student/learner membership category.)

Following the formal election process overseen by UK Engage the following candidates were elected:

Individual membership category:

John Boyle	3 year term of office
------------	-----------------------

Organisational membership category:

Clive Booker (Mid Counties Co-operative)	3 year term of office
Vacancy	

Student/Learner membership category:

Pam Maxwell	3 year term of office
-------------	-----------------------

During the period of this report the trustees met on nine occasions. Overall average trustee meeting attendance was 92.5%.

Structure, Governance and Management

Induction and Training of Trustees

All Trustees are required to attend an Induction Day, which provides the opportunity for Trustees to be reminded of their roles and responsibilities in accordance with Charity Commission guidelines. Training is an ongoing process throughout their appointment with Trustees provided training opportunities through external providers where appropriate.

Structure, Governance and Management

Audit and Risk Committee

The Audit and Risk Committee is a statutory committee of the trustees with its membership being up to as follows;

Committee Chair appointed by the Trustees	1
Member of the Trustee Board	2
Co-opted with relevant experience	1
Total	4
Quorum	2

For the year to 31 July 2020 the members of the Audit and Risk Committee were as follows:

Name	Appointed – Retired	
Jon Nott (Chair)	11 July 2019 –	Board Member
Alison Lamond	5 July 2018 – 19 June 2020	Board Member
Vivian Woodell	10 July 2020 –	Board Member
Emma Robinson	10 July 2020 –	Board Member

Public Benefit

In planning and delivering our services and activities the Trustees and management of the College confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

The College's charitable objective is *to promote the education of the public, in particular, but not exclusively, by the provision and conduct of a College for the education of people in a manner consistent with the values and principles of the co-operative movement.*

The College's activities as described in this report are considered to meet the public benefit requirement as specified in the Charities Act 2011.

Status and Charity Number

The Co-operative College was founded in 1919 and is registered with the Charity Commission as a Charitable Incorporated Organisation (registration date 6 November 2014); Registered charity number 1159105.

Structure, Governance and Management

Governing Document

The Charity is administered in accordance with a constitution for a Charitable Incorporated Organisation, registered with the Charity Commission on 6 November 2014 and amended on 16 December 2015 and 28 June 2016.

The College is a designated further education institution under the Education Acts. The Education Act 2011 allowed greater flexibility for Colleges to put into place their own legal constitution (amending or replacing the former Instrument and Articles of Government previously approved by the Secretary of State for Business Innovation and Skills) provided it meets the minimum requirements of Schedule 4 of the relevant part of The Education Act 2011 applicable to 'designated' Colleges.

The object of the charity is to promote the education of the public, in particular, but not exclusively by the provision and conduct of the college for the education of people in a manner consistent with the values and principles of the co-operative movement.

Board of Trustees

The Board of Trustees for the year to 31 July 2020 were as follows:

Name	Category	Appointed	
Nigel Todd (Chair)	Individual member	5 April 2017	Reappointed 21 June 2019 Deceased 26 March 2021
Hazel Johnson	Individual member	5 April 2017	Reappointed 21 June 2019
John Boyle	Individual member	21 April 2016	Reappointed 19 June 2020
Emma Robinson	Individual member	1 May 2018	
Pamela Maxwell	Learner member	5 April 2017	Reappointed 19 June 2020
Alison Lamond	Organisational member	5 April 2017	Retired 19 June 2020
Jon Nott	Co-optee / Organisational member	12 October 2017/ 1 May 2018	Co-optee until 1 May 2018/ Appointed organisational member representative
Daniel Cox	Staff	21 June 2019	
Vivian Woodell	Co-operatives UK	21 June 2019	
Clive Booker	Organisational member	19 June 2020	

Legal and Administrative Information

Registered Office

Co-operative College CIO
Holyoake House, Hanover Street,
Manchester, M60 0AS

www.co-op.ac.uk

Tel: +44(0)161 819 3000

Email: hello@co-op.ac.uk

Registered charity 1159105

Principal Advisors

Bankers: Co-operative Bank plc
Balloon Street
Manchester
M60 4EP

Auditor: Beever and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

**Investment
Managers:** Royal London Asset
Management
55 Gracechurch Street
London
EC3V 0RL

Statement of Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. The trustees have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

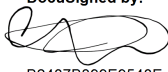
In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the constitution document 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 charity will continue its activities.

S Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved by the trustees on 1st April 2021 and signed on their behalf by:

DocuSigned by:


B2487B399E9548E...
Emma Robinson

On behalf of the Board of Trustees

Independent Auditors' Report to the Trustees of the Co-operative College

Opinion

We have audited the financial statements of the Co-operative College “the charity” for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditors' Report to the Trustees of the Co-operative College

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Trustees of the Co-operative College

Auditor's responsibilities for the audit of the financial statements

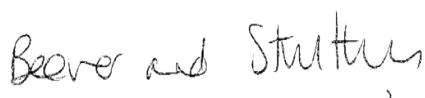
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers

Beever and Struthers is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

St George's House
215/219 Chester Road
Manchester M15 4JE

Date: 15 April 2021

Co-operative College Statement of Financial Activities for year ended 31 July 2020

12 Months Ended 31 July 20

12 Months Ended 31 July 19

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31 July 2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31 July 2019
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	182,517	74,749	-	257,266	143,783	138,991	-	282,774
Charitable activities	4	217,487	121,634	-	339,121	482,292	183,404	-	665,696
Investments	5	30,495	12,930	-	43,425	41,141	13,282	-	54,423
Total		430,499	209,313	0	639,812	667,216	335,677	0	1,002,893
Expenditure on:									
Raising funds	9	42,113	6,512	9,306	57,931	73,018	5,477	11,683	90,178
Charitable activities	8	1,061,639	191,248		1,252,887	1,091,218	263,647	-	1,354,865
Restructuring Costs	10				-	2,252	-	-	2,252
Total		1,103,752	197,760	9,306	1,310,818	1,166,488	269,124	11,683	1,447,295
Gains on investments	15	25,177	86,753	123,992	235,922	27,543	85,340	182,056	294,938
Net (Expenditure) / Income		(648,076)	98,306	114,686	(435,084)	(471,729)	151,893	170,373	(149,463)
Strategic Investment		125,309	-	(125,309)	-	54,112	-	(54,112)	-
Transfers between funds	21	522,767	-	(522,767)	-	468,617	-	(468,617)	-
Net Movement in Funds	21	0	98,306	(533,390)	(435,084)	51,000	151,893	(352,356)	(149,463)
Reconciliation of Funds									
Total funds brought forward		282,000	953,628	2,060,152	3,295,780	231,000	801,735	2,412,508	3,445,243
Total Funds Carried Forward		282,000	1,051,934	1,526,762	2,860,696	282,000	953,628	2,060,152	3,295,780

Co-operative College Balance Sheet as at 31 July 2020

	Notes	Total Funds 31 July 2020 £	Total Funds 31 July 2019 £
Fixed Assets			
Intangible assets	13	4,500	9,000
Tangible assets	14	17,174	20,805
Investments	15	2,723,645	3,170,430
Total Fixed Assets		2,745,319	3,200,235
Current Assets			
Stock	17	2,468	6,187
Debtors and prepayments	16	115,997	223,723
Cash at bank and in hand	23	148,065	31,662
Total Current Assets		266,530	261,572
Liabilities			
Creditors: amounts falling due within one year	18	151,153	166,027
Net current assets		115,377	95,545
Net Assets		2,860,696	3,295,780
The Funds of the Charity			
Endowment funds	21	1,526,762	2,060,152
Restricted funds	21	1,051,934	953,628
Unrestricted funds	21	282,000	282,000
Total Charitable Funds		2,860,696	3,295,780

The financial statements on pages 26 to 52 were approved and authorised for issue by the Board of Trustees on 1st April 2021 and approved on its behalf by

DocuSigned by:

 B2487B399E9548E
 Emma Robinson
 Member of the Board of Trustees

Co-operative College Cashflow Statement for Year Ended 31 July 2020

	Notes	12 Months ended 31 July 2020	12 Months ended 31 July 2019
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	22	(586,578)	(415,057)
Cash flows from investing activities:			
Dividends and interest from investments		43,425	54,423
Purchasing of plant and equipment		(5,444)	(20,316)
Proceeds from sale of investment		665,000	430,000
Investments purchased		0	(50,000)
Net cash provided by investing activities		702,981	414,107
Change in cash and cash equivalents in the reporting period		116,403	(950)
Cash and cash equivalents at the beginning of the reporting period		31,662	32,612
Cash and cash equivalents at the end of the reporting period		148,065	31,662

Notes to the Financial Statements for the Year Ended 31 July 2020

1 Accounting Policies

a Basis of preparation and assessment of going concern

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, modified for the revaluation of the investment portfolio which is held at market rate, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities SORP FRS 102 and the Charities Act 2011.

In light of recent performance and the impact of the COVID-19 pandemic, the Trustees have undertaken a strategic review of the College's operations which has led them to 'right-size' the cost base of the College. Savings have been identified which will reduce the cost base by £400k whilst retaining delivery resource and bringing in expertise in business development and fundraising. Forecast calculations reflect a funding gap to be bridged of approximately £90k from 2021-22. Over the past year the College has developed their resources and technical ability to deliver their courses and projects virtually and the trustees firmly believe that this provides potential for growth in the UK and internationally to bridge that gap.

The College has £282k of unrestricted reserves and over £1.5m of expendable endowment. The latter is invested for income and long term gains but accessible within 3 days should it be required. The trustees wish to preserve the expendable endowment for the long term but will use the fund as necessary to support costs of transition and to support a period to close the funding gap. This will be reviewed annually, commencing in July 2022. Taking all these factors into account, the Trustees consider that there are no material uncertainties about the College's ability to continue as a going concern.

All values within the annual report and accounts are reported in £ sterling.

b Funds Structure

The College has three types of fund. Unrestricted funds which can be spent in any manner appropriate to the furtherance of the general objectives of the charity. Restricted funds are those where the funder has provided for the funds to be spent in furtherance of a specified charitable purpose and often relate to funding for a particular project. The College also has an expendable endowment fund the Co-operative College Fund, resulting from the sale of property originally purchased with funds gifted by the co-operative movement. The funds are invested in order that the interest and gains arising can be used to support the College in the furtherance of co-operative education. The trustees reserve the right to release funds from the endowment for strategic purposes. Details of each fund and the transactions taking place in the year can be found in note 21 to the accounts.

c Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Notes to the Financial Statements for the Year Ended 31 July 2020

i) Income recognition

All income is recognised when there is an entitlement to the funds, the receipt is probable and the amount can be measured reliably. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of the period. Donations are recognised when the College receives the funds.

The measurement of actual work completed on a project takes into account a number of factors. Where outputs directly related to income can be identified as complete, the income is recognised in full. Otherwise, timesheets of staff and invoices of associates are used to determine the progress of each identifiable strand of work. Where a particular strand of work within the project is deemed to progress evenly between two points of time, income is allocated evenly over that period of time. All allocations of income to the accounting period are confirmed to available project reporting and agreed with project management.

Where entitlement to funds is not due or due in full because conditions for its entitlement are not met then such income is deferred to the extent that entitlement has not yet been earned. Measurement of that extent is in accordance with the most appropriate basis as detailed above.

Investment income is recognised on an accruals basis. Accruals are based on post balance sheet confirmation of actual amounts received and apportioned equally across time periods where receipts are based upon periods which straddle the year end.

ii) Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment. Charitable expenditure enables the Co-operative College to meet its charitable objective.

Project expenditure is similarly recognised on an accruals basis. Where invoices are not available to directly attribute expenditure to the accounting period, expenditure is accrued upon the same basis as income recognition, as follows: Where outputs directly related to specific expenditure can be identified as complete, the expenditure is recognised in full. Otherwise, timesheets of staff and associate invoices determine the progress of work and recognition of expense. Finally, where a particular strand of work is deemed to progress evenly between two points in time, expenditure is allocated evenly over that period of time.

Governance and support costs are allocated to each charitable activity stream in proportion to its level of direct expenditure.

iii) Tangible Fixed Assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets are assessed and reviewed for each asset and depreciated accordingly, on a straight line basis, taking into account the following minimum rates:

Plant, fixtures and fittings	10% - 33% per annum
Information technology equipment	20% - 50% per annum

Notes to the Financial Statements for the Year Ended 31 July 2020

iv) Intangible fixed assets

Intangible fixed assets are stated at cost less the accumulated amortisation. Amortisation is calculated in equal monthly amounts based on cost. Amortisation takes place over the estimated useful life of the asset, taking into account the following minimum rates:

Technology investment	25% per annum
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d Stock

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to sell. Cost is based on cost of purchase on a first in, first out basis. Review at the end of each reporting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

e Debtors

Trade debtors are recorded at transaction price. Review of trade debtors takes place throughout the year and at the reporting date to determine any provision required for doubtful debts. Project debtors reflect the value of work performed less the funds received at year end. Value of work performed is based on actual expenditure incurred in performing the work except where the funding budget states alternative measurement, These alternatives may include fee rates for staff time, or round figure rates for travel and subsistence.

f Creditors

Trade creditors are recorded at transaction price. Project creditors reflect the funds received by year end less the value of work performed by that date. Value of work performed is based on actual expenditure incurred in performing the work except where the funding budget states alternative measurement, These alternatives may include fee rates for staff time, or round figure rates for travel and subsistence.

g Restructuring Costs

Restructuring costs contain two elements:

i) Redundancy Pay

With the proviso that no redundant employee is to receive less than 2 weeks' pay, and no less than 4 weeks' pay for 2 years services, the amount of entitlement will be the number of weeks' pay determined by the prescribed scale, as detailed in the Employment Rights Act 1996, increased by 75% and rounded up to the nearest half-week.

The prescribed scale is calculated in the following manner:

1. For each year of employment from age 15 and over but under 22 – half a week's pay.
2. For each year of employment from age 22 and over but under 41 – one week's pay.
3. For each year of employment from age 41 and over – one and a half weeks' pay.

Notes to the Financial Statements for the Year Ended 31 July 2020

ii) Payment in Lieu of Notice

Should the redundant employee not be required to work their notice period, they shall be entitled to payment in lieu of notice based on the following notice periods:

1. Less than 4 years' service, notice period of 4 weeks
2. More than 4 years' service, notice period of 13 weeks

Restructuring costs are recognised on an accruals basis, attributing the expense to the period in which the restructuring took place

h Financial Instruments

Trade debtors and accrued income

Trade debtors and accrued income are recognised at original value. Provision is made for impairment where there is objective evidence that the College will not be able to collect all amounts.

Cash at bank and in hand

Cash at bank and in hand represents those balances held for working capital purposes and available upon demand. These are recognised at carrying value.

Trade creditors and accruals

Trade creditors and accruals are recognised at original value and subsequently measured at amortised cost unless the maturity date is less than twelve months.

Fixed asset investments

Investments are recognised at fair value at each reporting date. This is taken to be the publically listed market value of the fund.

i Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a Sustainable Diversified Fund. Investments are held for income and capital growth in the long term, but in accessible funds, which are liquid enough to meet the needs of any programme, project or fund. Valuation is taken as the publically listed market value at each reporting date.

j Allocation of support and governance costs

Support costs are those functions that assist the work of the College but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the College's programmes and activities.

These costs have been allocated to expenditure on charitable activities apportioned as set out in note 7.

k Strategic Investment

Strategic investment was approved in 2018 towards the development of a future co-operative university. Within 2019/20 £125,308 (2018/19 - £54,112) was invested from The Co-operative College Fund and is reflected as strategic investment transfers between funds.

Notes to the Financial Statements for the Year Ended 31 July 2020

I Pension Scheme

The Co-operative College offers an auto-enrolment compliant group personal pension scheme which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4% with The Co-operative College paying 8%. After two years' employment employees can opt to increase their contribution to 6% with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

m Tax and VAT

The Co-operative College is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in the Corporation Taxes Act 2010. The Co-operative College is VAT registered and charges VAT at the applicable rates according to its outputs. Where expenses can be directly attributed to a specific income stream, the VAT treatment mirrors that of the income. Where expenses cannot be directly attributed, the irrecoverable amount of VAT is calculated on the basis of staff allocation between different income streams.

2 Income from Donations and Legacies

	2020	2019
	£	£
Donations	136,433	142,857
Core Funding	<u>120,833</u>	<u>139,917</u>
	<u>257,266</u>	<u>282,774</u>

Income from donations and legacies above includes £74,749 relating to restricted purposes (2019: £138,991)

Notes to the Financial Statements for the Year Ended 31 July 2020

3 Grants

In 2019/20 the College received the following grants and funding:

	2020 £	2019 £
Scottish Government International Development Fund:		
Co-operative Pathways Project	-	55,461
Co-op Foundation/Big Lottery Fund #iWill Fund:		
Youth Co-operative Action Phase Two	66,098	80,839
HMRC:		
Coronavirus Job Retention Scheme	51,618	-
	117,716	136,300

Income from grants above reflects £66,098 for restricted purposes (2019: £136,300)

4 Charitable Income

2020	Learning & Development	Schools Programmes	Membership	Events	Research	Projects	Heritage *	Central	Total 2020
	£	£	£	£	£	£	£	£	£
Course and programme fees	41,549	-	-	-	-	12,570	-	-	54,119
Projects	6,760	-	-	-	-	149,610	-	1,847	157,767
Service level agreement	-	-	-	-	-	-	64,239	7,957	72,196
Miscellaneous	623	-	-	1,340	-	8,746	-	1,205	11,914
Other charitable income (note 6)	-	-	11,861	30,264	-	1,000	-	-	43,125
	48,932	-	11,861	31,604	-	171,476	64,239	11,009	339,121

Charitable income above includes £121,634 relating to restricted purposes

Notes to the Financial Statements for the Year Ended 31 July 2020

2019	Learning & Development	Schools Programmes	Membership	Events	Research	Projects	Heritage *	Central	Total 2019
	£	£	£	£	£	£	£	£	£
Course and programme fees	68,819	-	-	-	(1,000)	1,600	-	2,125	71,544
Projects	-	-	-	-	-	213,993	-	3,125	217,118
Consultancy	-	4,756	-	-	-	9,850	-	-	14,606
Service level agreement	-	-	-	-	-	-	276,771	40,000	316,771
Miscellaneous	1,747	63	-	545	55	3,898	-	(322)	5,986
Other charitable income (note 6)	520	-	8,668	28,759	1,724	-	-	-	39,671
	71,086	4,819	8,668	29,304	779	229,341	276,771	44,928	665,696

Charitable income above includes £183,404 relating to restricted purposes

*All activities related to Heritage were charged back to the Co-operative Heritage Trust under a management agreement. Reporting on these activities can be found in the annual report and accounts of the Co-operative Heritage Trust.

Notes to the Financial Statements for the Year Ended 31 July 2020

5 Investment Income

	2020 £	2019 £
Dividends and Interest on Fixed Asset Investments	43,425	54,423
	43,425	54,423

Investment income above includes £12,930 relating to restricted funds (2019: £13,282)

6 Other Charitable Income

	2020 £	2019 £
Conferences	25,224	-
Study Visits	6,040	31,003
Membership Income	11,861	8,668
	43,125	39,671

None of the above income related to restricted purposes

7 Allocation of Governance and Support Costs

Cost Type	2020			2019			Basis of Apportionment
	Total Allocated	Governance	Other Support Costs	Total Allocated	Governance	Other Support Costs	
	£	£	£	£	£	£	
Cost of Goods Sold	21,298	-	21,298	5,341	-	5,341	Expenditure*
Administration	27,482	168	27,314	25,005	804	24,201	Expenditure*
Central Staffing	340,197	548	339,649	344,671	252	344,419	Expenditure*
Infrastructure	76,396	732	75,664	54,877	852	54,025	Expenditure*
Professional fees	11,384	-	11,384	1,004	-	1,004	Expenditure*
Travel	5,732	1,084	4,648	10,439	201	10,238	Expenditure*
Governance costs (Below)	16,747	16,747	-	18,007	18,007	-	Expenditure*
Total	499,236	19,279	479,957	459,344	20,116	439,228	

*Governance and support costs are allocated to each charitable activity stream in proportion to its level of direct expenditure.

Notes to the Financial Statements for the Year Ended 31 July 2020

Governance Costs:

	2020 £	2019 £
Trustee expenses	3,481	4,831
External auditor	11,916	12,076
Legal fees	1,350	1,100
	16,747	18,007

Auditor's Remuneration

The auditor's remuneration constituted an audit fee of £12,150 (2019: £18,007). No other services were provided by the auditor.

8 Charitable Expenditure

2020	Learning & Development	Schools Programmes	Events	Research	Projects	Heritage	University	Total 2020
	£	£	£	£	£	£	£	£
Direct staffing costs	74,059	-	34,623	12,274	207,897	45,038	104,817	478,708
Direct costs of delivery	13,915	-	53,465	-	79,762	12,002	1,450	160,594
Administration	3,803	-	7,387	1,080	6,888	934	3,224	23,316
Infrastructure and premises	2,852	-	4,318	1,366	18,713	5,299	19,000	51,548
Professional fees	3,102	-	12,800	295	9,888	814	3,911	30,810
Travel	731	-	76	269	4,534	153	2,083	7,846
Miscellaneous	(1,500)	2,329	-	-	-	-	-	829
Other support costs (see note 7)	61,749	1,483	71,753	9,734	208,682	40,910	85,646	479,957
Governance costs (see note 7)	2,480	60	2,882	391	8,383	1,643	3,440	19,279
	161,191	3,872	187,304	25,409	544,747	106,793	223,571	1,252,887

Expenditure on charitable activities was £1,252,887 (2019: £1,354,865) of which £1,061,639 (2019: £1,091,218) was unrestricted and £191,248 (2019: £263,647) was restricted.

Notes to the Financial Statements for the Year Ended 31 July 2020

2019	Learning & Development	Schools Programmes	Events	Research	Projects	Heritage	University	Total 2019
	£	£	£	£	£	£	£	£
Direct staffing costs	65,899	288	31,738	30,428	186,098	212,542	30,007	557,000
Direct costs of delivery	23,767	2,125	11,096	1,597	112,364	2,541	1,500	154,991
Administration	3,421	15	8,274	1,798	5,490	5,068	5,147	29,213
Infrastructure and premises	12,206	4,257	3,350	3,484	18,063	42,348	9,561	93,267
Professional fees	3,720	-	15,247	10,307	5,393	9,244	93	44,004
Travel	1,332	-	822	3,275	5,106	3,924	3,341	17,799
Miscellaneous	1,500	(2,329)	-	33	-	42	-	(754)
Other support costs (see note 7)	54,857	2,136	34,592	24,975	163,089	135,228	24,351	439,228
Governance costs (see note 7)	2,512	98	1,584	1,144	7,469	6,193	1,115	20,116
	169,214	6,590	106,703	77,041	503,072	417,130	75,115	1,354,865

9 Raising Funds

	2020	2019
	£	£
Fundraising Staff Costs	3,541	33,865
Membership Staff Costs	28,370	28,293
Administration	2,547	5,351
Infrastructure	5,419	2,862
Travel	106	879
Miscellaneous	240	-
Investment Management	17,708	18,928
	57,931	90,178

Notes to the Financial Statements for the Year Ended 31 July 2020

10 Employee Costs

The College seeks to ensure that all colleagues are fairly rewarded for the work that they undertake. All colleagues are appointed to a role cluster and level that is appropriate to the content of their role. Each role cluster and level has specific salary bands.

The average number of colleagues employed by the College was:

	2020	2019
Full time	15.2	19.0
Part time	5.7	4.8
	20.9	23.8
Full time equivalents	18.9	21.9

The costs incurred in respect of these employees were:

	2020	2019
	£	£
Salaries & wages	692,160	785,141
Social security	70,666	80,982
Pension	68,068	77,449
Other	19,923	20,259
	850,817	963,831

The following one off payments relating to termination of employment have been made

	2020	2019
	£	£
Redundancy Payments	-	2,252
	-	2,252

In September 2018 one employee was made redundant following the completion of our Co-operative Pathways project in Malawi.

Notes to the Financial Statements for the Year Ended 31 July 2020

11 Key Management Personnel

The College considers its key management personnel to comprise the Trustees, Chief Executive & Principal and Vice Principal - Co-operative Education & Research.

The total remuneration for the key management personnel was as follows:

	2020	2019
	£	£
Salaries	106,711	144,056
Pension contributions	12,805	17,287
	119,516	161,343

The remuneration of the Chief Executive & Principal, who is the highest paid employee and included in the above figures is as follows:

Simon Parkinson

	2020	2019
	£	£
Salary	29,968	85,000
Pension contributions	3,596	10,200
	33,564	95,200

Priscilla Ross

	2020	2019
	£	£
Salary	56,222	-
Pension contributions	6,747	-
	62,969	-

On 6th December 2019, Simon Parkinson left his role as Chief Executive & Principal to be replaced by Dr Priscilla Ross who was previously Vice Principal - Co-operative Education & Research. This latter role was not replaced during the year.

The number of members of the key management personnel (including the Chief Executive & Principal) whose remuneration, excluding pension contributions, falls into the following bandings:

	2020	2019
£80,001 - £90,000	-	1
£70,001-£80,000	1	-
	1	1

12 Trustee Remuneration

The trustees received no remuneration in the performance of their duties.

Eight trustees (2019: Seven) were reimbursed expenses during the year totalling £4,565 (2019: £3,373). These represented essential travel and subsistence costs in performance of their duties. These expenses include travel, accommodation and subsistence when attending the College's Centenary conference in November 2019.

The Co-operative College had the following staff trustee during the year. They received no remuneration as trustee. Their remuneration as an employee was as follows:

	Daniel Cox
	£
Salary	23,816
Pension Contributions	1,905
	25,721

13 Intangible Fixed Assets

	Website	Total
	£	£
Cost		
01 August 2019	18,000	18,000
31 July 2020	18,000	18,000
Amortisation		
01 August 2019	9,000	9,000
Charge for year	4,500	4,500
31 July 2020	13,500	13,500
Net book value at 01 August 2019	9,000	9,000
Net book value at 31 July 2020	4,500	4,500

Amortisation has been charged against charitable activities in the Statement of Financial Activities

Notes to the Financial Statements for the Year Ended 31 July 2020

14 Tangible Fixed Assets

	IT Equipment	Plant, fixtures and fittings	Total
	£	£	£
Cost			
01 August 2019	78,846	77,871	156,717
Additions	5,444	-	5,444
31 July 2020	84,290	77,871	162,161
Depreciation			
01 August 2019	62,675	73,237	135,912
Charge for year	6,696	2,379	9,075
31 July 2020	69,371	75,616	144,987
Net book value at 01 August 2019	16,171	4,634	20,805
Net book value at 31 July 2020	14,919	2,255	17,174

15 Fixed Asset Investments

	Total	Royal London Sustainable Diversified Fund	Co-operative Group Shares	Chelmsford Star Share Account
	£	£	£	£
1 August 2019	3,170,430	3,168,930	500	1,000
Divestments	(665,000)	(665,000)		
Valuation gain	235,922	235,922		
Management Charges	(17,707)	(17,707)		
31 July 2020	2,732,645	2,722,145	500	1,000

Fixed asset investments held with Royal London in a sustainable diversified fund are reflected at fair value (their market value) at the reporting date. This treatment is in accordance paragraph 11.14(d) of FRS 102.

Notes to the Financial Statements for the Year Ended 31 July 2020

16	Debtors	2020 £	2019 £
	Trade debtors	33,025	126,425
	Project debtors	27,493	3,477
	Accrued income	25,680	57,035
	VAT	4,795	1,562
	Prepayments	24,438	33,787
	Other debtors	566	1,436
		115,997	223,723

17	Stock	£
	Opening Stock	6,187
	Stock Write Down	– (3,719)
	Total Stock	2,468

18	Creditors	2020 £	2019 £
	Trade creditors	42,964	35,186
	Deferred income - Project creditors	44,804	45,824
	Accruals	28,538	34,272
	Taxation and social security	17,302	22,814
	Other deferred income (note 19)	8,924	16,038
	Other creditors	8,621	11,893
		151,153	166,027

Notes to the Financial Statements for the Year Ended 31 July 2020

19 Deferred Income

	2020	2019
	£	£
Project Creditors	44,804	45,824
Study Visits	-	7,190
Core funding	4,667	-
Conference	-	2,667
Workshops	604	458
Membership subscriptions	3,653	5,723
	53,728	61,862

Reconciliation of Deferred Income

	£
Balance at 1 Aug 2019	61,862
Amount released from previous years	(43,231)
Amount deferred in current year	35,097
Balance at 31 July 2020	53,728

Notes to the Financial Statements for the Year Ended 31 July 2020

20	Operating Lease Commitments	2020 £	2019 £
	Land & Buildings		
	Not later than one year	13,511	13,511
		13,511	13,511
	Plant & Machinery		
	Not later than one year	5,331	7,736
	Later than one year and not later than five years	-	5,802
		5,331	13,538
	Total	18,842	27,049

Payments under operating leases within the year amounted to:

	2020 £	2019 £
Land & Buildings	32,427	32,427
Plant and Machinery	8,147	7,736

Notes to the Financial Statements for the Year Ended 31 July 2020

21 Charitable Funds 2020

	Balance at 1 August 2019	Income	Expenditure	Investment Gains	Transfers Between Funds	Balance at 31 July 2020
	£	£	£	£	£	£
Expendable Endowment Funds:						
Co-operative College Fund	2,060,152	-	(9,306)	123,992	(648,076)	1,526,762
	2,060,152	0	(9,306)	(123,922)	(648,076)	1,526,762
Restricted Funds:						
Les Stannard Co-operative Citizenship Fund	44,491	664	(303)	4,031	-	48,883
Co-operative Pioneers Memorial Fund	831,617	12,264	(14,049)	74,587	-	904,419
Joyce & Vic Butler	161	2	(1)	15	-	177
Zambia - DGRV	-	6,211	(6,211)	-	-	-
Together Enterprise Scotland	-	2,426	(2,426)	-	-	-
Rwanda S.E.A.D. Project	-	7,370	(7,370)	-	-	-
Co-op (Ad)venture	-	74,749	(74,749)	-	-	-
Co-op Starter 2	-	8,125	(8,125)	-	-	-
Coop4Edu	-	14,310	(14,310)	-	-	-
--Co-op Pathways Malawi	-	-	-	-	-	-
Malawi – DGRV	-	10,334	(10,334)	-	-	-
Co-op Foundation/Big Lottery Fund						
#iWill Fund						
Youth Co-operative Action	-	-	-	-	-	-
Youth Co-operative Action Phase Two	77,359	66,098	(53,122)	8,120	-	98,455
NSCCT Barefoot Co-operative Project		6,760	(6,760)	-	-	-
	953,628	319,313	(197,760)	86,753	0	1,051,934
Unrestricted Funds:						
Revenue Reserves	282,000	430,499	(1,103,752)	25,177	648,076	282,000
Total Charitable Funds	3,295,780	639,812	(1,310,818)	235,922	0	2,860,696

Transfers between funds consist of £522,767 to maintain unrestricted reserves at agreed minimum levels and £125,309 to provide strategic investment as approved by trustees. The latter consists of funds to support the College's development towards achieving degree awarding powers and exploring the possibility of a future Co-operative University.

Notes to the Financial Statements for the Year Ended 31 July 2020

21 Charitable Funds 2019

	Balance at 1 August 2018	Income	Expenditure	Investment Gains	Transfers Between Funds	Balance at 31 July 2019
	£	£	£	£	£	£
Expendable Endowment Funds:						
Co-operative College Fund	2,412,508	-	(11,683)	182,056	(522,729)	2,060,152
	2,412,508	0	(11,683)	182,056	(522,729)	2,060,152
Restricted Funds:						
Les Stannard Co-operative Citizenship Fund	40,091	675	(256)	3,981	-	44,491
Co-operative Pioneers Memorial Fund	749,421	12,605	(4,830)	74,421	-	831,617
Joyce & Vic Butler	145	2	(1)	15	-	161
Together Enterprise	-	24,000	(24,000)	-	-	-
Together Enterprise Scotland	-	13,391	(13,391)	-	-	-
Rwanda S.E.A.D. Project	-	7,800	(7,800)	-	-	-
Co-op (Ad)venture	-	138,991	(138,991)	-	-	-
Co-op Starter 2	-	4,952	(4,952)	-	-	-
Coop4Edu	-	3,992	(3,992)	-	-	-
--Co-op Pathways Malawi	-	35,361	(35,361)	-	-	-
Malawi – DGRV	-	13,069	(13,069)	-	-	-
Co-op Foundation/Big Lottery Fund #iWill Fund						
Youth Co-operative Action	12,078	-	(12,078)		-	
Youth Co-operative Action Phase Two	-	80,839	(10,403)	6,923	-	77,359
	801,735	335,677	(269,124)	85,340	0	953,628
Unrestricted Funds:						
Revenue Reserves	231,000	667,216	(1,166,488)	27,543	522,729	282,000
Total Charitable Funds	3,445,243	1,002,893	(1,447,295)	294,939	0	3,295,780

Transfers between funds consist of £468,617 to maintain unrestricted reserves at agreed minimum levels and £54,112 to provide strategic investment as approved by the trustees. The latter consisted of funds to support development of school improvement services and funds to support the College's development towards achieving degree awarding powers and exploring the possibility of a future Co-operative University.

Notes to the Financial Statements for the Year Ended 31 July 2020

Endowment and Restricted Funds are held for the following purposes:

Co-operative College Fund

Resulting from the sale of property originally purchased with funds gifted by the co-operative movement. The funds are invested in order that the interest and gains arising can be used to support the College in the furtherance of co-operative education. The trustees reserve the right to release funds from the endowment for strategic purposes. During the financial year funds were released to support College operations in line with the agreed strategic plan.

Les Stannard Co-operative Citizenship Fund

Given by the South East Region of The Co-operative Group the purpose of the fund is to support young people (aged 25 and under) who wish to participate in educational opportunities provided by the College. Such educational opportunities should be within a wider citizenship theme.

Co-operative Pioneers Memorial Fund

Established in early 2010 when a number of small funds were brought together, the fund aims to enable learners facing financial difficulties to participate in programmes arranged by the Co-operative College. This includes funding for bursaries and match funding for projects through which participants benefit from College services and programmes which they could not afford to do so otherwise.

Co-op Foundation/Big Lottery Fund #iWill Fund

Two grants have been awarded from this fund. The first grant, awarded in 2017 funded the project 'Youth Co-operative Action: Tackling Youth Loneliness in Rochdale and Manchester's Care Leaver Community', which completed in November 2018. The second grant for phase two of the Youth Co-operative Action project is funding the College to work in Greater Manchester, Plymouth and Hartlepool. This project began in Spring 2019 and is planned to complete by the end of 2021.

Notes to the Financial Statements for the Year Ended 31 July 2020

Analysis of net assets between funds:

2020

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	17,174	-	-	17,174
Intangible assets	4,500	-	-	4,500
Fixed asset investments	246,130	950,753	1,526,726	2,723,645
Current assets	163,679	102,851	-	266,530
Current liabilities	(149,483)	(1,670)	-	(151,153)
	282,000	1,051,934	1,526,726	2,860,696

Analysis of net assets between funds:

2019

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	20,805	-	-	20,805
Intangible assets	9,000	-	-	9,000
Fixed asset investments	174,307	935,971	2,060,152	3,170,430
Current assets	235,153	26,419	-	261,572
Current liabilities	(157,265)	(8,762)	-	(166,027)
	282,000	953,628	2,060,152	3,295,780

Notes to the Financial Statements for the Year Ended 31 July 2020

22 Reconciliation of Net Incoming Resources to Net Cash Outflow from Operating Activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(435,084)	(149,463)
Adjustments for:		
Depreciation charges	9,075	8,647
Amortisation charges	4,500	4,500
Gains on investments	(235,922)	(294,938)
Management charges adjusted against investment value	17,707	20,573
Dividends and interest from investments	(43,425)	(54,423)
Decrease in stock	3,719	1,456
Decrease in debtors	107,726	63,033
Decrease in creditors	(14,874)	(12,796)
Net cash used in operating activities	(586,578)	(415,057)

23 Analysis of Changes in Net Debt

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	31,662	116,403	148,065
Total cash and cash equivalents	31,662	116,403	148,065

Notes to the Financial Statements for the Year Ended 31 July 2020

24 Financial Instruments

	2020 £	2019 £
Measured at fair value through profit or loss		
Investments stated at market value	2,723,645	3,170,431
Debt instruments measured at amortised cost		
Cash at bank and in hand	148,065	31,662
Trade debtors	33,025	126,425
Accrued income	53,173	60,512
Other debtors	566	1,436
Financial liabilities measured at amortised cost		
Trade creditors	42,964	35,186
Accruals	73,342	80,096
Other creditors	8,621	11,893

25 Contingent Liabilities and Capital Commitments

The College has no contingent liabilities or capital commitments as at the balance sheet date (2019: £nil)

26 Related Party Transactions

The following are related party transactions, as defined by Financial Reporting Standard 102, section 33, together with details of notable transactions.

The Co-operative Heritage Trust

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. The College ran the day to day management of the Co-operative Heritage Trust under a management agreement. This arrangement ceased on 12 October 2019.

Amounts of £107,992 (2018/19- £339,578) and £642 (2018/19 - £3,200) were receivable from and payable to the Co-operative Heritage Trust for the 12 month period. At 31 July 2020 the balance owed to the College was £nil (2019: £104,711) and the balance payable to the Co-operative Heritage Trust was £175 (2019: £nil).

Transactions with trustees are detailed in note 12

Notes to the Financial Statements for the Year Ended 31 July 2020

27 Post Balance Sheet Events

In recent years the College had suffered significant deficits, which were, in 2020, exacerbated by the impact of the COVID-19 pandemic. In particular, the impact of the virus on Higher Education led the Office for Students to halt all applications for degree awarding powers, a process the College had undertaken at considerable expense, with the expectation of very positive returns. With that further blow to financial stability it was felt necessary to review the operating model of the College. To that end a Scenario Planning Group was formed from the Trustees and College Leadership Team.

Following that review in October 2020 a process of 'right sizing' the College cost base was commenced. Whilst this involved savings being sought across the cost base, a restructure of the College Team was vital to make any significant impact. A consultation process was undertaken from October to January with outcomes relayed to staff in mid January 2021. The costed plans show potential year on year cost savings across all areas of expenditure of over £400,000, giving the College an appropriate base for their current income levels and from which to steadily build back. Recognising that a reduced capacity can restrict that ability to grow and progress, further work is continuing on partnership models that may help strengthen the College and broaden its offer and reach in years to come.