



co-operative  
college

# ANNUAL REPORT & ACCOUNTS

YEAR ENDED 31 JULY 2021



# TRUSTEES' REPORT

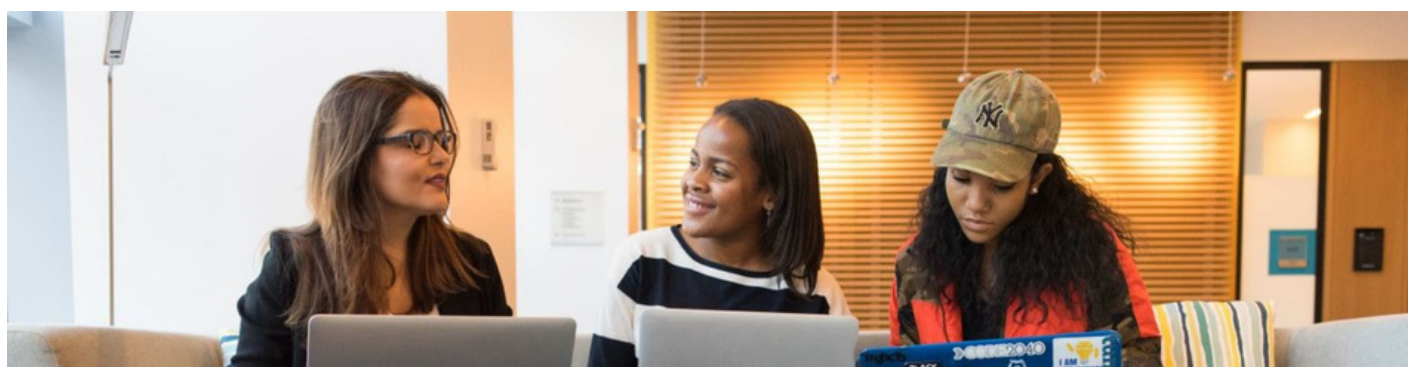
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The Trustees present their annual report and financial statements of the charity for the year ended 31 July 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011, the Charities Statement of Recommended Practice (second edition) and Financial Reporting Standard FRS 102.

As it entered its new financial year in August 2020, the College was already in a period of significant and ongoing change, influenced largely by two major factors. In common with every other organisation around the world, the College was being faced with the consequences of the COVID-19 pandemic. Having taken the decisions necessary to deal with the immediate shock of the pandemic's arrival earlier in the year, Trustees and staff were beginning to adapt to the long-term implications for the organisation and for society as a whole. The second factor influencing the change taking place at the College at that time was the work being undertaken to 'right-size' its cost base, led by the newly constituted Scenario Planning Working Group (SPWG), in response to increasing concern at the financial sustainability of the College.

Even under normal circumstances, the work of the College is varied and rarely static, but over the intervening period between August 2020 and the publication of this report, the organisation has been transformed in many ways. 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](http://www.co-op.ac.uk) and we would also recommend following us on social media to gain a better understanding of our work.

Our work is only possible due to the continued hard work of our colleagues, the dedication and commitment of our Board of Trustees, and the support of our Members and partner organisations in the UK and around the world, so our thanks go to them all.



# OBJECTS & ACTIVITIES

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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 last published its key strategic aims at its Centenary Conference in 2019. 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**

At the same time, the College identified four key outcomes, which it strives to achieve in order 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**

A new College strategy is due to be published in the summer of 2022, and while it will not signal a fundamental change of direction for the College it will recognise the impact of many changes to both the internal and external context since 2019. Externally, the COVID-19 pandemic will have a lasting impact on the way in which individuals and organisations access learning, training and development, with blended programmes likely to become increasingly popular. A challenging economic outlook suggests that income may be slow to return to pre-pandemic levels, although in the short term the College anticipates an increase in its international activity as restrictions are gradually lifted and pent-up demand from overseas partners is released.

Changes to the College's internal context are largely the result of work of the SPWG, which was established in June 2020. The SPWG met regularly from June 2020 to the end of the year, and was constructed of four Trustees (including the Chair, Jon Nott, accompanied by Vivian Woodell, Hazel Johnson and Emma Robinson), the then Principal and Finance Manager (Cilla Ross and Greg Giddins respectively) and the College's HR & OD Consultant (Rochelle Baxter). The SPWG was also supported by Adam Campbell of Telos Partners, an external consultant, and it reported back regularly to the Board of Trustees.

The SPWG's remit was to consider a number of options and make recommendations to help the Board plot a path for the College's future. Their recommendation was that a 'right-sizing' of the College's operations was necessary. In order to provide the re-focussing necessary to allow the College to achieve its goals more effectively, a restructure was proposed, together with a move to a smaller office base, greater home working and a standard 4-day week.

Proposals for staffing changes were taken to the Board in early October 2020, and a staff consultation was launched later the same month. An Interim Chief Executive (John Chillcott) was appointed from 1 December 2020 to support the College through the conclusion of consultation and transitional planning. Staff consultation continued until December 2020 with feedback reviewed by the SPWG and taken to the Board of Trustees in January 2021 for final proposals to be confirmed.

The College is currently organised around three major areas of activity, each led by a member of the leadership team:

## Learning

The Learning 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 co-operators. Our learning offer reaches across every aspect of the College's work, and includes solutions for both individuals and organisations, delivered via a range of approaches from self-paced online learning to blended and face-to-face facilitation. Where appropriate, programmes are developed and delivered in partnership with other providers, in some cases allowing access to accreditation routes. The College's research provision is also led through the Learning Team, including collaborative research projects with academic partners, and thought leadership activity to provide a space for the dissemination and discussion of relevant publications and findings from across the co-operative movement.

## Projects

The work of our Projects Team has impact from the local to the global level, 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 isolation and the rebalancing of the economy to provide decent living and working conditions.





## Business Development

The responsibilities of the Business Development Team include the key operational areas of finance, marketing, governance, health and safety, estates and human resources (with the continued support of an external HR consultant). Alongside its core function of developing client relationships and new business opportunities, the team will also play a key role under the College's new strategy in developing its Membership offer.

In recognition of the College's increasingly global reach, an additional position of Head of International Partnerships has been added to the leadership team, initially on an interim basis, to develop and maintain relationships with overseas partners and clients across the full range of activity of the Learning and Projects teams.

# ACHIEVEMENTS & PERFORMANCE

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The COVID-19 pandemic hit the College as hard as it hit so many organisations. As an immediate consequence of national restrictions, staff began to work from home with little notice and had to deal with postponements and delays to most College work. Works streams dependent on overseas visitors or face-to-face delivery in the UK, across both Learning and Projects Team activities, were subject to lengthy postponements or even cancellation, which had a significant impact on the College's ability to hit its own internal income targets.

The College made use of the flexible furlough scheme from between July 2020 and January 2021, although as with all organisations that have needed to use the scheme it only made a partial contribution towards staff costs. However, the swift change towards online learning programmes, which had begun towards the end of the 2019-20 year as the pandemic began, allowed us to continue with some activity which had been planned as face-to-face and would otherwise have been lost, as well as enabling the development of new programmes specifically targeting the online market using tools such as Zoom and Microsoft Teams for live learning and Learnworlds and Rise for asynchronous delivery.

The work of the Learning Team has been driven by the twin priorities of developing programmes and materials of a high quality to compile a learning offer for the future, whilst concurrently seeking and agreeing new business opportunities in order to meet immediate income targets. Delivery that has taken place during the year has included:

- Bespoke training for the executive leadership teams of two major UK retail societies – Central England Co-operative Society and East of England Co-operative Society
- Work with the former has included a face-to-face team building day, which was one of the first College activities to be delivered in Holyoake House since the relaxation of COVID-19 restrictions
- An ongoing programme of member development for the Co-operative Group National Members' Council
- A year-long programme of online workshops for Prospect Bectu
- Workshops on co-operative culture and leadership for Suma Wholefoods and Open Data Services Co-operative
- An online 'Co-ops Worldwide' workshop for Unicorn Grocery Workers' Co-operative

The development and deployment of online self-paced learning activities has continued through the year, including a module on the UN Sustainable Development Goals which has been purchased both by individual learners and by organisations for their staff and members.

In a highly significant development, the College embarked upon discussions about a prestigious partnership with Imperial College London in July 2021. A first joint initiative, an online programme of adult and community learning entitled 'Spanner in the Works', was subsequently agreed and collaborative work to develop it took place into the autumn. Upon completion, it was marketed for a January 2022 start. The first cohort was over-subscribed and received uniformly strong and enthusiastic feedback from its participants. Plans have now been confirmed for further cohorts of this initial course, as well as follow-up programmes for learners who wish to progress their co-operative learning journey.



The College's UK Projects activity is centred around two distinct initiatives. Our Co-operative (ad)Venture project works 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 build their own co-operative and social action events in their local community. The second project, Youth Co-operative Action (YCA), aims to inspire young people to use co-operative values and principles to make a change where they live, and is typically targeted at disadvantaged groups and/or members of deprived communities.

Over the year the College has led YCA and (ad)Venture projects across the UK, in venues including London, Manchester, Fife, Edinburgh, Bradford, Rochdale and Plymouth. Each project is either centred in a school or college, or anchored by an existing community organisation, facilitated either by members of College staff or a local delivery partner. Our UK projects have been enabled by grant funding and financial support from partners including Co-operative Foundation, the Big Lottery #iwill Fund, Potterspury Lodge Trust and the Co-operative Group.

In total, 126 young people benefited from the projects in 2021. Across Greater Manchester, young participants addressed issues around child poverty and its impact on mental wellbeing, as well as representation of disability in film and digital technology. In March 2021, the Rochdale YCA group, hosted a public event including a panel discussion with MP Tony Lloyd, and a call to action to support Manchester Central Food Bank. The London YCA group developed the 'Youth Propelled Empowered' initiative to tackle issues that young people face as they get older, such as how to get a foot on the career ladder and how to manage finances. The group ran a social media campaign and hosted weekly events where guest speakers shared their experiences in career and life. In Plymouth, working in partnership with a local college and the council, our YCA group developed a plan to create an environmental garden at an empty space promoting biodiversity and environmental impact. A fantastic 83% of all YCA participants reported that their knowledge of co-operation had increased as a result of the project, and 58% demonstrated improvement in key skills and qualities in this area.



Although International Project work was largely brought to a standstill by the restriction to travel caused by the pandemic, planning began during the year for a major co-operative development initiative in Malawi, funded by Central England Co-operative Society (CEC). The College played a key role in planning, scoping and producing a theory of change for an initiative which is described as a “UK led retail strategy which ensures a deeper understanding of the impact of co-operative and fair trade over aid”. The intention is to deliver a project over at least three years, to be launched in the summer of 2022, which is sustainable in the longer term, “to take Malawian communities out of abject poverty and create engagement opportunities with CEC members and communities”. The College’s prior experience of working in co-operative development in the country has put us in an excellent position to assume the project management responsibilities for this significant piece of work.

Within the wider category of International partnerships, the College saw a significant growth in interest from potential new partners as COVID-19 travel restrictions began to ease towards the end of the year. As a result of discussions through the autumn, Memoranda of Understanding (MOU) have subsequently been signed with two emerging providers of co-operative education, in Lagos State, Nigeria and the Philippines respectively, with the latter being developed by CLIMBS Life and General Insurance Co-operative (CLIMBS), an established partner. We were delighted to be invited to join CLIMBS online at the soft launch of their new Co-operative College, and to continue to deliver annual Masterclass programmes for their staff and members. Another key overseas partner with whom a MOU is due to be signed soon is Organización de Co-operativas de Brasil (OCB), the co-operative apex organisation in Brazil. Although physical study visits have been impossible to arrange as a result of COVID-19 restrictions on international travel, planning work has been ongoing with a these and a number of other overseas partners to ensure that these activities can resume as soon as it is safe and practical to do so.



The College played a key role in the development and delivery of YOUCOOPE, a European collaborative online programme to train teachers on cooperative entrepreneurship. A series of workshops for secondary school teachers and undergraduate-level educators was rolled out across the summer and autumn of 2021. In October 2021, the College hosted an extremely well-attended webinar at which we were joined by the authors of a recent ICA publication on the role of Co-ops in the environmental sustainability agenda. The event generated some excellent debate and will be used as a template for further development of this emerging strand of thought leadership activity within the College. The establishment of an International Co-operative Working Group (ICWG) has provided a forum for networking and co-ordination of international links, partnerships and initiatives across the UK co-operative movement, and we are grateful for an increase in annual grant funding of £9k from Co-ops UK to enable us to provide a member of staff to support the ICWG for the equivalent of one day per week.

The College, in collaboration with Co-operatives UK and Co-op News, co-ordinated an appeal that raised £102k by co-operative retailers to support the crisis response when the Delta variant hit India. Partnering with SEWA Cooperative Federation, £70k of the donation was used to provide emergency support including health kits, masks made by an artisan co-operative, soap and immune boosters produced by a health co-operative. The remaining £32k is now being used to deliver a two-year programme supporting the development of two young women's incubator co-operatives. A media co-operative will support young women to build capacity in media, journalism, graphic design, photography and new media, whilst a second co-operative will focus on research, conducting surveys, focus group discussions and report writing.



# FUTURE PLANS

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The appointment of a new Chief Executive & Principal in July 2021 completed the assembly of the new leadership team and concluded the 'right-sizing' and restructure exercise agreed by the Board of Trustees on the recommendation of the SPWG. Work to develop a new College strategy has been underway since the Autumn of 2021, and it is intended that the outcome of this activity will be published to coincide with the 2022 College AGM, following further consultation with staff, Members and stakeholders.

There are, however, broad strands of the new strategy which have already emerged and are currently under development or being piloted:

The collaboration with Imperial College London, which began in early 2021, is the first of what is intended to be a small number of distinct, sustained partnerships with providers of Further and Higher Education (FE and HE). Whereas the work with Imperial College is being delivered within the adult and community learning sector, the College is actively engaging with potential partners in areas including work-based learning, research and the co-development and co-delivery of first and Masters degree-level programmes. Previous investment into the Co-operative University Project had supported the development of an application for degree awarding powers, but following the decision by the Office for Students to pause all such applications until further notice in the early stages of the pandemic, this is now not an initiative which the College is looking to progress in the foreseeable future, with its focus shifting instead towards these mutually beneficial partnerships to allow the further growth of our work in the FE and HE sectors.

The Learning Team has identified three key curriculum areas for current and future development: Co-operative Values and Behaviours, Co-operative Leadership, and Care for Community. The organisation of our activity into this structure will bring a coherence to the College's learning activity, empowering our Business Development team to seek new markets through their communications, marketing and relationship-building activity. There is also a high priority being placed on learning quality, and the forthcoming addition of a Co-operative Adult Education Tutor to our learning team will support the continuous improvement of quality assurance arrangements, and in particular the establishment of clearly agreed and consistent learning approach. It is our strong belief that co-operative learning needs to be as much about the how as the what, and that our 'default setting' should be a facilitated, collaborative and co-constructed approach to the learning process.

The further development of the College's UK Projects work will be built around the two existing products: Youth Co-operative Action and Co-operative (ad)Venture. To build on existing successes there are plans to develop specialised versions of these projects to meet the needs of specific, targeted groups of disadvantaged young people, including learners with autistic spectrum disorders and those at particular risk of involvement with the criminal justice system. The geographical footprint of our UK project work has to date been determined by the appetite and preferences of funders. It is intended that future development will focus on communities in need of support as a result of urban and coastal deprivation, and we will employ a more targeted approach to seek co-location with retail societies and/or co-operative councils who have expressed an interest in partnership and/or funding the projects.

The international co-operative development project in Malawi, funded by Central England Co-operative Society, will provide the vast majority of the College's international projects activity in the coming year and hopefully until 2025. As an initiative funded by a UK retail society and project managed by the College this is a new and exciting development, and one, which we hope will inspire other co-operatives to consider sponsoring similar work in the future. We also hope to work with a leading UK university to carry out a piece of collaborate research into the co-operative sectors of two African nations in which we have worked previously.

International partnerships provide some of the most immediate opportunities for the development of new business. Although the College has a significant history of hosting study visits from overseas, we are rethinking the objectives and delivery model to provide a much sharper focus on learning – our core function. There are already several confirmed dates for hosting parties of co-operators from countries including Brazil and the Philippines in 2022, and those programmes are being designed around activities which will provide genuine opportunities to apply our distinctive co-operative learning approach. Newly-formed partnerships have been agreed with co-operative education institutions across the world, including those in the Philippines and Brazil, as the first stage of a broader strategy to support and facilitate networks of co-operative educators across the globe.





The work of the Scenario Planning Working Group has provided the College with an opportunity to return to a position of financial sustainability which has not been achieved at any point in recent years. Although we recognise that there is still work to be done in order to grow income sufficiently to achieve that goal, there is a common sense of purpose and determination amongst the College's staff and Trustees at a time when there is such a need for the principles and values of co-operative education to be understood and applied in UK society and across the world.



Jon Nott,  
On behalf of the Board of Trustees



Neil Calvert,  
Chief Executive & Principal



# FINANCIAL OVERVIEW

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The year to July 2021 saw the College record a deficit of £429,441 including £228,604 of restructuring costs.

The results for 2020-21 reflect a year in which many of the most important income streams to the College had been significantly reduced or lost altogether. The COVID-19 pandemic, together with the loss of core funding from The Co-operative Group impacted the College's ability to cover a cost base which had been built up during a period with significantly higher income and had been maintained in anticipation of the commencement of a co-operative university. The hopes for that development were dashed by the onset of the pandemic and the announcement that The Office for Students was withdrawing from processing any new degree awarding powers.

It was against that financial picture that a weekly working group of senior management and Trustees began meeting from June 2020. With no apparent step change in income now on the horizon it was concluded that the College could not afford to continue carrying the same level of costs. The main fixed cost the College carries is the investment in our staffing, and therefore, 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 a 4-day week were the main changes, together with a reduction in office space as we moved to greater home working. Annual savings in the region of £350k to £400k were identified.

The working group of management and Trustees continued to meet throughout this financial year, taking the College through the consultation period and the introduction of a new management team to take the College forward. They were supported in this process by the appointment of John Chillcott, a former Trustee of the College as Interim Chief Executive to guide the College through the changes whilst allowing the management team to focus on the work of the charity.

These accounts largely reflect the costs of change, although savings were made in the final quarter of the year. Restructuring costs of £228,604 include approx. £135k of redundancy cost, the costs for the Interim Chief Executive role, professional fees incurred both in managing the consultation period and restructure, and the costs of recruitment of new staff including a new permanent Chief Executive & Principal.

## Performance

The pandemic significantly reduced our ability to continue with existing and to develop new overseas work. As a result, our project income fell by 26.7% to £180,697, comprised of £111,444 from grants and service contracts and £69,253 of donations for specific projects. Having adapted to remote delivery where necessary, we were able to continue with most of our UK project work, which fell a little, but remained our main source of income earning £140,182 of the total project income.

Our learning and development income had fallen significantly in recent years, but a mixture of work postponed into 2020-21 and new business developed has led to a much improved position. Income of £113,418 was the highest level seen since 2015.

As previously stated, certain elements of income fell significantly from 2020. As our management agreement with the Co-operative Heritage Trust ended in the previous year there was no income in the current year, a reduction of £64,239. In addition, core funding cuts reduced our income by £58,666.

The initial effect of savings made by the restructure can be seen in the year to July 2021. Whilst income from charitable activities fell by circa £89k, charitable expenditure fell by approx. £317k.

## Balance Sheet

The College balance sheet shows net assets of £2,431,255. Virtually all available funds are invested in Sustainable Diversified Funds with Royal London. These 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 31 July 2021, we have continued to add funds to specific project monies held through our investments.



# 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 and as such have appointed investment advisers to manage the College's portfolio.

## Investment 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.

The returns on interest and dividends remain quite low at under 2%, but with capital growth remaining high, overall returns were over 12%.

# Reserves

## Reserves Policy

The Trustees have determined that the minimum level of unrestricted reserves to be held should be equal to three months operating expenditure and costs of delivery, allowing the College to cover such costs in the most extreme absence of income. The minimum level will be calculated each year after approval of the annual budget and review of expected year-end reserves.

On the basis outlined above, the minimum level of unrestricted reserves at 31 July 2021 and to be carried through the 2021-22 financial year is £235,000.

The level of unrestricted reserves held at the year-end is £235,000 in line with the College's reserves policy. Of these unrestricted funds, £10,658 of funds held would only be realised by the sale of fixed assets, thereby leaving £224,342 as free reserves.

Total reserves were £2,431,255 with endowment funds making up £1,102,308 and restricted funds £1,093,947. Movements in funds and more detail on the purpose of specific funds can be found in note 22 to the accounts.

## Annual Reserves Management

The methodology for managing reserves throughout the year seeks to recognise two factors. Firstly, the uneven pattern of income and expenditure throughout the year and secondly, the recognition of investment gains/losses only on an annual basis.

Considering these factors, a monthly transfer will be made from the Co-operative College Fund to unrestricted reserves, when required, to maintain unrestricted reserves at the minimum level throughout the year. At year-end, upon recognition of investment gains/losses for the year, a final transfer to/from the Co-operative College Fund will be agreed by the board of Trustees.

The Audit and Risk Committee and Trustees shall monitor any such transfers through the quarterly presentation of management accounts.

## Annual Review of Reserves Policy and Long-Term Plans

The Reserves Policy will be reviewed on an annual basis and an appropriate level set for the year ahead.

The budget for the year to July 2022 reflects a position where the College is building back income streams following the effects of the COVID-19 pandemic and restructuring of the College cost base. To that end it is expected that in the year to July 2022 there will be a net transfer of approx. £360k to maintain unrestricted reserves after investment gains/(losses).

The restructure was necessary to provide a cost base from which the College could achieve a break-even position. The Trustees intention is that the level of Unrestricted Reserves be maintained without continued drawing upon the capital of the Co-operative College Fund and that only the income and gains should be drawn upon for working capital purposes in future years.



## Going Concern

From June to September 2020, the Trustees undertook a strategic review of the College which led them to re-size the cost base resulting in annual savings of approx. £400k. The College has £235k of unrestricted reserves and over £1m 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 a period to build income back. 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.

## 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 from June 2020 as part of the Scenario Planning Working Group. These meetings, having focused on 'right-sizing' the cost base of the College, now continue 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. This key role provides clear leadership in policy making, strategic planning and executive management to deliver the College's objectives and ambitions. The Chief Executive & Principal is supported by a wider leadership team who are accountable for specific areas of the College's work.

During the year to July 2021, the executive team comprised:



Name	Role	Length of Service
Cilla Ross	Chief Executive & Principal (to 31 July 2021)	6 years
John Chillcott	Interim CEO (1 December 2020 - 31 May 2021)	6 months
Neil Calvert	Chief Executive & Principal (from 1 July 2021)	1 month

During the year, Cilla Ross' tenure as Chief Executive & Principal was extended to 31 July 2021 to enable a handover period to the new College management team. To further aid the College restructure and transition to a new team, John Chillcott, a former College Trustee, was appointed as an Interim Chief Executive to work alongside Cilla Ross for 6 months until 31 May 2021. The new College Chief Executive & Principal, Neil Calvert, joined the College on 1 July 2021. Following a brief handover period, Cilla Ross left the College on 31 July 2021.

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.

### 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

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 top strategic risk facing the College remains that of financial sustainability and with this in mind the Scenario Planning Working Group (SPWG) was convened to review the College's operational and financial model in detail. Meeting weekly/bi-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. Approx. £400k of annual savings were identified, with a new College staffing structure put in place with resource centred around delivery and income generation. There is still much work to do for the new team as we develop the focus of future College work.

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

The SPWG still meets bi-weekly but the intention is to reconvene the quarterly meetings of the Audit and Risk Committee in 2022 as a channel for risks to be reviewed, and for updates and recommendations to be made to the full Board of Trustees.

### 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 controls in place include:

- Clearly defined lines of responsibility and delegation
- Clear approval processes for transactions including two signatories for all outgoings
- Budget setting and Trustee approval
- Regular review of performance against budget by Trustees
- Bi-weekly meetings of the Scenario Planning Working Group to assist the Executive Team in managing the operations and risks of the College.

## 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

No new Trustees were appointed during the year to 31 July 2021. Long standing supporter and Chair of the College, Nigel Todd, sadly passed away on 26 March 2021. On 14 May 2021, Jon Nott was appointed new Chair of Trustees and Emma Robinson was appointed Vice Chair.

## Board of Trustees

The Trustees for the year to 31 July 2021 and up to the point of signing the annual report and accounts were as follows:

Name	Category	Appointed	Further Details
Jon Nott (Chair)	Organisational Member	12 October 2017	Co-optee until 1 May 2018. Organisational Member from that date. Reappointed 7 October 2021.
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
Pamela Maxwell	Learner Member	5 April 2017	Reappointed 19 June 2020

Name	Category	Appointed	Further Details
Emma Robinson	Individual Member	1 May 2018	Resigned 7 October 2021
Daniel Cox	Staff Member	21 June 2019	
Vivian Woodell	Co-operatives UK	21 June 2019	
Clive Booker	Organisational Member	19 June 2020	
Ruth Hall	Individual Member	7 October 2021	
Simon Thomson	Co-opted Member	13 January 2022	
Gregory Roberts	Co-opted Member	13 January 2022	
Rose Harvey	Co-opted Member	13 January 2022	
Christopher Jardine	Co-opted Member	13 January 2022	

### Audit and Risk Committee / Scenario Planning Working Group

The membership of the Audit and Risk Committee (ARC) is made up as follows:

- Committee Chair appointed by the Trustees.
- Two Trustee Board members
- One member co-opted for their skills and experience.

Name	Category	Appointed
Jon Nott	Chair	11 July 2019
Vivian Woodell	Board Member	10 July 2020
Emma Robinson	Board Member	10 July 2020

The ARC did not sit in 2020-21. Instead, the extended body of the Scenario Planning Working Group sitting weekly/bi-weekly incorporated the work of the ARC. In addition to the ARC members, board members Nigel Todd and Hazel Johnson regularly attended together with members of the executive team including the Chief Executive & Principal and the Finance Manager.

### Status and Charity Number

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

The Co-operative College is also registered with the Scottish Charity Regulator (OSCR); Registered Charity number: SCO48848.

### 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.



## 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.

## Registered Office

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

Website: [www.co-op.ac.uk](http://www.co-op.ac.uk)

Email: [hello@co-op.ac.uk](mailto:hello@co-op.ac.uk)

Registered Charity number England and Wales: 1159105

Registered Charity number Scotland: SCO48848

## Principal Advisors

### Bankers

Co-operative Bank  
Balloon Street  
Manchester  
M60 4EP

### Auditors

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.

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 31 March 2022 and signed on their behalf by:

A handwritten signature in blue ink, appearing to read 'Jon Nott', is written over a horizontal line.

Jon Nott,  
On behalf of the Board of Trustees

# Independent Auditor's 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 2021 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 2021 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.

### 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 17, 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.

### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtained an understanding of the nature and sector of the Company along with reviewing the financial performance and reviewing the policies in place such as the revenue recognition for project income

- We communicated the laws and regulations with the audit team to ensure that they were alert of any indications which would highlight any non-compliance during the audit
- Reviewed copies of the board minutes from throughout the year and any that have taken place after the year end
- Matters were also discussed with Finance during the planning process and throughout the audit fieldwork in relation to any cases of fraud or non compliance of laws and regulations which may have taken place during the year
- Discussed and obtained an understanding in relation to the process for journals being posted into the finance system
- Reviewed a sample of journals posted throughout the year to ensure that management override hadn't taken place
- Discussed the accounting estimates and the calculations behind these such as the depreciation calculation, bad debt provision and project income

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://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.

A handwritten signature in dark ink that reads "Beever and Struthers". The script is cursive and fluid, with the first letters of "Beever" and "Struthers" being capitalized and prominent.

Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Date: 13 April 2022

## Co-operative College Statement of Financial Activities for the Year Ended 31 July 2021

		Year Ended 31 July 2021				Year Ended 31 July 2020			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	2021	£	£	£	2020
					£				£
<b>Income</b>									
Donations and Legacies	2	118,688	61,591	-	180,279	182,517	74,749	-	257,266
Charitable Activities	4	144,523	105,513	-	250,036	217,487	121,634	-	339,121
Investments	5	21,265	11,243	-	32,508	30,495	12,930	-	43,425
<b>Total Income</b>		<b>284,476</b>	<b>178,347</b>	<b>0</b>	<b>462,823</b>	<b>430,499</b>	<b>209,313</b>	<b>0</b>	<b>639,812</b>
<b>Expenditure</b>									
Raising Funds	9	26,096	7,245	7,177	40,518	42,113	6,512	9,306	57,931
Charitable Activities	8	666,458	268,695	-	935,153	1,061,639	191,248	-	1,252,887
Restructuring Costs	13	228,604	-	-	228,604	-	-	-	-
<b>Total Expenditure</b>		<b>921,158</b>	<b>275,940</b>	<b>7,177</b>	<b>1,204,275</b>	<b>1,103,752</b>	<b>197,760</b>	<b>9,306</b>	<b>1,310,818</b>
Gains on Investments	16	34,118	139,606	138,287	312,011	<b>25,177</b>	<b>86,753</b>	<b>123,992</b>	<b>235,922</b>
<b>Net Income/(Expenditure)</b>		<b>(602,564)</b>	<b>42,013</b>	<b>131,110</b>	<b>(429,441)</b>	<b>(648,076)</b>	<b>98,306</b>	<b>114,686</b>	<b>(435,084)</b>
Strategic Investment		-	-	-	-	125,309	-	(125,309)	-
Transfers Between Funds	22	555,564	-	(555,564)	-	522,767	-	(522,767)	-
<b>Net Movement in Funds</b>	<b>22</b>	<b>(47,000)</b>	<b>42,013</b>	<b>(424,454)</b>	<b>(429,441)</b>	<b>0</b>	<b>98,306</b>	<b>(533,390)</b>	<b>(435,084)</b>
<b>Reconciliation in Funds</b>									
Funds Brought Forward		282,000	1,051,934	1,526,762	2,860,696	<b>282,000</b>	<b>953,628</b>	<b>2,060,152</b>	<b>3,295,780</b>
<b>Total Funds Carried Forward</b>		<b>235,000</b>	<b>1,093,947</b>	<b>1,102,308</b>	<b>2,431,255</b>	<b>282,000</b>	<b>1,051,934</b>	<b>1,526,762</b>	<b>2,860,696</b>

## Co-operative College Balance Sheet as at 31 July 2021

	Notes	Total Funds 31 July 2021 £	Total Funds 31 July 2020 £
<b>Fixed Assets</b>			
Intangible Assets	14	-	4,500
Tangible Assets	15	10,658	17,174
Investments	16	2,071,963	2,173,645
<b>Total Fixed Assets</b>		<b>2,082,621</b>	<b>2,195,319</b>
<b>Current Assets</b>			
Stock	18	2,468	2,468
Debtors and Prepayments	17	74,408	115,997
Investments	16	397,500	550,000
Cash at Bank and in Hand	24	48,723	148,065
<b>Total Current Assets</b>		<b>523,099</b>	<b>816,530</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	19	174,465	151,153
<b>Net Current Assets</b>		<b>348,634</b>	<b>665,377</b>
<b>Net Assets</b>		<b>2,431,255</b>	<b>2,860,696</b>
<b>The Funds of the Charity</b>			
Endowment Funds	22	1,102,308	1,526,762
Restricted Funds	22	1,093,947	1,051,934
Unrestricted Funds	22	235,000	282,000
<b>Total Charitable Funds</b>		<b>2,431,255</b>	<b>2,860,696</b>

The financial statements on pages 22 to 41 were approved and authorised for issue by the Board of Trustees on 31 March 2022 and approved on its behalf by

**Jon Nott**  
Chair of the Board of Trustees



## Co-operative College Cash Flow Statement for the Year Ended 31 July 2021

	Notes	Year Ended 31 July 2021 £	Year Ended 31 July 2020 £
<b>Cash Flows from Operating Activities:</b>			
<b>Net Cash Used in Operating Activities</b>	<b>23</b>	<b>(677,397)</b>	<b>(586,578)</b>
<b>Cash Flows from Investing Activities:</b>			
Dividends and Interest from Investing		32,508	43,425
Purchasing of Plant and Equipment		(4,803)	(5,444)
Proceeds from Sale of Plant and Equipment		350	-
Proceeds from Sale of Investment		550,000	665,000
<b>Net Cash Provided by Investing Activities</b>		<b>578,055</b>	<b>702,981</b>
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		<b>(99,342)</b>	<b>116,403</b>
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		<b>148,065</b>	<b>31,662</b>
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		<b>48,723</b>	<b>148,065</b>

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 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.

From July to September 2020, the Trustees undertook a strategic review of the College which led them to re-size the cost base resulting in annual savings of approx. £400k. The College has £235k of unrestricted reserves and over £1m 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 a period to build income back. 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 22 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.

#### 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 yet 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.

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 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

## 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
-----------------------	---------------

## 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.

# Notes to the Financial Statements for the Year Ended 31 July 2021

## **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.

### **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.

### **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. 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. To the extent that investments are expected to be utilised in the next 12 months for operational purposes they are reflected as current assets. To the extent that the funds are expected to be held for a period of over 12 months from balance sheet date they are reflected as fixed assets. Prior to the financial year to 31 July 2021, all investments were shown as fixed asset investments. The split between current and fixed asset investments represents a truer reflection of the period of investment. Prior year figures have been adjusted to reflect this change in treatment.

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 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 2020/21 £nil (2019/20 - £125,308) was invested from The Co-operative College Fund and is reflected as strategic investment transfers between funds.

## l 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. Up to 30 April 2021, new employees were enrolled at an employee contribution rate of 4% with The Co-operative College paying 8%. After two years' employment employees could opt to increase their contribution to 6%, with the employer contribution increasing to 12%. From 1 May 2021 all employees are able to enrol at one of two levels of contribution either 4% (both employee and employer) or 6% (employee and employer). 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

	2021 £	2020 £
Donations	118,112	136,433
Core Funding	62,167	120,833
	<b>180,279</b>	<b>257,266</b>

Income from donations and legacies above includes £61,591 relating to restricted purposes (2020: £74,749)

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 3 Grants

In 2020/21 the College received the following grants and funding:

	2021 £	2020 £
<b>Co-op Foundation/Big Lottery Fund #iWill Fund:</b>		
Youth Co-operative Action Phase Two	23,063	66,098
<b>HMRC:</b>		
Coronavirus Job Retention Scheme	44,520	51,618
<b>CAST - Catalyst and the National Lottery Community Fund COVID-19 Response:</b>		
Discovery Programme	5,000	
Development Programme	6,711	
Momentum Programme	16,625	
	<b>95,919</b>	<b>117,716</b>

Income from grants above reflects £51,399 for restricted purposes (2020: £66,098)

## 4 Charitable Income

2021	Learning & Development £	Schools Programmes £	Membership £	Events £	Projects £	Heritage* £	Central £	Total £
Course and programme fees	102,638	6,250	-	-	-	-	-	108,888
Projects	10,780	-	-	-	111,205	-	-	121,985
Service level agreement	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	239	-	35	274
Other (note 6)	-	-	10,867	-	-	-	8,022	18,889
	<b>113,418</b>	<b>6,250</b>	<b>10,867</b>	<b>-</b>	<b>111,444</b>	<b>0</b>	<b>8,057</b>	<b>250,036</b>

Charitable income above includes £105,513 relating to restricted purposes

2020	Learning & Development £	Schools Programmes £	Membership £	Events £	Projects £	Heritage* £	Central £	Total £
Course and programme fees	41,549	-	-	-	12,570	-	-	54,119
Projects	6,760	-	-	-	149,160	-	1,847	157,767
Service level agreement	-	-	-	-	-	64,239	7,957	72,196
Miscellaneous	623	-	-	1,340	8,746	-	1,205	11,914
Other (note 6)	-	-	11,861	30,264	1,000	-	-	43,125
	<b>48,932</b>	<b>-</b>	<b>11,861</b>	<b>31,604</b>	<b>171,476</b>	<b>64,239</b>	<b>11,009</b>	<b>339,121</b>

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

\* All activities related to Heritage are 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. As mentioned in the Trustee's report on page 9, this will not be an income source going forward.



# Notes to the Financial Statements for the Year Ended 31 July 2021

## 5 Investment income

	2021 £	2020 £
Dividends and interest on investments	<b>32,508</b>	<b>43,425</b>

Investment income above includes £11,243 relating to restricted funds (2020:£12,930)

## 6 Other Charitable Income

	2021 £	2020 £
Conferences	-	25,224
Study visits	-	6,040
Membership	10,867	11,861
Event facilitation	8,022	-
	<b>18,889</b>	<b>43,125</b>

None of the above income related to restricted purposes

## 7 Allocation of governance and support costs

	£	2021 £	£	£	2020 £	£	Basis of apportionment
Cost of Goods Sold	13,841	-	13,841	21,298	-	21,298	Expenditure*
Administration	17,331	32	17,299	27,482	168	27,314	Expenditure*
Central Staffing	285,658	50	285,608	340,197	548	339,649	Expenditure*
Infrastructure	63,006	395	62,611	76,396	732	75,664	Expenditure*
Professional fees	11,646	-	11,646	11,384	-	11,384	Expenditure*
Travel	779	-	779	5,732	1,084	4,648	Expenditure*
Governance costs (Below)	12,236	12,236	-	16,747	16,747	-	Expenditure*
<b>Total</b>	<b>404,497</b>	<b>12,713</b>	<b>391,784</b>	<b>499,236</b>	<b>19,279</b>	<b>479,957</b>	

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

### Governance Costs

	2021 £	2020 £
Trustee expenses	-	3,481
External auditor	12,236	11,916
Legal fees	-	1,350
	<b>12,236</b>	<b>16,747</b>

The auditor's remuneration constituted an audit fee of £12,236 (2020: £12,150). No other services were provided by the auditor.

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 8 Charitable Expenditure

2021	Learning & Development	Schools Programmes	Events	Research	Projects	Heritage	University	Total 2021
	£	£	£	£	£	£	£	£
Direct staffing costs	149,477	-	28,339	-	156,483	-	-	334,299
Direct costs of delivery	40,504	2,324	-	-	88,224	-	-	131,052
Administration	3,154	-	1,824	-	5,058	-	-	10,036
Infrastructure and premises	20,492	-	3,420	-	21,223	-	-	45,135
Professional fees	4,647	-	681	-	4,490	-	-	9,818
Travel	-	-	-	-	316	-	-	316
Miscellaneous	-	-	-	-	-	-	-	-
Other support costs (see note 7)	161,151	1,717	25,297	-	203,619	-	-	391,784
Governance costs (see note 7)	5,229	56	821	-	6,607	-	-	12,713
	<b>384,654</b>	<b>4,097</b>	<b>60,382</b>	<b>0</b>	<b>486,020</b>	<b>0</b>	<b>0</b>	<b>935,153</b>

Expenditure on charitable activities was £935,153 (2020: £1,252,887) of which £666,458 (2020: £1,061,639) was unrestricted and £268,695 (2020: £191,248) was restricted

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
	<b>161,191</b>	<b>3,872</b>	<b>187,304</b>	<b>25,409</b>	<b>544,747</b>	<b>106,793</b>	<b>223,571</b>	<b>1,252,887</b>

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 9 Raising Funds

	2021 £	2020 £
Fundraising staff costs	-	3,541
Membership staff costs	19,541	28,370
Administration	1,254	2,547
Infrastructure	3,570	5,419
Travel	-	106
Miscellaneous	(40)	240
Investment management	16,193	17,708
	<b>40,518</b>	<b>57,931</b>

## 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:

	2021	2020
Full time	8.9	15.2
Part time	7.2	5.7
	<b>16.1</b>	<b>20.9</b>
<b>Full time equivalents</b>	<b>13.9</b>	<b>18.9</b>

The costs incurred in respect of these employees were:

	2021 £	2020 £
Salaries & wages	530,274	692,160
Social security	51,168	70,666
Pension	50,923	68,068
Other	43,618	19,923
	<b>675,983</b>	<b>850,817</b>

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

	2021 £	2020 £
Redundancy payments	<b>134,946</b>	-

On 16 April 2021, six members of staff were made redundant following a re-structure. On 31 July 2021 one further member of staff was made redundant as part of the same re-structure. The redundancy payments for these seven members of staff totalled £134,946.

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 11 Key Management Personnel

The College considers its key personnel to comprise the Trustees and Chief Executive & Principal. Up to December 2019, it also comprised the role of Vice Principal - Co-operative Education and Research. From December 2020 through to May 2021, the key personnel also comprised the role of Interim Chief Executive to assist with the restructure.

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

	2021	2020
	£	£
Salaries	103,312	106,711
Pension contribution	8,661	12,805
	<b>111,973</b>	<b>119,516</b>

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

	2021	2020
	£	£
Salary	-	29,968
Pension contributions	-	3,596
	<b>0</b>	<b>33,564</b>

### Priscilla Ross (from 6 December 2019 until 31 July 2021)

	2021	2020
	£	£
Salary	79,378	56,222
Pension contributions	8,488	6,747
	<b>87,866</b>	<b>62,969</b>

### Neil Calvert (from 1 July 2021)

	2021	2020
	£	£
Salary	4,333	-
Pension contributions	174	-
	<b>4,507</b>	<b>0</b>

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

	2021	2020
£70,001 - £80,000	1	1

On 6 December 2019, Simon Parkinson left his role as Chief Executive & Principal to be replaced by Dr Priscilla Ross who was previously Vice Principal. This latter role was not directly replaced. On 1 July 2021, Neil Calvert began his employment as new Chief Executive & Principal with Dr Priscilla Ross leaving the College after a handover period on 31 July 2021.

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 12 Trustee Remuneration

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

No Trustees (2020: eight) were reimbursed expenses during the year (2020: £4,565).

In the prior year, these expenses included 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 a Trustee. Their remuneration as an employee was as follows:

	<b>Daniel Cox</b>
	<b>£</b>
Salary	29,531
Pension Contributions	2,082
	<b><u>31,613</u></b>

## 13 Restructuring Costs

A working group of Trustees and management team was convened from July 2020 to review the operations of the College. A reduction in cost base was recommended.

The following costs were incurred in implementing the recommendations of the group:

	<b>£</b>
Redundancy Costs	134,946
Outplacement support	4,100
Interim CEO	19,600
Professional Fees	25,094
Recruitment	31,070
Other Costs	13,794
	<b><u>228,604</u></b>

## 14 Intangible Fixed Assets

	<b>Website</b>
	<b>£</b>
<b>Cost</b>	
1 August 2020	18,000
<b>31 July 2021</b>	<b><u>18,000</u></b>
<b>Amortisation</b>	
1 August 2020	13,500
Charge for year	4,500
<b>31 July 2021</b>	<b><u>18,000</u></b>
Net book value at 1 August 2020	4,500
<b>Net book value at 31 July 2021</b>	<b>0</b>

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

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 15 Tangible Fixed Assets

	IT Equipment	Plant, fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
1 August 2020	84,290	77,871	162,161
Additions	3,184	1,619	4,803
Disposals	(60,618)	(44,060)	(104,678)
<b>31 July 2021</b>	<b>26,856</b>	<b>35,430</b>	<b>62,286</b>
<b>Depreciation</b>			
1 August 2020	69,371	75,616	144,987
Charge for year	6,680	1,329	8,009
Disposals	(58,302)	(43,066)	(101,368)
<b>31 July 2021</b>	<b>17,749</b>	<b>33,879</b>	<b>51,628</b>
Net book value 1 August 2020	14,919	2,255	17,174
<b>Net book value 31 July 2021</b>	<b>9,107</b>	<b>1,551</b>	<b>10,658</b>

## 16 Investments

	Total	Royal London Sustainable Diversified Fund	Co-operative Group Shares	Chelmsford Star Share Account
	£	£	£	£
1 August 2020	2,723,645	2,722,145	500	1,000
Divestments	(550,000)	(550,000)		
Valuation Gain	312,011	312,011		
Charges against valuation	(16,193)	(16,193)		
<b>31 July 2021</b>	<b>2,469,463</b>	<b>2,467,963</b>	<b>500</b>	<b>1,000</b>

Investments held at 31 July 2021 comprise the following:

	2021 £	2020 £
Current Asset Investments - to be utilised within 12 months	397,500	550,000
Fixed Asset Investments - to be held for at least 12 months	2,071,963	2,173,645
	<b>2,469,463</b>	<b>2,723,645</b>

Investments are split between current and fixed asset investments to accurately reflect the periods for which the investment is made. Current investments reflects that element that are expected to be drawn for use within 12 months.

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.

See accounting policy note 1 (i) which provides information on the change in presentation adopted in the 2020/21 financial statements.



## Notes to the Financial Statements for the Year Ended 31 July 2021

### 17 Debtors

	2021	2020
	£	£
Trade debtors	29,679	33,025
Project debtors	14,129	27,493
Accrued income	13,914	25,680
VAT	-	4,795
Prepayments	16,686	24,438
Other debtors	-	566
	<b>74,408</b>	<b>115,997</b>

### 18 Stock

	£
Opening and closing stock	<b>2,468</b>

### 19 Creditors

	2021	2020
	£	£
Trade creditors	36,408	42,964
Project creditors	20,848	44,804
Accruals	49,241	28,538
Taxation and social security	13,094	17,302
Other deferred income (note 20)	16,266	8,924
Other creditors	36,453	8,621
VAT	2,155	-
	<b>174,465</b>	<b>151,153</b>

Included within Other creditors is £32,000 held on behalf of the Lok Swasthya SEWA Trust in relation to the COVID-19 relief fund.

### 20 Deferred Income

	2021	2020
	£	£
Project Creditors	20,848	44,804
Core Funding	-	4,667
Workshops	12,141	604
Membership subscriptions	4,125	3,653
	<b>37,114</b>	<b>53,728</b>

# Notes to the Financial Statements for the Year Ended 31 July 2021

## Reconciliation of Deferred Income

	£
Balance at 1 Aug 2020	53,728
Amount released from previous years	33,997
Amount deferred in current year	17,383
Balance at 31 July 2021	<u>37,114</u>

## 21 Operating Lease Commitments

	2021 £	2020 £
Land & Buildings		
Not later than one year	10,528	13,511
	<u>10,528</u>	<u>13,511</u>
Plant & Machinery		
Not later than one year	-	5,331
Later than one year and not later than five years	-	-
	<u>-</u>	<u>5,331</u>
	<u>10,528</u>	<u>18,842</u>

Payment under operating leases within the year amounted to:

	2021 £	2020 £
Land and Buildings	26,882	32,427
Plant and Machinery	5,876	8,147

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 22 Charitable Funds

2021	Balance at 1 August 2020	Income	Expenditure	Investment Gains	Transfers Between Funds	Balance at 31 July 2021
	£	£	£	£	£	£
<b>Expendable Endowment Funds:</b>						
Co-operative College Fund	1,526,762	-	(7,177)	138,287	(555,564)	1,102,308
	<b>1,526,762</b>	<b>0</b>	<b>(7,177)</b>	<b>138,287</b>	<b>(555,564)</b>	<b>1,102,308</b>
<b>Restricted Funds:</b>						
Les Stannard Co-operative Citizenship Fund	48,883	497	(8,421)	5,992	-	46,951
Co-operative Pioneers Memorial Fund	904,419	10,744	(30,438)	129,422	-	1,014,147
Joyce & Vic Butler	177	2	(1)	26	-	204
Zambia – DGRV	-	239	(239)	-	-	-
Together Enterprise Scotland	-	9,249	(9,249)	-	-	-
Rwanda S.E.A.D. Project	-	9,900	(9,900)	-	-	-
Co-op (Ad)venture	-	61,591	(61,591)	-	-	-
Co-op Starter 2	-	794	(794)	-	-	-
Coop4Edu	-	5,303	(5,303)	-	-	-
YOUCOOPE	-	5,136	(5,136)	-	-	-
ESF/WEA – Co-operative (Ad)venture	-	13,734	(13,734)	-	-	-
Co-op Foundation/Big Lottery Fund #iWill Fund:						
Youth Co-operative Action Phase Two	98,455	23,062	(93,038)	4,166	-	32,645
NSCCT Barefoot Co-operative Project	-	10,780	(10,780)	-	-	-
CAST - Catalyst and the National Lottery Community Fund COVID-19 Response:						
Discovery Programme	-	5,000	(5,000)	-	-	-
Development Programme	-	6,711	(6,711)	-	-	-
Momentum Programme	-	15,605	(15,605)	-	-	-
	<b>1,051,934</b>	<b>178,347</b>	<b>(275,940)</b>	<b>139,606</b>	<b>0</b>	<b>1,093,947</b>
<b>Unrestricted Funds:</b>						
Revenue Reserves	<b>282,000</b>	<b>284,476</b>	<b>(921,158)</b>	<b>34,118</b>	<b>555,564</b>	<b>235,000</b>
<b>Total Charitable Funds</b>	<b>2,860,696</b>	<b>462,823</b>	<b>(1,204,275)</b>	<b>312,011</b>	<b>0</b>	<b>2,431,255</b>

Transfers between funds of £555,564 took place to maintain unrestricted reserves at agreed minimum levels.

## Notes to the Financial Statements for the Year Ended 31 July 2021

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
	<b>2,060,152</b>	<b>0</b>	<b>(9,306)</b>	<b>123,992</b>	<b>(648,076)</b>	<b>1,526,762</b>
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)	-	-	-
	<b>953,628</b>	<b>209,313</b>	<b>(197,760)</b>	<b>86,753</b>	<b>0</b>	<b>1,051,934</b>
Unrestricted Funds:						
Revenue Reserves	<b>282,000</b>	<b>430,499</b>	<b>(1,103,752)</b>	<b>25,177</b>	<b>648,076</b>	<b>282,000</b>
Total Charitable Funds	<b>3,295,780</b>	<b>639,812</b>	<b>(1,310,818)</b>	<b>235,922</b>	<b>0</b>	<b>2,860,696</b>

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.

### 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.

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 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.

Sufficient resources are held in an appropriate form to enable the funds to be applied in accordance with any restrictions imposed.

## Analysis of net assets between funds

2021	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	10,658	-	-	10,658
Intangible assets	-	-	-	-
Fixed asset investments	-	969,655	1,102,308	2,071,963
Current assets	397,269	125,830	-	523,099
Current liabilities	(172,927)	(1,538)	-	(174,465)
	<b>235,000</b>	<b>1,093,947</b>	<b>1,102,308</b>	<b>2,431,255</b>

2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	17,174	-	-	17,174
Intangible assets	4,500	-	-	4,500
Fixed asset investments	-	646,883	1,526,762	2,173,645
Current assets	409,809	406,721	-	816,530
Current liabilities	(149,483)	(1,670)	-	(151,153)
	<b>282,000</b>	<b>1,051,934</b>	<b>1,526,762</b>	<b>2,860,696</b>

# Notes to the Financial Statements for the Year Ended 31 July 2021

## 23 Reconciliation of Net Incoming Resources to Net Cash Outflow from Operating Activities

	2021 £	2020 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>(429,441)</b>	<b>(435,084)</b>
Adjustments for:		
Depreciation charges	8,009	9,075
Amortisation charges	4,500	4,500
Disposal of assets	2,960	-
Gains on investments	(312,011)	(235,922)
Management charges against valuation of investment	16,193	17,707
Dividends and interest from investments	(32,508)	(43,425)
Decrease in stock	-	3,719
Decrease in debtors	41,589	107,726
Increase in creditors	23,312	(14,874)
<b>Net cash used in operating activities</b>	<b>(677,397)</b>	<b>(586,578)</b>

## 24 Analysis of Changes in Net Debt

	Balance at 1 August 2020 £	Cash flows £	Balance at 31 July 2021 £
Cash at bank and in hand	148,065	(99,342)	48,723
<b>Total cash and cash equivalents</b>	<b>148,065</b>	<b>(99,342)</b>	<b>48,723</b>

## 25 Contingent Liabilities and Capital Commitments

The College has no contingent liabilities or capital commitments as at the balance sheet date.

## 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 £4,725 (2019/20 - £107,992) and £790 (2019/20 - £642) were receivable from and payable to the Co-operative Heritage Trust for the 12 month period. At 31 July 2021 the balance owed to the College was £4,725 (2020: £nil) and the balance payable to the Co-operative Heritage Trust was £nil (2020: £175).