



Trustees' report and financial statements

For the year ended 31 December 2017

Co-operative Community Investment Foundation (a company limited by guarantee)
Company registered number 4117665 / Charity registered number 1093028



Foundation

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Foreword by Jamie Ward-Smith, Chair of Trustees



2017 was a big year for the Co-op Foundation. With a new Board of Trustees and a new vision, we set out to strengthen communities across the UK in a truly co-operative fashion.

As the Co-op's charity, we worked with the business to tackle loneliness. Our Belong campaign focuses on the one in three young people who feel lonely. Thousands of Co-op Members have already chosen to back this cause with their

1%, and can continue to do so in 2018.

We also collaborated with other funders. Through our £2 million #iwill fund, thousands of young people will take action on loneliness in their communities over the next three years.

2018 will see some exciting new plans take off. We'll strengthen local community groups by investing in their capacity to generate funds, make effective use of technology, and develop the skills they need to survive and thrive.

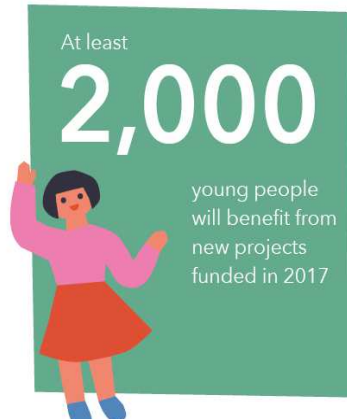
We can only do this thanks to the expertise and contributions of our many partners and supporters. This includes Co-op colleagues who help our team day-to-day or volunteer in our community projects; the National Members' Council who've guided and championed our work; and every Co-op member who has supported our cause or given their views.

It's this co-operation that makes the Co-op Foundation what it is - a charity that puts Co-op values into action, working together to make things better. I hope this report inspires you to get involved too.

Finally I'd like to give special thanks for the hard work of our team of colleagues, led by Jim Cooke, to bring our plans to fruition. And of course to my fellow Trustees, for so generously giving their time, talents and insights - as Co-op leaders, elected members or from the voluntary sector - to maximise our impact. It has been a privilege to work with such a superb team, and I'm looking forward to an exciting year ahead.

Jamie Ward-Smith
Chair of Trustees

2017 highlights



Built a network of **24** projects tackling youth loneliness in every UK nation and region



Trustees' report

The trustees, who act as directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014.

Reference and administrative details

The charity's registered name is Co-operative Community Investment Foundation. In 2017, 'Co-op Foundation' was registered as an additional working name, to reflect the charity's new brand identity.

The Co-op Foundation is a charity registered in England and Wales (number 1093028). In 2017 we also applied for registration as a charity in Scotland. This was approved by OSCR in January 2018 (registration number SC048102).

The charity is also a company limited by guarantee, registered with Companies House (number 4117665). Its registered office is 1 Angel Square, Manchester M60 0AG.

The following people served as Trustees throughout the year and have continued in office to the date on which this report was approved:

Jamie Ward-Smith (Chair)

Andy Phelps (Treasurer)

Saleem Chowdhery

Daniel Crowe

Sheila Jane Malley

Martin Rogers

Key personnel

Head of Foundation – Jim Cooke

Foundation Secretary – Steve Fowler

Bankers

The Co-operative Bank plc, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

Legal advisers

Brabners LLP, Horton House, Exchange Flags, Liverpool L2 3YL

Auditor

Ernst & Young LLP, 2 St Peters Square, Manchester M2 3EY

Trustees' report (*continued*)

Structure, Governance and Management

The charity is a company limited by guarantee, governed by its memorandum and articles of association.

Trustees are appointed by the Board of the Co-operative Group Limited ("Co-op") which is currently the sole Member. In line with governance arrangements agreed with the Co-op in 2015, the Trustee board is composed of two senior Co-op colleagues, two elected members of the Co-op National Members' Council, and two external Trustees recruited through open advertisement.

Newly appointed Trustees receive an induction from the Head of Foundation and Secretary, and training from the Foundation's legal advisers. The Board maintains a skills matrix based on self-assessment of each Trustee's experience and expertise, which is updated annually and informs priorities for succession planning, and further training and development.

Trustees do not receive any remuneration or benefits, although expenses incurred in carrying out Foundation business are reimbursed.

Trustees are responsible for all decisions on matters of policy, strategy and allocation of resources (including approving the annual operating budget and all major grant awards). Day-to-day running of the charity is delegated to the Foundation colleague team, who operate within the policy and strategic frameworks agreed by Trustees.

The Foundation team are employed by, and receive administrative support from the Co-op, but report to the Board of Trustees. The Foundation reimburses the Co-op for the salary costs of colleagues whose time is spent solely on Foundation work. The pay of the Head of Foundation is set by the Trustees, who consult with the Co-op to establish appropriate benchmarks. The Co-op does not charge the Foundation for the salary costs of other colleagues who support to the Foundation as part of a wider role within the Co-op (including the Foundation Secretary), nor for the office space and other facilities which are made available for the Foundation's use.

Compliance with the Charity Governance Code

Following the publication of the latest version of the Charity Governance Code ('the Code') in July 2017, the Foundation Board agreed that the Code represented good practice and approved the implementation of a governance plan to ensure the principles were applied wherever appropriate and practically possible. The following is a brief description of the steps taken by the Foundation during 2017 to ensure compliance with the Code.

Organisational purpose:

To ensure its aims are being delivered effectively and sustainably, the Board regularly reviews the Foundation's organisational purpose, values and strategic aims as part of its annual strategy day.

Trustees' report (*continued*)

Compliance with the Charity Governance Code (*continued*)

Leadership and Board Effectiveness:

In October 2017 the Board undertook an Effectiveness Review facilitated by the Foundation Secretary to ensure the provision of strategic leadership as well as individual and collective responsibility for decisions. Following the review, a number of key recommendations were implemented including:

- Adoption of a Board Code of Conduct
- Appointment of a Vice-Chair (Martin Rogers, appointed January 2018)
- Adoption of a Diversity and Inclusion policy

Decision Making, Risk and Control:

As part of the review of governance, the Board has approved 'matters reserved' and a financial delegated authorities framework to ensure effective delegation and control. The Board is committed to its overall responsibility for risk management and has implemented a system of risk management and internal control with a review of the charity's specific significant risks being a standing agenda item at quarterly Board meetings.

Diversity and Inclusion:

The Foundation is committed to promoting equality and preventing discrimination and aims to create an inclusive environment, where everyone can contribute their best work and develop to their full potential. The Foundation treats its Board, colleagues and partners as individuals, allowing them to be themselves regardless of their age, gender, disability, race, religion, sexual orientation, social and educational background, life experiences, career paths and diversity of thought.

The Board believes it is more effective if it includes a variety of perspectives, experiences and skills and considered its diversity objectives at the 2017 Strategy Day with any imbalances and gaps in the diversity and background of the Board noted in order to inform future recruitment.

'Apply or explain':

In reviewing the recommended practice contained in the Code, the Board made the decision not to constitute a Nomination Committee due to the way candidates are selected, or an Audit Committee due to the relatively small size of the Board. However, the Code allows Boards to make a decision not to implement an element of recommended practice provided this is explained in the Annual Report ('apply or explain').

Trustees' report *(continued)*

Objectives

The Co-op Foundation's objects as described in its governing documents are to support, through donations from co-operative organisations, members, customers and employees, projects that contribute to relief of poverty, advancement of education or other such charitable purposes and which will benefit communities in which the businesses of Co-operative Group Limited operate.

The Trustees have agreed the following vision and mission statement to express the Foundation's purpose more succinctly.

Vision:

Our vision is of strong communities, where people work co-operatively to make things better.

Mission:

The Co-op Foundation helps disadvantaged communities to overcome their challenges by putting co-operative values into practice. We aim to stimulate and strengthen community action that connects and empowers people so they can work together to make things better.

The Trustees' strategy for 2017-2019 sets out three main goals, with annual objectives towards these as follows.

3-year goal	2017 objectives
To champion young people's ability to contribute positively to their communities and help strengthen their sense of belonging	<ul style="list-style-type: none"> Evaluate the delivery of youth loneliness pilots begun in 2016 Build a learning network of projects working in every UK nation and region, exploring approaches to tackling loneliness through youth social action and support in the transition to adulthood.
Invest in disadvantaged communities' capacity to overcome social, economic or environmental challenges	<ul style="list-style-type: none"> Pilot a model of blended grants and investments, to improve the sustainability of community spaces and services through development of assets and enterprise
<p>To build our reputation as a trusted charity with a co-operative difference, uniting with others to make a sustainable impact in communities. This goal is delivered through 5 workstreams with the following overarching objectives to be achieved by December 2019:</p> <ul style="list-style-type: none"> the time and skills of Co-op colleagues will be harnessed in ways which add value to the Foundation's programmes, as part of an integrated offer of financial and non-financial partnership support 	<ul style="list-style-type: none"> Assess the strategic alignment and value for money of existing volunteering activities and redefine the scope of our offer Benchmark our policies and practices against sector standards Develop a values-based framework as a tool for defining future standards of excellence Develop a long-term financial model to underpin our strategy Put in place essential communications infrastructure

<ul style="list-style-type: none"> • the Foundation will have achieved excellence in all aspects of our governance and management, with policies that extend beyond good practice in ways that embody our co-operative values • the Foundation's income streams will be sufficiently substantial and secure to allow us to engage, at a meaningful scale, with the long-term challenges facing disadvantaged communities • all stakeholder groups with potential to help further our mission will be aware of the Foundation, receptive to our key messages, and mobilised to engage in areas of mutual interest • learning from our 2017-19 strategy will be used to define a model of grant-making and partnership working, which is adaptable to meet a range of community needs and recognised by our peers as an exemplar of good impact practice 	<ul style="list-style-type: none"> • Develop learning and evaluation plans across all our programmes • Select and set up a new grant management system • Develop our approach to innovation.
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Activities

In 2017 the Foundation contributed to achieving its objectives through 4 main areas of direct charitable activity:

- Youth loneliness
- Volunteering
- Community enterprise
- Innovation.

Other key activities related to the strategic development of the Foundation as a whole.

The Trustees have had regard to the Charity Commission's guidance on public benefit when planning and reviewing the activities carried out to achieve our charitable aims.

Trustees Report *(continued)*

Activities *(continued)*

Youth loneliness

This was the Foundation's most significant area of work during the year. We carried out the following activities:

- Developed reporting guidelines for our existing grant-holders and evaluated their progress, challenges and learning through interim and final reports
- Identified key factors that place disadvantaged young people at risk of loneliness in the transition to adulthood, and ran a selection process to identify new partners who we awarded grants to deliver targeted work on these issues
- Entered into a three year match-funding agreement with the #iwill fund, and selected our first round of partners to receive grants through this fund
- Organised two network events for our partners to learn from each other's experiences and engage with research on loneliness
- Awarded grants to leading youth organisations in Scotland, Wales and Northern Ireland
- Extended support to four of our original youth partners, enabling them to build on the achievements of their pilot projects over the next two years
- Awarded an exceptional grant to 42nd Street (a partner in our youth loneliness research) to help them respond to the impact of the May 2017 Manchester Arena bombing on young people's mental health.

We spent £687,674 on direct costs of our youth programme in 2017. This included £680,000 of grants awarded and £7,674 of other programme costs including consultancy and events. £105,335 of indirect costs were also incurred, based on 50% allocation of staff time and other general Foundation running costs to this programme.

£206,845 of restricted funding for youth projects was received from the Big Lottery Fund #iwill grant, of which £157,661 was spent in 2017 and the remaining £49,184 carried forward for use in 2018.

The other costs of the youth programme were funded from unrestricted income.

Volunteering

The Foundation continued to provide a wide range of volunteering activities, making use of the time and skills of Co-op colleagues to support projects that benefit the community. These activities included:

- Mentoring young people
- Literacy and numeracy support
- Educational talks in schools
- Governance roles

Trustees Report (*continued*)

Activities (*continued*)

- Practical team activities (e.g. gardening in a community allotment)
- Interactive team activities (e.g. organising a community tea party)
- Skills-based volunteering (e.g. advising community organisations on business planning or marketing)
- Telephone befriending.

During the year, each strand of activity was assessed for alignment with the Foundation's new strategy, with the results being used to inform modifications to the programme and prioritisation of resources to maximise the impact of volunteering on our objectives.

We spent £282,763 on direct costs of our volunteering programme. £52,668 of indirect costs were also incurred, based on 25% allocation of staff time and other general Foundation running costs to this programme. These activities were funded from our unrestricted income.

Community enterprise

During 2017 we designed and began work on the pilot phase of our blended grant and investment programme.

We identified four target sectors of community enterprise to focus on: green spaces, community centres, community transport and housing. We developed our understanding of each of these sectors and the needs they could address through desk research, engaging with relevant organisations, and a Co-op Member consultation.

The member consultation was launched at the Co-op AGM in May. We also carried out four online surveys, each focusing on a specific community enterprise sector, via the Co-op's membership site. These surveys were also replicated on the Foundation's website, in a format open to anyone whether or not they were a Co-op member.

Across these channels we received more than 1,000 responses. We published the key findings in a series of Co-op blogs.

We contracted Co-operative and Community Finance to act as an advisory partner in shaping our social investment offer, developing assessment processes and generating an initial pipeline of potential investments. We also consulted other organisations working in relevant sectors, to help us set the parameters for our financial offer for the pilot stage, and to identify potentially suitable applicants.

We spent £7,231 on development costs related to our community enterprise programme in 2017. £42,134 of indirect costs were also incurred, based on 20% allocation of staff time and other general Foundation running costs to this programme. This was funded from our unrestricted income.

Trustees Report *(continued)*

Activities *(continued)*

Innovation

We developed terms of reference for an innovation budget to test the potential of ideas that fall outside our main programmes.

We spent £5,000 directly on innovation projects. This was spent on a grant to CAST (the Centre for Acceleration of Social Technology) to run a series of workshops helping charities explore digital methods to improve their services.

£10,534 of indirect costs were also incurred, based on 5% allocation of staff time and other general Foundation running costs towards the development of our innovation programme.

Strategic development activities

We also carried out the following key strategic activities which supported the overall work of the Foundation:

- developed an outcomes and planning framework to align all new activities to our mission
- reviewed our policies and practices against the new voluntary sector governance code
- carried out a board effectiveness survey to identify priorities for continuous improvement
- contracted Co-operatives UK to support us in developing a framework to define longer-term 'excellence' standards that embody our co-operative values
- put in place essential communications infrastructure, including new branding, social media accounts and a standalone Co-op Foundation website
- developed a long-term financial model to underpin our strategy
- began the process of selecting a new grant management system.

Achievements and performance

Youth programme

Reports submitted from the pilot projects we had awarded funding in 2016 demonstrated that these had benefited 294 young people.

We secured a new three-year match funding partnership with the #iwill fund, enabling us to increase the scale and profile of our work to support co-operative youth social action projects.

Through our new grants awarded in 2017 we grew our network of partners tackling youth loneliness to 24 organisations working in every UK nation and region. New projects funded in 2017 are projected to benefit more than 2,000 young people.

Evaluation of our youth loneliness network events indicated that these were valued by partners as opportunities to engage with relevant research, share learning and collaborate to inform their planning and delivery.

Trustees Report (*continued*)

Achievements and performance (*continued*)

Our response to the Manchester Arena bombing helped to leverage an additional £50,000 from the Big Lottery Fund for 42nd Street's mental health support for young people affected.

We developed a new identity for our youth programme, 'Belong – young people beating loneliness' which, since November 2017, Co-op Members have been able to choose to support with their 1% community fund.

Volunteering

In 2017, a total of 1,576 (2016: 1,408) volunteers gave 10,417 (2016: 8,793) hours, working with 160 schools and community organisations and directly benefitting 4,027 people.

Community enterprise

The development of our pilot provided us with significant learning which will inform our future approach. This included recognising the importance of our processes working at the pace best suited to each applicant, many of whom have needed time to further develop their business plans, and in some cases align our offer with other funding sources, before committing to taking on repayable finance.

As a result, although we identified several potentially suitable recipients for our pilot investments in 2017, formal offers of funding were not made to these organisations until 2018.

Innovation

Following the approval of terms of reference for an innovation budget, the following project concepts were identified for development:

- Disaster resilience for communities
- Digital capabilities of charities and social enterprises
- Financial confidence and skills for young charity Trustees
- Financial resilience for small charities and community groups.

Our original concept for piloting disaster resilience work was reviewed after the Manchester Arena bombing. This resulted in the development of a set of principles for disaster and emergency funding, and the award of an exceptional grant to 42nd Street (described under 'Youth programme').

The grant of £5,000 to CAST was used to run workshops in Cardiff, Manchester and Newcastle to develop the digital skills and services of charities and social enterprises.

Phone consultations were also provided for those based in other parts of the UK. These activities benefited 80 organisations.

Financial confidence for young charity Trustees and financial resilience for small community groups were identified as potential uses for our Britannia fund. Research was carried out to inform the planning of these potential activities but no direct expenditure was incurred on them during the year.

Trustees Report (*continued*)

Financial review

The Foundation's total income in 2017 was £1,697,289, an increase on 2016 (£1,541,462). New sources of income included the Big Lottery Fund #iwill grant and Co-op donations from a dormant bank account and from a supplier awards event. These were partly offset by 2016 income sources that were not renewed, including funding from the Co-operative Bank for volunteering activities and a one-off backdated Gift Aid claim.

Expenditure increased to £1,193,935 (2016: £589,201). This mainly resulted from significantly increased activity on our youth programme.

Net income for the year was £503,354 (2016: £950,467). There was also an unrealised investment gain of £1,605,748 (2016: £1,135,445). The Trustees have approved a long-term financial model which includes plans to spend down recent years' surpluses while seeking to build up new sources of income to maintain activity at a sustainable level once existing surpluses have been spent.

£1,081,451 of unrestricted income balances were designated to meet future spending commitments made during the year, including multi-year grant pledges and match funding of #iwill.

Reserves

The Trustees approved a new reserves policy in November 2017. This sets out an approach to determining on an annual basis the upper and lower limits of general unrestricted funds which should be held. This considers planned expenditure for the following year; whether this is expected to be funded from existing balances, secure income sources or insecure income sources; and a margin for contingencies. The target range set for 2018 was between £833,000 and £1,019,000. Reserves at 2017 year-end were £833,392, in line with the lower end of the target range.

Endowments, restricted fund balances and designated funds are excluded from the definition of reserves.

Trustees Report *(continued)*

Financial review *(continued)*

Risks

The principal risks and uncertainties facing the Co-op Foundation have been assessed and reviewed by the Trustees at each Board meeting. Mitigation plans have been developed to address these risks, summarised as follows.

Main risks	Controls
Failure to meet statutory filing dates	Compliance calendar maintained by Secretary
Lack of control over Board succession plans	Board composition agreed with Co-op. Role profile and skills audit used to inform appointments.
Funds applied to non-charitable purposes	Policy on funding non-charities adopted following legal advice and with reference to Charity Commission guidance.
Volunteering programme not fully aligned to strategic objectives	Transition in progress to revised offer aligned to overall Foundation strategy.
Reliance on in-kind support for critical functions	Identified need for formal agreement outlining in-kind support arrangements.
Failure to access sufficient new income streams to meet long-term strategic ambitions	Engagement with key senior stakeholders focused on sustainable funding.
Loss or significant reduction of existing income streams	Engagement with stakeholders responsible for current sources of donations. Review of investment policy.
Failure to fulfil requirements of external funding	Policies and procedures developed and dedicated team member responsible for compliance with funding agreement.

Investments

In 2017 the Trustees began a comprehensive review of the Foundation's investment policy. This identified several distinct categories of assets, each having specific financial objectives relating to their contribution to the Foundation's overall mission and strategy.

The Trustees also considered the ethical objectives of their investment policies and agreed that:

- A portion of funds will be invested in activities which directly further the Foundation's charitable purposes
- All investments should be managed in accordance with the UN Principles of Responsible Investment.

The definitions and investment objectives for each identified class of funds are as follows.

Fund	Definition	Objectives
Main endowment	Expendable endowment, from which the income generated is unrestricted.	To maximise total return over the long-term (5 to 10 year horizon) while investing in accordance with the UN Principles for Responsible Investment.
Environmental endowment	Permanent endowment, from which the income generated is restricted to environmental purposes within the former United Co-operatives trading region.	To maintain the real value of capital over the long term and generate a steady income stream, while investing in accordance with the UN Principles for Responsible Investment, and where practical giving additional weight to investments with a positive environmental impact.
Funding for short-term needs and commitments	Funds for annually budgeted or committed multi-year expenditure, with a contingency to cover any unforeseen needs; the level of funding required to be set by the Board annually as part of the strategic financial review and budget process.	To maintain the nominal value of the funds and ensure sufficient liquidity to meet all spending requirements, while investing in accordance with the UN Principles for Responsible Investment.
Income funds for medium term plans (3 to 5 year horizon)	Funds for projected (but not committed) expenditure over a 3 to 5 year strategic planning cycle; the level of funds to be set by the Board annually as part of the strategic financial review process.	To maintain the real value of funds over the medium term, while investing in accordance with the UN Principles for Responsible Investment.
Funds for mission-related investment	Funds identified for investment in organisations which directly contribute to our charitable mission; the level of funds required to be set by the Board annually as part of the strategic financial review process.	Specific objectives will be set for each investment relating to its positive community impact, with financial returns being a desirable but secondary benefit.

During the year, £2,690,487 of income balances held in cash were identified as being required for medium-term rather than short-term use, and were invested in Royal London Asset Management's Sustainable Diversified Fund in order to improve returns.

No other changes were made to the management of the Foundation's investments during the year. The investment policy review will continue into 2018, moving on to consider the asset class mix, mechanisms and management options that will best deliver the new objectives for each fund. Targets and monitoring arrangements will be then be set.

Although this process is still underway, the Trustees consider that investment performance in 2017 was strong, with £376,833 income generated (2016: £346,219) and unrealised gains of £1,605,748 (2016: £1,135,445).

Trustees Report (*continued*)

Plans for future periods

The Trustees have set the following key priorities for the delivery of the Foundation's strategy in 2018.

Youth loneliness

- Grant management and further development of current projects
- Deliver the second round of our #iwill fund and explore the further development of this partnership
- Develop new activity focused on youth loneliness related to bereavement
- Develop further learning and collaboration activity with our network of partners and through our involvement in the #iwill Learning Hub
- Consult the wider youth sector on potential capacity building needs
- Develop and promote co-operatively based models of youth social action
- Explore ways to tackle stigma associated with youth loneliness

Community enterprise

- Conclude our pilot phase and launch our open-application investment offer
- Make 10 new investments and explore future growth potential
- Develop targeted capacity-building support for community enterprises focused on green spaces
- Support the use of digital by charities and social enterprises to improve their effectiveness, reach and sustainability

Supporting activities

- Complete the transition to a more focused and strategically aligned volunteering offer
- Explore protocols for closer collaboration with other funders on disaster resilience and recovery support
- Review use of innovation budget and align to long-term programme development cycle
- Implement values framework across policy, programmes and reporting
- Conclude investment review
- Explore income diversification opportunities
- Develop formal agreement for in-kind support received
- Promote the Foundation to Co-op Members as the national cause
- Increase the focus of our communications on reporting impact
- Apply our outcomes framework to all activities
- Implement our new grant management system.

Statement of Trustees' responsibilities in respect of the trustees' Annual Report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed, and therefore Ernst & Young LLP will continue in office. These financial statements were approved by the Trustees on _____ and were signed on their behalf by:

Jamie Ward-Smith
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CO-OPERATIVE COMMUNITY INVESTMENT FOUNDATION (A COMPANY LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Co-operative Community Investment Foundation for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement Cash Flows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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 Companies Act 2006.

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 below. 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 in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Independent auditors' report (*continued*)

Other information

The other information comprises the information included in the annual report set out on pages 2 to 16, 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

Independent auditors' report (*continued*)

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 management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Frostick (Senior Statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

Date:

Notes:

1. The maintenance and integrity of the Co-operative Community Investment Foundation web site is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of financial activities (incorporating the income and expenditure account) and Statement of Total Recognised Gains and Losses

for the year ended 31 December 2017

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total funds £	2016 Total funds £	Notes
Income and endowment from:						
Donations and legacies	1,034,766	78,845	-	1,113,611	1,073,639	3
Charitable activities	-	206,845	-	206,845	121,604	3
Investments	276,193	100,640	-	376,833	346,219	3
Total income	1,310,959	386,330	-	1,697,289	1,541,462	
Expenditure on:						
Raising funds	(596)	-	-	(596)	(1,794)	
Charitable activities	(1,001,054)	(192,285)	-	(1,193,339)	(589,201)	5
Total expenditure	(1,001,650)	(192,285)	-	(1,193,935)	(590,995)	
Net gains on investments	12,468	11,536	1,581,744	1,605,748	1,135,445	12
Net income	321,777	205,881	1,581,744	2,109,102	2,085,912	
Net movement in funds	321,777	205,581	1,581,744	2,109,102	2,085,912	
Reconciliation of funds:						
Total funds brought forward	1,575,565	1,498,796	13,211,058	16,285,419	14,199,507	11
Total funds carried forward	1,897,342	1,704,377	14,792,802	18,394,521	16,285,419	

All income and movement in funds arise from continuing operations. There are no gains or losses other than those recognised in this statement of financial activities.

Balance sheet

As at 31 December 2017

	2017 £	2016 £	Notes
Fixed assets:			
Investments	17,507,293	13,211,058	12
Total fixed assets	17,507,293	13,211,058	
Current assets:			
Accrued income	91,806	112,110	8
Intercompany debtor	15,257	-	9
Cash at bank and in hand	985,500	3,004,148	
Total current assets	1,092,563	3,116,258	
Liabilities			
Creditors: Amounts falling due within one year	(205,335)	(41,897)	10
Net current assets	887,228	3,074,361	
Total net assets	18,394,521	16,285,419	
The funds of the charity:			
Endowment			
Environmental	3,453,340	3,084,087	11
Main Endowment	11,339,462	10,126,971	11
Restricted income	1,704,377	1,498,796	11
Unrestricted funds			
General fund	780,891	1,269,631	11
Designated	1,116,451	305,934	11
Total charity funds	18,394,521	16,285,419	

The notes on pages 24 to 34 form an integral part of these financial statements

These financial statements were approved by the Trustees on
signed on their behalf by:

and were

Jamie Ward-Smith
Chair of Trustees

Company registered number: 4117665

Statement of Cash Flows

for the year ending 31 December 2017

	2017 £	2016 £
Net cash provided by operating activities (see below)	338,594	853,728
Cash flows from investing activities:		
Interest income	333,245	318,629
Investment purchases	(2,690,487)	-
Cash (used in)/provided by investing activities	(2,357,242)	318,629
Net cash provided by financing activities	-	-
(Decrease)/Increase in cash and cash equivalents in the year	(2,018,648)	1,172,357
Cash and cash equivalents at the beginning of the year	3,004,148	1,831,791
Total cash and cash equivalents at the end of the year	985,500	3,004,148

Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net movements in funds	2,109,102	2,085,912
Gain on investment	(1,605,748)	(1,135,445)
Deduct interest income shown in investing activities	(333,245)	(318,629)
Decrease in accrued income	20,304	160,387
(Increase)/decrease in debtors	(15,257)	32,861
Increase in creditors	163,438	28,642
Net cash provided by operating activities	338,594	853,728

Notes *(forming part of the financial statements)*

1. Status of charitable Company and liability of Trustees

Co-operative Community Investment Foundation is a registered charity and a company limited by guarantee. Each member undertakes to contribute to the assets of the company in the event of it being wound up. This sum shall not exceed £1.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements except as noted below. The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Statement of Compliance

Co-operative Community Investment Foundation is a registered charity and a company limited by guarantee incorporated in England. The registered office is 1 Angel Square, Manchester, M60 0AG.

The Company's financial statements have been prepared in compliance with the Charities SORP (FRS102) issued in January 2015 as it applies to the financial statements for the year ended 31 December 2017.

Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2016.

Co-operative Community Investment Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The Company has considerable financial resources both in income reserves and the ability to draw down monies from the expendable endowment. As a consequence the Trustees believe that the company is well placed to successfully manage its risks. After making enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the Trustees' report and financial statements.

Income and expenditure

Grants made and operating costs incurred by the charity are recognised when there is a constructive obligation to pay. Income received is accounted for when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Notes *(continued)*

Taxation

The Co-operative Community Investment Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Nature of funds

Unrestricted income relates to funds available for use at the discretion of the Trustees in furtherance of the general objects of the charity. The charity has a number of restricted income and endowment funds received for specific purposes, which are documented and used accordingly.

Fixed asset investments

Fixed asset investments are included at the quoted mid-market price ruling at the balance sheet date. Realised and unrealised gains and losses on investments are shown in the Statement of Financial Activities and represent the change in market value from the beginning of the year.

Financial Instruments

Investments are measured at fair value with all adjustments going through the Statement of Financial Activities. Interest statements are received from the Royal London Asset Management Limited; cash based trust and attract interest payments throughout the year dependent upon market conditions. The investment is held as an asset, which is recorded at fair value each period, through the profit and loss account.

Accrued income

Accrued income is received by the charity and accounted for when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Apportionment of expenses

Support costs have been allocated across the programmes of the charity. In 2017 there were four programmes (2016: 2 programmes). Expenses which directly relate to a particular programme have been charged to the relevant programme on a 100% basis, while costs relating to the overall management and governance of the charity (e.g. payroll costs) have been apportioned based on estimated time allocation.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Notes (continued)

Estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Income

The Foundation has received the following income during 2017:

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Donations and legacies				
Gift Aid	-	-	-	333,024
Salvation Army	708,805	-	708,805	490,615
Directors' fees and other donations	325,961	78,845	404,806	250,000
Total voluntary income	1,034,766	78,845	1,113,611	1,073,639
Charitable activities				
Big Lottery Fund #iwill grant	-	206,845	206,845	-
Bank Volunteering	-	-	-	88,104
Loneliness & Isolation	-	-	-	30,000
Other	-	-	-	3,500
Investment income	276,193	100,640	376,833	346,219
Total	1,310,959	386,330	1,697,289	1,541,162

Notes (continued)

3. Income (continued)

The Foundation received the following income during 2016:

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Donations and legacies				
Gift Aid	-	333,024	333,024	-
Salvation Army	490,615	-	490,615	453,319
Directors fees and other donations	250,000	-	250,000	212,539
Total voluntary income	740,615	333,024	1,073,639	665,858
Charitable activities				
Bank Volunteering	88,104	-	88,104	111,699
Loneliness & Isolation	-	30,000	30,000	-
Other	-	3,500	3,500	-
Investment income	263,951	82,268	346,219	394,312
Total	1,092,670	448,792	1,541,462	1,171,869

Notes (continued)

4. Expenditure

The Foundation has spent the following on grants and programmes during the year:

	2017	2016
	£	£
Unrestricted funds		
Volunteering programme	256,726	341,954
Community Enterprise	7,231	-
Innovation: Centre for Acceleration of Social Technology (CAST)	5,000	-
Youth Programmes:		
Grants		
42 nd Street	50,000	-
Become Charity	20,000	-
Bradford Youth Development Partnership	17,500	-
Carefree	20,000	-
Changing Our Lives	20,000	-
Clean Break	20,000	-
Envision	35,000	20,000
Make Some Noise	17,500	-
Manchester Metropolitan University	-	59,500
Off The Record	17,500	-
Ovalhouse	15,000	5,000
Prince's Trust	35,000	20,000
Royal Exchange Theatre	35,000	20,000
The Co-operative College	12,500	-
The Proud Trust	17,500	-
Twenty Twenty	17,500	-
UK Youth	5,000	-
Whizz Kidz	20,000	-
Young Minds	17,500	-
Young Scot	30,000	-
Youth Action NI	15,000	5,000
Youth Cymru	20,000	-
Youth Focus: North East	17,500	-
Youth Focus: North East	35,000	20,000
Youthscape Luton	17,500	-
Non grant expenditure which directly relates to youth programmes	5,704	6,104
Total Unrestricted funds	802,161	497,558

Notes (continued)

4. Expenditure (continued)

Restricted funds	2017	2016
	£	£
Volunteering Programme	26,037	-
Youth Programmes:		
Grants		
Bradford Youth Development Partnership	17,500	-
Make Some Noise	17,500	-
Off the Record	17,500	-
The Co-operative College	12,500	-
The Proud Trust	17,500	-
Twenty Twenty	17,500	-
Young Minds	17,500	-
Youth Focus: North East	17,500	-
Youthscape Luton	17,500	-
Non grant expenditure which directly relates to youth programmes	1,970	-
Total Restricted Funds	180,507	-

2017 Support costs not included above are allocated between restricted funds £11,778 and unrestricted funds £198,893

5. Analysis of charitable activities

2017

		Unrestricted	Total
Restricted	£	£	£
Volunteering programme	26,037	256,726	282,763
Youth Programmes	154,470	533,204	687,674
Community Enterprise	-	7,231	7,231
Innovation	-	5,000	5,000
Support costs	11,778	198,893	210,671
	192,285	1,001,054	1,193,339

2016

		Unrestricted	Total
Restricted	£	£	£
Volunteering programme	-	341,954	341,954
Youth Programmes	-	155,604	155,604
Support costs	-	91,643	91,643
	-	589,201	589,201

Notes (continued)

6. Analysis of charitable activities with attributable support costs

2017

Programmes	Direct £	Support Cost £	Total £	Allocation of Support Costs
Volunteering	282,763	52,668	335,431	25%
Youth	687,674	105,335	793,009	50%
Community Enterprise	7,231	42,134	49,365	20%
Innovation	5,000	10,534	15,534	5%
	982,668	210,671	1,193,339	

The support costs totalling £210,671 (2016: £91,643) includes £76,219 attributable to the Foundation Manager's cost (2016: £67,676); £77,016 attributable to other colleague costs (2016: £nil); legal and professional costs £16,993 (2016: £2,769) Audit fee £10,710 (2016: £10,500); website costs £8,483 (2016: £nil) and other costs totalling £21,250 (2016: £10,698).

These costs have been allocated across the programmes using the percentages in the table above. The split in support costs is based on estimated colleague time spent on each programme.

2016

Programmes	Direct £	Support Cost £	Total £	Allocation of Support Costs
Volunteering	341,954	18,329	360,283	20%
Youth	155,604	73,314	228,918	80%
	497,558	91,643	589,201	

These costs were allocated across the two programmes on a 20:80 basis. The rationale for the 20:80 split in support costs is that volunteering continued to operate on a business as usual footing with a dedicated manager, whereas the youth programmes were an integral part of developing the new strategy for the Foundation, which was the main focus of the Foundation Manager's and the Board's time.

Notes (continued)

7. Staff numbers and costs

The Foundation reimbursed the Co-operative Group Limited for the costs of 4 (2016: 2) of its employees who worked for the charity during the year at a cost of £153,235 (2016: £102,686). No employees have received employee benefits excluding employer pension costs, of more than £60,000. Trustees of the board received no remuneration other than reimbursement of their travel and hotel expenses £4,327 (2016:£3,860).

8. Accrued Income

	2017 £	2016 £
Donation income	48,218	77,764
Interest	43,588	34,346
	<hr/>	<hr/>
	91,806	112,110
	<hr/>	<hr/>

9. Intercompany debtor

	2017 £	2016 £
Amounts due from related parties	15,257	-
	<hr/>	<hr/>
	15,257	-
	<hr/>	<hr/>

All amounts are repayable on demand and no interest is payable

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals	205,335	41,897
	<hr/>	<hr/>
	205,335	41,897
	<hr/>	<hr/>

Notes (continued)

11. Movement in funds

2017

Fund name	Fund balances b/f £	Income £	Expenditure £	Gains and losses £	Fund balances c/f £
Restricted funds	1,498,796	386,330	(192,285)	11,536	1,704,377
<i>Unrestricted Funds</i>					
General Funds	1,269,631	194,508	(695,716)	12,468	780,891
Designated funds	305,934	1,116,451	(305,934)	-	1,116,451
<i>Endowment fund</i>					
Environmental	3,084,087	-	-	369,253	3,453,340
Main endowment	10,126,971	-	-	1,212,491	11,339,462
Total funds	16,285,419	1,697,289	(1,193,935)	1,605,748	18,394,521

2016

Fund name	Fund balances b/f £	Income £	Expenditure £	Gains and losses £	Fund balances c/f £
Restricted funds	1,051,798	448,792	(1,794)	-	1,498,796
<i>Unrestricted Funds</i>					
General Funds	860,558	842,670	(433,597)	-	1,269,631
Designated funds	211,538	250,000	(155,604)	-	305,934
<i>Endowment fund</i>					
Environmental	2,819,020	-	-	265,067	3,084,087
Main endowment	9,256,593	-	-	870,378	10,126,971
Total funds	14,199,507	1,541,462	(590,995)	1,135,445	16,285,419

The Environment Fund was a scheme set up following the merger of United Co-operatives Ltd and the Co-operative Group in 2007. In 2007, £2,000,000 was granted to the Co-operative Foundation by United Co-operatives, to be "ring fenced" with the annual return being used to fund environmental projects within the United Region'.

The investment is shown as Endowment funds and income from the investment is shown as Restricted, £82,441 (2016: £82,268). In 2016 the Trustees received legal advice suggesting that this fund is permanent endowment.

The Main Endowment fund of £11,339,462 (2016: £10,126,971) is held to generate investment income to be distributed in line with the objects of the charity. These funds were shown as designated funds last year and held to generate investment income to be distributed in line with the objects of the charity. The Trustees received legal advice in 2016 suggesting that this fund is an expendable endowment, and it is now shown in the accounts within the Endowment Fund. Both endowment funds made investment gains during the year.

Designated Funds refers to funds committed to the Big Lottery Fund #iwill and other multi-year grant instalments.

All other income and expenditure is shown as movement in unrestricted funds.

Notes (continued)

11. Movement in funds (continued)

Analysis of Restricted Funds

Name of Fund	Fund balances b/f	Income	Expenditure	Gains and losses	Fund balances c/f
	£	£	£		£
Environmental	335,809	82,441	-	2,828	421,078
Community Fund	730,328	90,710	(8,587)	5,672	818,123
Britannia	399,159	6,334	-	3,036	408,529
Big Lottery Fund #iwill grant	-	206,845	(157,661)	-	49,184
Other	33,500	0	(26,037)	-	7,463
Total funds	1,498,796	386,330	(192,285)	11,536	1,704,377

The Community Fund has received annual income relating to interest in the year totalling £90,710 with advisory costs in the year totalling £8,587. In previous years, the Community Fund was the sole project of CCIF and hence its funds were reported as unrestricted. Since the merger of the Co-operative Foundation, the Community Fund has been restricted as any funds raised for the Community Fund are ring fenced and cannot be spent on CCIF's other objects.

The Britannia Building Society set up the Foundation, to focus its charitable giving on making a difference in local communities. Donations ceased in 2012, with the funds transferring to the Foundation 31st July 2012. The Community Fund has received annual income relating to interest in the year totalling £6,334.

Big Lottery Fund #iwill – The Big Lottery Fund has received income of £206,845 (2016: nil) in the year and costs incurred amounted to £157,661 (2016: nil) in the year.

Other Restricted items - Costs incurred for programmes relating to tackling Loneliness and Isolation within the Community amounted to £26,037 in the year.

12. Investments

	Market value £	Historic cost £
Balance at 1 January 2017	13,211,058	12,075,613
Additions	2,690,487	-
Unrealised gain on investment assets	1,605,748	1,135,445
Balance at 31 December 2017	17,507,293	13,211,058

Notes (continued)

12. Investments (continued)

Revaluation reserve

	Investment £
Balance at 1 January 2017	4,643,817
Unrealised gain on investment assets	1,605,748
	<hr/>
Balance at 31 December 2017	6,249,565
	<hr/> <hr/>

The revaluation reserve appears within the endowment fund on the balance sheet.

13. Related party transactions

The Co-operative Group seeks re-imbursement for the payroll costs of Foundation staff and other costs directly attributable to Foundation activities. The charge for the year was £153,235 (2016: £102,686).

The Co-operative Group donated £250,000 in fees which were waived by its Group Chair, Allan Leighton (2016: £250,000).

At the year-end £15,257 (2016: £nil) was owed by the Co-operative Group Limited. No impairment provisions have been made in respect of the amount recoverable.

The Trustees consider that the administrative support provided by The Co-operative Group represents the best value for money for the charitable company, and that it would not be financially beneficial to employ staff directly.

During the financial year, the Trustees of the board have not received either remuneration or benefits, however 3 Trustees were reimbursed for both their travel and hotel expenses totalling £4,327 (2016: £3,860).



Foundation

Co-op Foundation is a working name of Co-operative Community Investment Foundation,
a charity registered in England, Wales (1093028) and Scotland (SC048102).

Registered office: 1 Angel Square, Manchester M60 0AG