



Annual Report and Accounts

For the year ended
31 July 2018



Great things happen
when people co-operate

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Trustees' Report

Introduction from the Chair and Chief Executive & Principal

The past twelve months have seen the College make continued progress against each of our strategic outcomes and we continued to expand the College's reach and impact both in the UK and internationally. As we build towards our centenary year in 2019 we have laid the foundations for the re-emergence of the College by expanding our base of UK projects and building our accredited learning offers as we continue to move towards the creation of the Co-operative University in the UK. We are actively engaged in a number of research areas, most notably our Adult Education 100 campaign and have increased the number of study visits we host here in the UK and the number of projects we are involved with internationally.

This success is built on the hard work of our Colleagues and the strong support received from the Board of Trustees. More detail is provided below on our work throughout the year.

Objects and Activities

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

The College's strategy outlines four key outcomes to which all our activities contribute, as follows:

Developing Co-operators: To develop

knowledge, skills, attitudes and behaviours to enable people to be effective co-operators
Building Co-operative Capacity: To build capacity in new, emerging and existing co-operatives through embedding co-operative values and principles.

Advancing Co-operative Policy: To advance a policy context where co-operatives can flourish.

Progressing Global Co-operation: To progress global understanding of the co-operative ethos.

We are putting this strategy into action across the following major areas of activity:

Learning and Development: The Co-operative Learning and Development team is the 'hub' for the design, delivery and quality assurance of a wide range of programmes to meet the needs of co-operatives and learners.

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

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

Research: We believe in researching every

aspect of global co-operation in order to understand the role, place and potential of co-ops in the 21st century. We have strong established relationships with universities and researchers across the globe leading us to form the Co-operative Research Network to bring together researchers and practitioners working in any area of co-operative research.

Achievements and Performance

In the past year we have made great strides towards the four key goals, relating to each strategic outcome, as follows:

Strategic Outcome 1: To develop knowledge, skills, attitudes and behaviours to enable people to be effective co-operators

Goal 1: Through our work we will have supported 10,000 individuals to know more about the advantages of a co-operative approach to addressing social and economic issues.

We are making good progress in terms of engaging with new and existing audiences. Our projects have reached out to over 7,000 beneficiaries and circa 400 people have taken part in our workshops and e-learning courses. We continue to grow our supporter base with over 1,900 people now subscribed to our newsletter and welcomed over 400 visitors to our study tours and conferences.

Strategic Outcome 2: To build capacity in new, emerging and existing co-operatives through embedding co-operative values and principles

Goal 2: We will deliver degree level accredited programmes which meet the specific needs of co-operatives and other like-minded organisations in developing the next generation of co-operative leaders.

Throughout the year many hours of debate, deliberation and development took place led by the Co-operative University Working Group which culminated in the College submitting our application to the Office for Students at the end of August 2018. This is the first stage

in the College being recognised as a provider of Higher Education. We now enter a period of review with the Office for Students which we hope will lead to the College acquiring probationary degree awarding powers. Following the board's decision to invest in the "Co-operative University" project we have appointed Polly Wilding to a new post of Academic Programme Manager.

It has been a huge team effort to get to this stage from both within the College but also notably from many individuals and organisations (including a number of fledgling education co-operatives) who have given time free of charge to develop something they passionately believe in. We would like to express our thanks for all their hard work.

Strategic Outcome 3: To advance a policy context where co-operatives can flourish.

Goal 3: We will produce a piece of primary research which will influence the policy environment in the sphere of adult learning.

This has been identified as revisiting the '1919 Report' (landmark report of the Adult Education Committee of the Ministry of Reconstruction in 1919). We plan to use this as a platform for raising awareness of the value of adult education in society and garnering recognition for the critically important role co-operative education plays in adult education

A partnership with the University of Nottingham, the Raymond Williams Foundation, the Workers Education Association, and the University of Oxford we launched this 'Adult Education 100' project at City Lit London on 26th November 2018.

Strategic Outcome 4: To progress global understanding of the co-operative ethos.

Goal 4: We will build on our existing international work by working in five new regions

Since July 2017 we have continued to make good progress on our international projects, working in the following new regions:

Through the 'Educated Trainers Stronger Co-operatives' project we've played a key

role in developing innovative new training that will encourage more co-op start-ups and strengthen existing co-ops, leading to sustainable rural development in Turkey.

We are now working in partnership with Christian Aid in Zambia and Tearfund in Rwanda on projects that will empower farmers (with a high percentage being women farmers) to ensure they are not merely able to engage in their own work, but can develop more ambitious co-op organisations to have better access to bigger markets and opportunities.

We have also continued our 'Co-operative Pathways' project in Malawi. Since 2012, over 30,000 people have benefitted from our work which helps people to establish or improve their own co-operative enterprises and we have continued to work on a number of European projects with particular focus on youth and entrepreneurship.

Following our year end we learned that we had successfully registered with the Office of the Scottish Charity Regulator (registration date 19 November 2018) which we hope will allow us to develop more partnerships and projects 'north of the border'.

The hard work of the whole College team has led to many further achievements in the past year including the following:

Learning and Development

We have continued to develop our learning offer. Our open programme has broadened our learning base with a diverse range of learners from housing co-ops, worker co-ops and individuals alongside our ongoing programmes with retail societies. Our e-learning offer has continued to grow and we have also worked on tailor made courses to meet specific needs of organisations in the UK, Europe and Australia. Alongside the broadening of our offer we have brought in new expertise with a number of new associates working for us for the first time in 2017-18.

Events and Study Tours

November 2017 saw the College host a conference to debate and shape how a future

Co-operative University could look and feel. This well attended and lively day helped inform much of the ongoing discussion which led up to the College applying for registration with the Office for Students. Our annual conference in May 2018 featured speakers from around the world including Bruno Roelants (Director-General) and Ariel Guarco (President) of the International Co-operative Alliance. The final day was wrapped up by a keynote speech from Andy Burnham, Mayor of Greater Manchester.

The College continues to host co-operative visitors from around the world. We have seen return visits from our friends in Brazil, Denmark and Japan as well as visits from co-operatives based in Norway, India, Nepal, China and South Korea. We see these visits as an important part of us helping to progress a global understanding of co-operation and it is a role we are proud to play on behalf of the UK co-operative movement.

Projects

In addition to our international work, 2017-18 saw our UK projects work flourish. Supported by the Co-op Foundation and the Big Lottery #iwill fund, our Youth Co-operative Action project has worked to combat loneliness amongst care leavers, with those involved learning new skills, growing in confidence and then working together to create a performance that showcases how loneliness affects them.

We also learned that we had been successful in receiving funds from the Co-operative Group for our Together Enterprise project, looking to provide training and support to help people in the Rochdale area to set-up their own co-operatives.

Finally, we are proud to have been awarded £300,000 of funding from Potterspurty Lodge Trust for our Co-op (ad)Venture project working with young people with learning difficulties, disabilities and autism in 3 locations – Manchester, Staffordshire and Fife, equipping them with the skills and confidence to assist a smooth transition from compulsory education to further education, training or employment. This project will run for three years from the

Autumn of 2018.

With further projects in the pipeline, the College welcomed a UK Programmes Manager, Gemma Obeng in October 2018.

Co-operative Heritage Trust

We are very proud to continue managing the assets of the Co-operative Heritage Trust (The Rochdale Pioneers Museum and the National Co-operative Archive). Our partnership working has deepened, highlighted by the great success of the 'Suffrage in the City' event, attended by hundreds in Sadlers Yard, celebrating co-operatives and their contribution to equality. During the year work progressed on Working Together, a Heritage Lottery Fund project which sought to preserve and make accessible the heritage and impact of the Worker Co-operatives movement. These and other events have seen increased activity in both our outreach work at the Museum and in visits to the Archive.

Membership

As we approach our centenary we would like to say a special thank you to all our members. We now have over 250 individual and over 20 organisational members and your support is vital in enabling us to grow and develop our diverse and rewarding work.

With all this activity to reflect we also found time to launch a new look website in late 2017.

Plans For Future Periods

100 Years Young

Our next 12 months are eagerly anticipated and very special for the College as 2019 is our centenary year. We will be hosting events across the UK to celebrate and continue to spread the message of how our work transforms communities and changes lives. This will culminate in our centenary conference and gala dinner to be held in the splendour of Rochdale Town Hall in November 2019.

Closely linked with this is our continuing work on the Adult Education100 project. A programme of activities will take place throughout 2019 which will recover and re-evaluate the twentieth-century history of adult education, and set out a vision for a life-wide adult education for the century ahead.

The "Co-operative University"

Having submitted our application for registration to the Office for Students in August 2018 we are now undergoing the rigorous approvals procedure. Our hope is that by the end of 2019 we will see our first students sign up to undertake degrees with the Co-operative College. We will also continue to work closely with other organisations to develop the federated model which we believe can be the Co-operative University of the future.

Streamlined learning pathways and accredited leadership and management programmes.

Our learning and development programme in 2019 will take on a new look with four learning streams now developed which can take learners all the way from introductory one day courses, webinars and e-learning all the way to postgraduate qualifications. The four areas focus on leadership and management, social history and social movements, international development and education and practice.

In December 2018 it was confirmed that we have been successful in our application to be an accredited centre with the Chartered Management Institute and as such will be running CMI accredited leadership and management qualifications. We are looking to extend similar accreditation to our other learning streams.

Study Visits 'On the Road'

We continue to receive visitors from all over the world, but sometimes circumstances make it hard for some visits to take place. So we are pleased to be taking our programmes overseas, delivering in the Philippines in the early part of 2019. We hope to develop this and visit many more countries in the future.

Projects – UK and International

We will continue to develop and grow our range of projects, both in relation to beneficiaries and locations.

Having successfully registered as a charity in Scotland we have already had news of a successful project bid. The Royal Bank of Scotland Skills and Opportunities Fund shortlisted us for their £35,000 award. Following a public vote, supported fantastically well by our members and social media followers, the College was awarded the grant towards work in the community of Pilton, Edinburgh, working with young people to empower them to set up their own co-operative businesses.

This will commence in early 2019, following on from the Together Enterprise and Co-op (ad)Venture projects which will also be fully underway.

We will be closely supporting the Co-operative Heritage Trust with their Heritage Lottery Funded Young Roots project which will work with young people in Rochdale to help them get to know their heritage and ensure it isn't lost to future generations, whilst informing the work of the Museum.

We also hope to continue the great work we have been doing with young care leavers in other areas of the UK in 2019 and onwards.

We are excited by the opportunities available to the College in our centenary year and beyond. We will develop a new strategic plan in 2019 which will build on our recent successes and continues to fulfil our mission and objectives.

Thanks again to all our members, colleagues, trustees and funders for your continued support of the College.

Simon Parkinson
Chief Executive &
Principal

Nigel Todd
Chair

Financial Summary

Overview of Financial Results

Twelve months ago we reported a significant net expenditure of £386,999. Having gone through a restructuring process we budgeted to halve that loss in the current year.

We are pleased to now report that we have achieved a 54% reduction in losses. Although returns on investment as a mix of gains, interest and dividends remain important to the College, they actually contributed approximately £58,000 less than in the previous 12 months. The significant improvement has been in the net financial performance of our charitable activities which has seen an improvement of £235,616 year on year.

This is largely due to savings made, not just in restructuring but in delivery and back office costs as the College team have worked incredibly hard to get the most out of every pound spent. This has resulted in us maintaining income throughout this period of cost review

The Trustees recognise however that the College's performance will ultimately be driven by its income streams, its delivery rather than its costs. As such strategic investment has been approved for both our projects work and the development of degree awarding powers leading hopefully to a future Co-operative University.

Budgets for 2018/19 are therefore showing performance held at a similar level to the current year as we invest to progress with these major developments. Returns in future years expected to bring us to around break even in 2021 with surpluses from thereon.

Income

Our projects work continues to be our largest source of income, growing by over 40% in the past 12 months.

Whilst this was heavily dominated by our work in Malawi, Rwanda and Zambia, we also worked with partners across Europe on five different projects.

Most significantly, we have been looking to build our project work in the UK and have had a number of successes which will have an impact now and in future years. We received £25,000 from The Co-op Foundation/Big Lottery Fund's #iWill Fund for our work in Rochdale and Manchester tackling youth loneliness. Successfully completed in late 2018, we are hoping to begin rolling it out in other regions in the coming year.

We also were successful in being approved for funding by The Co-operative Group for our Together Enterprise project, The Potterspurty Trust for our Co-op (Ad)Venture project and since year end The Royal Bank of Scotland's Skills and Opportunities Fund have granted us £35,000 to undertake Together Enterprise (Scotland).

This reflects our understanding of the need to diversify our income sources, our geographical reach and our beneficiary groups. In each of our projects we are also looking to develop partnerships so that, not only can we draw on other specialist skills, we can better embed our work in each locality. To further that, we are looking to employ staff in new areas, including Staffordshire and Scotland to both deliver projects but also help to build networks and further opportunities in their regions.

Our learning and development income has proved harder to maintain, falling by £40,000 but, as with projects, we are making strides to develop new offers. In late 2018 we successfully became and accredited centre for

the Chartered Management Institute whose management and leadership qualifications we will be offering in 2019.

Our major goal over the last year has been the development of 'The Co-operative University'. The first stage of this is for the College to be awarded degree awarding powers. Should this be successful, we would hope to launch degrees by the end of 2019.

As anticipated our schools work has continued to reduce. Whilst we are still involved in a few schools' conversions we are looking to school improvement work and in particular to developing projects working with schools in future.

Central income has fallen. Our income from the Co-operative movement has been maintained at the same levels as the previous year but our investment interest and dividends dropped during the year, although we again achieved strong investment gains.

Expenditure

As stated previously, the most significant improvement in the College's financial performance came through a sizeable reduction in expenditure. In 2017 we restructured and whilst that has led to some savings, the intention was always to drive the College forward. Investment was made in fundraising/partnership development and marketing in the last year and in project delivery staff since year end.

A full review of costs was undertaken, with many opportunities for savings identified. We also endeavoured to perform work 'in-house' wherever possible. This has resulted in our operational expenditure falling by over £200,000.

Investment in fundraising and partnerships is included in the expenditure category 'Raising Funds' but the performance in this area is not reflected in our donations figure. Instead much of the work has been in developing partnerships, opportunities and submitting grant applications which, as we have seen, has shown a number of successes in the UK in 2018.

Balance Sheet

The College balance sheet remains strong with £3,445,243 total funds. The College runs a tight cashflow regime with the vast majority of available funds invested as detailed below. Investments are liquid allowing us to withdraw funds if necessary within a few days.

Since the year end the College has invested in its IT infrastructure making laptops available for all staff to enable greater flexibility in working patterns and locations.

Investments

Investment Policy

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

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

Performance

Investments have been held in Royal London Asset Management's Sustainable Diversified Fund for a number of years. This is a mixed portfolio which falls into the 20% to 60% level of shares category. Typically, the mix has been almost 60% equity with the remainder earning fixed rates of income. Performance has consistently been ahead of funds with a similar mix, beating benchmark indices in periods from 1 year to 5.

The returns on interest and dividends were poorer than expected in 2018 falling to under 2% but capital growth remained high with an overall return of over 8%.

The trustees are pleased with this performance and there is no impetus to change our investment management at present but there is ongoing dialogue with our investment managers as we look to maximise returns.

Reserves

Reserves Policy

The Board of Trustees have taken a risk based approach to determine the appropriate level of unrestricted funds that the College should hold. All income streams and expenditure have been reviewed, based on an assessment of risk of these activities, the cost base of the College and taking account of the forward strategic plan. As a result, the Board have agreed that unrestricted reserves should not fall below the minimum funds required should the College have an unplanned closure including redundancy costs and operating lease commitments.

For the current period that minimum level of reserves is calculated at £231,000. These calculations will be reviewed on an annual basis as part of the budgeting process.

Performance

The level of unrestricted reserves held at the year end is £231,000.

Total reserves were £3,445,243 with endowment funds making up £2,412,508 and restricted funds £801,735. Of the remaining unrestricted funds, £9,136 of funds held would only be realised by the sale of fixed assets.

The level of unrestricted reserves at year end falls at the minimum level, supported by release from The Co-operative College Fund, an expendable endowment from which the Trustees reserve the right to release funds for strategic purposes. It is recognised that approved budgeted performance for the year to 31 July 2019 would result in unrestricted reserves falling below the stated minimum. In order to ensure that the reserves are within the policy boundaries by the end of the next financial period the Trustees have agreed a transfer from the College endowment fund to unrestricted funds.

It is also recognised that there is a lead time between development and results, that significant developments can have a gradual impact over a number of years. The period to the end of financial year 2021-2022 is therefore considered an appropriate timescale

to assess the current operating model of the College.

The Audit and Risk Committee will make an interim review of the trajectory following the 2018/19 financial year and make recommendation of any action they feel is required at this point. Operational performance will continue to be monitored irrespective of the impact of investment gains/losses on reserve levels to ensure that reserves are adequate for the three-year strategic planning cycle from 2019 to 2022. The mix of reserves has changed somewhat in the last few years. Investment gains which have been very significant are attributed across all funds and so this has led to growth in restricted funds year on year.

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

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

Structure, Governance and Management

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

Trustees meet at least four times as a collective with further sub committees meeting when required. For the Audit and Risk Committee this is a minimum of once per quarter. Meetings are attended by relevant members of the executive and where appropriate other colleagues.

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

Name	Role	Length of Services	Professional Qualifications
Simon Parkinson	Chief Executive & Principal	4 Years	Masters in Public Administration
Cilla Ross	Vice Principle	4 Years	PhD, Senior Fellow of the Higher Education Academy

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

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

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

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

The top strategic risk facing the College remains that of financial sustainability

Though there is still much work to do, we have taken a number of actions to reduce this risk:

Work continues on diversification of income sources in order to become financially viable. Registration with the Office for Students and confirmation as an accredited centre with the Chartered Management Institute are strategic moves to strengthen our learning and development offer and greatly increase the learning opportunities available from the College. We have increased the number of

regions in which our charitable projects are taking place and undertaken a number of new projects in the UK.

It has been recognised by the Board of Trustees that investment is needed in the short term if the College is to turn around its financial performance in the long term. Investment in an Academic Programmes Manager and UK Programmes Manager together with a further strategic investment pot to establish the College as a Higher / Education institution are a reflection of this strategic proactive response to the current financial position of the College.

Internal Controls

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

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

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

Trustee Method of Appointment

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

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

The trustees determined that 3 places were up for election by and from the membership (two from the individual membership category and one from the organisational membership category.)

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

Individual membership category:

Emma Robinson	3 year term of office
John Boyle	3 year term of office

Organisational membership category:

Jon Nott	3 year term of office
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During the period of this report the trustees met on four occasions. Overall average trustee meeting attendance was 97%.

Induction and Training of Trustees

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

Audit and Risk Committee

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

Committee Chair appointed by the Trustees	1
Member of the Trustee Board	1
Co-opted with relevant experience	1
Total	3
Quorum	2

For the year to 31 July 2018 the members of the Audit and Risk Committee were as follows:

John Chillcott (Chair)		Board Member
Trisha Jaffe	01/08/17 - 01/05/18	Board Member
Alison Lamond	05/07/18 -	Board Member
Tony Saunders	13/03/17 -	Co-opted

Public Benefit

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

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

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

Status and Charity Number

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

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.

Board of Trustees

The Board of Trustees for the year to 31 July 2018 were as follows:

Name	Category	Appointed	
Nigel Todd (Chair)	Individual Member	5 April 2017	
Trisha Jaffe (Vice)	Individual Member	21 April 2016	Until 1 May 2018
Hazel Johnson	Individual Member	5 April 2017	
John Boyle	Individual Member	21 April 2016	Reappointed 1 May 2018
Emma Robinson	Individual Member	1 May 2018	
Pamela Maxwell	Learner Member	5 April 2017	
Alison Lamond	Organisational Member	5 April 2017	
John Chillcott	Co-operatives UK	September 2015	
Sophie McCulloch (nee Stewart)	Staff	21 April 2016	
Jon Nott		12 October 2017 / 1 May 2018	Co-optee until 1 May 2018 / Appointed org member rep

Legal and Administrative Information

Registered Office

Co-operative College CIO
Holyoake House, Hanover Street,
Manchester, M60 0AS
www.co-op.ac.uk
Tel:+44(0)161 819 3000
Email: hello@co-op.ac.uk

Registered charity 1159105

Principal Advisors

Auditor:

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

Bankers

Co-operative Bank plc
Balloon Street
Manchester
M60 4EP

Investment Managers:

Royal London Asset Management
55 Gracechurch Street
London
EC3V 0RL

Statement of Trustees' Responsibilities

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 trust deed, 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.

The trustees are responsible for the maintenance and integrity of the charity's website. 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 30 April 2019 and signed on their behalf by:

Nigel Todd
Chair 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 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow 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 2018 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 financial statements is inconsistent in any material respect with the trustees' report;
- the charity has not kept sufficient accounting records; 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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

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

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

Co-operative College Statement of Financial Activities for the Year Ended 31 July 2018

	12 Months Ended 31 July 18				12 Months Ended 31 July 17				
	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31 July 2018	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31 July 2017
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	3,967	-	-	3,967	4,880	-	-	4,880
Charitable activities	4	890,177	25,000	-	915,177	918,684	-	-	918,684
Investments	5	44,728	13,902	-	58,630	65,824	14,259	-	80,083
Total		938,872	38,902	0	977,774	989,388	14,259	0	1,003,647
Expenditure on:									
Raising funds	9	65,684	4,788	14,322	84,794	54,832	-	-	54,832
Charitable activities	8	1,225,206	47,414	-	1,272,620	1,509,387	2,356	-	1,511,743
Restructuring Costs	10	17,500	-	-	17,500	81,004	-	-	81,004
Total		1,308,390	52,202	14,322	1,374,914	1,645,223	2,356	0	1,647,579
Gains/(losses) on investments	15	15,667	51,228	153,243	220,138	1,325	53,666	201,942	256,933
Net Income / (Expenditure)		(353,851)	37,928	138,921	(177,002)	(654,510)	65,569	201,942	(386,999)
Strategic Investment		40,722	-	(40,722)	-	62,036	-	(62,036)	-
Transfers between funds	22	304,210	-	(304,210)	-	621,843	-	(621,843)	-
Net Movement in Funds	22	(8,919)	37,928	(206,011)	(177,002)	29,369	65,569	(481,937)	(386,999)
Reconciliation of Funds									
Total funds brought forward		239,919	763,807	2,618,519	3,622,245	210,550	698,238	3,100,456	4,009,244
Total Funds Carried Forward		231,000	801,735	2,412,508	3,445,243	239,919	763,807	2,618,519	3,622,245

Co-operative College Balance Sheet for Year Ended 31 July 2018

	Notes	Total Funds 31 July 2018	Total Funds 31 July 2017
		£	£
Fixed Assets			
Intangible assets	13	13,500	18,000
Tangible assets	14	9,136	15,420
Investments	15	3,274,420	3,399,855
Total Fixed Assets		3,297,056	3,433,275
Current Assets			
Debtors and prepayments	16	286,754	324,691
Stock	17	7,644	9,850
Cash at bank and in hand	24	32,612	23,315
Total Current Assets		327,010	357,856
Liabilities			
Creditors: amounts falling due within one year	18	178,823	168,886
Net current assets		148,187	188,970
Net Assets		3,445,243	3,622,245
The Funds of the Charity			
Endowment funds	22	2,412,508	2,618,519
Restricted funds	22	801,735	763,807
Unrestricted funds	22	231,000	239,919
Total Charitable Funds		3,445,243	3,622,245

The financial statements were approved and authorised for issue by the Board of Trustees on 30 April 2019 and approved on its behalf by

Nigel Todd
Chairman of the Board of Trustees

Co-operative College Cash Flow Statement for Year Ended 31 July 2018

	Notes	12 Months ended 31 July 2018	12 Months ended 31 July 2017
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	23	(373,397)	(725,171)
Cash flows from investing activities:			
Dividends and interest from investments		58,630	80,083
Purchasing of plant and equipment		(936)	(9,600)
Purchasing of intangible fixed assets		0	(24,570)
Proceeds from sale of investment		425,000	579,000
Investments purchased		(100,000)	0
Net cash provided by investing activities		382,694	624,913
Change in cash and cash equivalents in the reporting period		9,297	(100,258)
Cash and cash equivalents at the beginning of the reporting period		23,315	123,573
Cash and cash equivalents at the end of the reporting period		32,612	23,315

Notes to the Accounts

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.

Having considered the projections of income and expenditure over the next 3 years, the total funds available and cashflows, the Trustees consider that there are no material uncertainties about the College's ability to continue as a going concern.

b. 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 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.

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.

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

c. Stock

Stocks are stated at the lower of cost and net realisable value being the estimated selling price. 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.

d. Debtors and Creditors

Trade debtors and creditors are recorded at transaction price. Review of trade debtors takes place at the reporting date to determine any provision required for doubtful debts. Project debtors and creditors reflect the difference between funds received and the value of work performed by the end of the reporting period.

e. 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

f. Financial Instruments

Trade debtors and accrued income

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

Cash at bank and in hand

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

Trade creditors and accruals

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

Fixed asset investments

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

g. Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a

Sustainable Diversified Fund.

h. 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 6.

i. Strategic Investment

On 31 March 2016 the trustees approved the College's three year strategic plan and accompanying investment request. This strategic investment allows the College to draw upon endowment funds for capacity building, development of systems, resources and services and allowed the College to invest in expertise to develop marketing, communications and fundraising functions. Within 2017/18 £40,722 (2016/17 : £62,036) was invested from The Co-operative College Fund and is reflected as strategic investment transfers between funds.

j. Net transfer from previous charitable entity

In 2014 the Co-operative College undertook a review of its legal structure and governance arrangements. As a result of this review with effect from 1 May 2015 all assets and liabilities of the Co-operative College (registered charity no. 1060008) were transferred to the new charitable incorporated organisation, the Co-operative College (registered charity no. 1159105).

k. Pension Scheme

The Co-operative College offers an auto-enrolment compliant group personal pension scheme which is administered and managed by The Royal London

Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4% with The Co-operative College paying 8%. After two years' employment employees can opt to increase their contribution to 6% with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

l. 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 appropriate to its outputs. The VAT treatment of expenses which can be directly related to a specific income stream 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

	2018 £	2017 £
Donation	3,967	4,880

3. Grants

In 2017/18 the College received the following grants and funding:

	2018 £	2017 £
Scottish Government International Development Fund:	172,139	86,609
Co-operative Pathways Project		
Co-op Foundation/Big Lottery Fund #iWill Fund	25,000	-
	197,139	86,609

4. Charitable Income

2018	Learning & Development	Schools	Membership	Events	Research	Projects	Heritage*	Central	Total 2018
	£	£	£	£	£	£	£	£	£
Course and programme fees	63,245	150	-	-	1,642	1,014	-	424	66,475
Projects	-	2,189	-	-	16,605	329,982	-	-	348,776
Consultancy	-	2,185	-	-	-	-	-	-	2,185
Service level agreement	-	-	-	-	-	-	281,266	40,000	321,266
Core and subscription funding	-	-	-	-	-	-	-	130,837	130,837
Miscellaneous	1,189	402	-	3,272	-	1,045	-	1,107	7,015
Other charitable income (note 6)	852	-	6,718	29,476	1,577	-	-	-	38,623
	65,286	4,926	6,718	32,748	19,824	332,041	281,266	172,368	915,177

2017	Learning & Development	Schools	Membership	Events	Research	Projects	Heritage*	Central	Total 2017
	£	£	£	£	£	£	£	£	£
Course and programme fees	101,139	1,715	-	-	613	-	-	-	103,466
Projects	-	14,200	-	-	46,739	229,917	-	-	290,855
Consultancy	-	35,626	-	-	-	-	-	-	35,626
Service level agreement	-	-	-	-	-	-	243,297	40,000	283,297
Core and subscription funding	-	-	-	-	-	-	-	108,662	108,662
Miscellaneous	2,239	2,530	222	14,940	200	2,301	31	2,515	24,979
Other charitable income (note 6)	2,500	200	4,391	44,208	2,500	-	-	18,000	71,798
	105,878	54,270	4,613	59,148	50,052	232,218	243,328	169,177	918,684

* 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.

5. Investment Income

	2018	2017
	£	£
Interest on short term deposits	-	220
Dividends and Interest on Fixed Asset Investments	58,630	79,863
Total	58,630	80,083

6. Other Charitable Income

	2018	2017
	£	£
Conferences	16,893	15,149
Study Visits	15,012	34,258
Membership Income	6,718	4,391
Grant for Website Development	-	18,000
Total	38,623	71,798

Governance Costs:

	2018	2017
	£	£
Trustee Expenses	5,531	5,223
External Auditor	11,065	10,639
Legal Fees	5,520	7,090
Total	22,116	22,952

Auditor's Remuneration

The auditor's remuneration constituted an audit fee of £11,065 (2017: £10,639). No other services were provided by the auditor.

7. Allocation of Governance and Support Costs

Cost Type	2018			2017			Basis of Apportionment
	Total Allocated	Governance	Other Support Costs	Total Allocated	Governance	Other Support Costs	
	£	£	£	£	£	£	
Cost of Goods Sold	2,499	-	2,499	4,621	-	4,621	Expenditure*
Administration	43,957	1,253	42,704	58,365	8,594	49,771	Expenditure*
Central Staffing	332,592	271	332,321	356,866	2,451	354,415	Expenditure*
Infrastructure	54,656	736	53,920	87,259	788	86,471	Expenditure*
Professional fees	1,432	14	1,418	6,013	13	6,000	Expenditure*
Travel	8,072	98	7,974	23,121	749	22,372	Expenditure*
Governance costs (Below)	22,116	22,116	-	22,952	22,952	-	Expenditure*
Total	465,324	24,488	440,836	559,197	35,547	523,650	

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

8 Charitable Expenditure

2018	Learning & Development	Schools	Events	Research	Projects	Heritage	Total 2018
	£	£	£	£	£	£	£
Direct staffing costs	75,251	10,539	29,029	41,072	107,272	224,485	487,648
Direct costs of delivery	12,571	2,953	27,575	42	140,733	615	184,489
Administration	5,639	117	1,817	756	4,131	8,745	21,205
Infrastructure and premises	10,856	4,705	2,899	4,111	13,333	37,988	73,892
Professional fees	2,434	4,811	1,446	3,590	3,585	8,687	24,553
Travel	1,062	-	518	5,756	3,988	1,627	12,951
Miscellaneous	-	2,329	50	-	-	179	2,558
Other support costs (note 7)	58,872	13,900	34,585	30,212	149,099	154,168	440,836
Governance costs (note 7)	3,270	772	1,921	1,678	8,283	8,564	24,488
Total	169,955	40,126	99,840	87,217	445,058	445,058	1,272,620

8 Charitable Expenditure (cont.)

2017	Learning & Development	Schools	Events	Research	Projects	Heritage	Total 2017
	£	£	£	£	£	£	£
Direct staffing costs	75,281	91,018	26,611	89,576	68,273	192,869	543,628
Direct costs of delivery	33,122	40,228	37,766	22,664	126,960	7,844	268,584
Administration	6,229	8,442	358	795	2,495	5,592	23,911
Infrastructure and premises	10,231	7,799	2,094	11,491	5,476	34,621	71,712
Professional fees	4,273	8,650	2,565	5,798	6,236	-	27,522
Travel	1,681	8,971	177	1,651	1,648	1,830	15,958
Miscellaneous	-	898	-	-	12	321	1,231
Other support costs (note 7)	71,915	91,260	38,246	72,552	116,049	133,629	523,650
Governance costs (note 7)	4,882	6,195	2,596	4,925	7,878	9,071	35,547
	207,614	263,461	110,413	209,452	335,027	385,778	1,511,743

9. Raising Funds

	2018 £	2017 £
Fundraising Staff Costs	32,904	15,131
Membership Staff Costs	24,404	23,903
Administration	2,964	12,438
Infrastructure	2,735	2,883
Travel	1,214	447
Investment Management	20,573	-
	84,794	54,832

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:

	2018 £	2017 £
Full Time	16.3	16.1
Part Time	8.6	9.3
	24.9	25.4
Full Time Equivalents	21.8	22.0

The costs incurred in respect of these employees were:

	2018 £	2017 £
Salaries and Wages	721,086	754,463
Social Security	68,042	73,098
Pension	69,722	70,765
Other	14,072	41,200
	872,922	939,526

Restructuring Costs

In May 2017 a review of the staffing structure resulted in three redundancies. In July 2018 a settlement was reached on an outstanding employment case. The following costs were incurred:

	2018 £	2017 £
Redundancy Payments	-	52,330
Ex Gratia Payment	17,500	3,500
Payment in Lieu of Notice	-	25,174
	17,500	81,004

The ex gratia payment made in 2018 relates to one payment of £17,500 made to an ex-employee in full and final settlement of an employment tribunal case relating to their claims of unfair dismissal.

11. Key Management Personnel

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

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

	2018 £	2017 £
Salaries	139,950	220,565
Pension Contributions:	15,336	18,878
	155,286	239,443

Figures in 2017 include redundancy costs relating to the departure of the Vice Principal - Finance and Resources.

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

	2018 £	2017 £
Salary	84,583	77,500
Pension Contributions:	8,692	6,200
	93,275	83,700

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

	2018 £	2017 £
£80,001 - £90,000	1	1
£70,001 - £80,000	-	1
	1	2

12. Trustee Remuneration

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

Ten Trustees (2017: Nine) were reimbursed expenses during the year totalling £5,531 (2017: £5,223). These represented essential travel and subsistence costs incurred in the performance of their duties.

The Co-operative College has a staff trustee, Sophie McCulloch. She received no remuneration for her role as a trustee. Her remuneration as an employee was as follows:

	£
Salary	26,619
Pension Contributions	3,194
	29,813

13. Intangible Fixed Assets

	Website £	Total £
Cost		
01 August 2017	18,000	18,000
Additions	-	-
Disposals	-	-
31 July 2018	18,000	18,000
Amortisation		
01 Aug 2017	-	-
Charge for year	4,500	4,500
Disposals	-	-
31 July 2018	4,500	4,500
Net book value at 01 Aug 2017	18,000	18,000
Net book value at 31 July 2018	13,500	13,500

The website was built from May to July 2017 with an £18,000 grant from the Transform Foundation covering all development fees.

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

14. Tangible Fixed Assets

	IT Equipment £	Plant, Fixture and Fittings £	Total £
Cost			
01 August 2017	57,594	77,871	135,465
Additions	936	-	936
31 July 2018	58,530	77,871	136,401
Depreciation			
01 August 2017	53,829	66,219	120,045
Charge for year	3,011	4,209	7,220
31 July 2018	56,840	70,425	127,265
Net book value at 01 August 2017	3,765	11,655	15,420
Net book value at 31 July 2018	1,690	7,446	9,136

15. Fixed Asset Investments

	£
1 August 2017	3,399,855
Divestments	(425,000)
Addition	100,000
Realised gain	9,447
Unrealised gain	210,691
Management Charges	(20,573)
31 July 2018	3,274,420

The investments represent funds placed in a Sustainable Diversified Fund with Royal London Asset Management. Funds were divested during the year for cashflow purposes.

16. Debtors

	2018 £	2017 £
Trade debtors	112,189	102,916
Project Debtors	68,929	44,372
Accrued income	50,280	139,540
VAT	6,730	1,857
Taxation and social security	-	-
Prepayments	47,184	34,298
Other debtors	1,442	1,708
	286,754	324,691

17. Stock

	2018 £	2017 £
Goods for resale	7,644	9,850
	7,644	9,850

18. Creditors

	2018 £	2017 £
Trade creditors	20,437	35,214
Project creditors	51,226	72,454
Accruals	26,062	28,443
Taxation and social security	18,487	17,267
Other deferred income (note 19)	52,776	7,671
Other Creditors	9,835	7,837
	178,823	168,886

19. Deferred Income

	2018 £	2017 £
Study Visits	5,000	1,500
Co-operative Group subscription funding	42,500	-
Workshops	308	158
Worker Co-ops	1,000	-
Trust school Consultancy	-	2,800
Co-operative identity mark	-	150
Membership subscriptions	3,968	3,063
	52,776	7,671

Reconciliation of Deferred Income

	2018 £
Balance at 1 Aug 2017	7,671
Amount released from previous years	(7,671)
Amount deferred in current year	52,776
Balance at 31 July 2018	52,776

20. Operating Lease Commitments

	2018 £	2017 £
Land & Buildings		
Not later than one year	13,511	13,511
Later than one year and not later than five years	-	-
Later than five years	-	-
	13,511	13,511
Plant & Machinery		
Not later than one year	7,736	7,736
Later than one year and not later than 5 years	13,695	21,431
Later than 5 years	-	-
	21,431	29,167
Total	34,942	42,678

Payments under operating leases within the year amounted to:

	2018 £	2017 £
Land & Buildings	32,427	32,427
Plant and Machinery	7,736	7,736

21. Other Commitments

	2018 £	2017 £
PACE pension commitments		
Not later than one year	-	13,875
Later than one year and not later than 5 years	-	26,594
Later than five years	-	-
	0	40,469

22. Charitable Funds

2018	Balance at 1 August 2017	Income	Expenditure	Transfers Between Funds	Balance at 31 July 2018
	£	£	£	£	£
Expendable Endowment Funds:					
Co-operative College Fund	2,618,519	153,243	(14,322)	(344,932)	2,412,508
	2,618,519	153,243	(14,322)	(344,932)	2,412,508
Restricted Funds:					
Les Stannard	37,096	3,234	(239)	-	40,091
Co-operative Pioneers Memorial Fund	726,577	61,113	(38,269)	-	749,421
Joyce & Vic Butler	134	12	(1)	-	145
Co-op Foundation/Big Lottery Fund #iWill Fund	-	25,771	(13,693)	-	12,078
	763,807	90,130	(52,202)	0	801,735
Unrestricted Funds:					
Revenue Reserves	238,919	954,539	(1,308,390)	344,932	231,000
Total Charitable Funds	3,622,245	1,197,912	(1,374,914)	0	3,445,243

Transfers between funds consist of £304,210 to maintain unrestricted reserves at agreed minimum levels and £40,722 to provide strategic investment as approved by the trustees. The latter consisted of funds to support development of school improvement services and funds to support the College's development towards achieving degree awarding powers and exploring the possibility of a future Co-operative University.

2017	Balance at 1 August 2016	Income	Expenditure	Transfers Between Funds	Balance at 31 July 2017
	£	£	£	£	£
Expendable Endowment Funds:					
Co-operative College Fund	3,100,456	201,942	-	(683,879)	2,618,519
	3,100,456	201,942	0	(683,879)	2,618,519
Restricted Funds:					
Les Stannard	33,797	3,299	-	-	37,096
Co-operative Pioneers Memorial Fund	664,318	64,615	(2,356)	-	726,577
Joyce & Vic Butler	123	11	-	-	134
	698,238	67,925	(2,356)	0	763,807
Unrestricted Funds:					
Revenue Reserves	210,550	990,713	(1,645,223)	683,879	239,919
Total Charitable Funds	4,009,244	1,260,580	(1,647,579)	0	3,622,245

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 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 3 year strategic plan.

Les Stannard Co-operative Citizenship Fund

Given by the South East Region of The Co-operative Group the purpose of the fund is to support young people (aged 25 and under) who wish to participate in educational opportunities provided by the College. Such educational opportunities should be within a wider citizenship theme. Activity under this fund has been approved but is awaiting further funding to be granted to build the project identified.

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. It provides funding for bursaries and match funding for projects through which beneficiaries benefit from College services and programmes which they could not afford to participate in otherwise.

Co-op Foundation/Big Lottery Fund #iWill Fund

This grant, awarded in November 2017, is provided to fund the College's project: 'Youth Co-operative Action: Tackling Youth Loneliness in Rochdale and Manchester's Care Leaver Community'. The project runs for a year completing in November 2018.

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

Analysis of net assets between funds:

2018	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	9,136	-	-	9,136
Intangible assets	13,500	-	-	13,500
Fixed asset investments	60,177	801,735	2,412,508	3,274,420
Current assets	327,010	-	-	327,010
Current liabilities	(178,823)	-	-	(178,823)
	231,000	801,735	2,412,508	3,445,243

2017	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	15,420	-	-	15,420
Intangible assets	18,000	-	-	18,000
Fixed asset investments	17,529	763,807	2,618,519	3,399,855
Current assets	357,856	-	-	357,856
Current liabilities	(168,886)	-	-	(168,886)
	239,919	763,807	2,618,519	3,622,245

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

	2018 £	2017 £
Net income for the reporting period (as per the statement of financial activities)	(177,002)	(386,999)
Adjustments for:		
Depreciation charges	7,220	19,660
Amortisation charges	4,500	8,470
Gains on investments	(220,138)	(256,933)
Management charges adjusted against investment value	20,573	-
Dividends and interest from investments	(58,630)	(80,083)
Decrease/(Increase) in stock	2,206	2,198
(Increase) in debtors	37,937	(25,383)
(Decrease)/Increase in creditors	9,937	(27,562)
Loss on disposal of intangible assets	-	21,461
Net cash used in operating activities	(373,397)	(725,171)

24. Analysis of Cash and Cash Equivalents

	At 1 August 2017 £	Cash Flows £	At 31 July 2018 £
Cash at bank and in hand	23,315	9,297	32,612
Total cash and equivalents	23,315	9,297	32,612

25. Financial Instruments

	2018 £	2017 £
Measured at fair value through profit or loss		
Investments stated at market value	3,274,420	3,399,855
Debt instruments measured at amortised cost		
Cash at bank and in hand	32,612	23,315
Trade debtors	114,518	103,756
Accrued income	119,210	183,912
Other debtors	1,442	1,708
Financial liabilities measured at amortised cost		
Trade creditors	20,437	35,214
Accruals	77,289	100,897
Other creditors	9,835	7,837

26. Contingent Liabilities and Capital Commitments

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

27. 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 runs the day to day management of the Co-operative Heritage Trust under a management agreement.

Amounts of £353,621 (2016/17: £259,725) and £316 (2016/17: £341) were receivable from and payable to the Co-operative

Heritage Trust for the 12 month period. At 31 July 2018 the balance owed to the College was £90,702 (2016/17: £71,514) and the balance payable to the Co-operative Heritage Trust was £nil (2016/17: £216).

28. Post Balance Sheet Events

On 19th November 2018 The Co-operative College successfully registered with the Office of the Scottish Charity Regulator to have recognised charitable status in Scotland under The Charities and Trustee Investment (Scotland) Act 2005.

Transactions with trustees are disclosed in note 12.