



co-operative
college

The Co-operative College

Annual Report and Accounts

Year Ended 31 July 2019

Trustees Report

The past twelve months have taken the College to the historic milestone of its centenary year. Recent years have proved difficult financially and whilst the year to July 2019 saw a significant improvement in financial performance, the College still ran at a deficit. We are in a period of development, and the trustees have agreed strategic investment to boost the future of the College as we recognise the need to reach financial sustainability in the coming years.

In the first half of 2019, the College completed its three-year strategy, positioning us well for our future role both within and beyond the Co-operative movement.

Continued growth in our UK projects, a return to accredited centre status with the Chartered Management Institute (CMI), a range of new partnerships and relationships and ongoing progress towards the acquisition of Degree Awarding Powers, all reflect the College's ambition and aspirations as the apex body for Co-operative education in the UK.

Further detail of our work throughout the year is highlighted below but a continuously changing snapshot can be found at: <https://www.co-op.ac.uk/>

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

Objects and activities

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

The College's strategy outlined four key outcomes to which all our activities contribute. They are 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 existing and emerging co-operatives through embedding co-operative values, principles and practice.

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 continue to put 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. Our learning offer reaches across every aspect of the College's work.

Trustees Report

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

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

Research: We believe in researching every aspect of global co-operation in order to understand the role, place and potential of co-ops in the 21st century. We have strong established relationships with universities and researchers across the globe, leading us to form the Co-operative Early Researcher Network. This network brings together researchers and practitioners who engage in all areas of co-operative research.

Achievements and Performance

As noted above, 2019 is the final year of our initial (CIO) three-year strategy and we have made strong progress against all four of our strategic outcomes and goals.

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.

In figures collated from January 2018, we have passed our target, engaging with new and existing audiences. Our projects have reached out to over 7,500 beneficiaries and circa 700 people have taken part in our workshops, webinars and e-learning courses. We continue to grow our supporter base with over 2,000 people now subscribed to our newsletter and welcomed over 800 visitors to our study tours and conferences. In addition to this we have presented at many events, as well as providing contributions to a number of publications and many online articles which further spread the message about the benefits of the co-operative model.

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.

We are now undergoing a period of review with the Office for Students which we expect will lead to the College acquiring probationary Degree Awarding Powers in 2020. Progress towards the establishment of the future Co-operative University has

Trustees Report

been slower than expected, mainly due to some challenges in fitting our preferred federated model into the current regulatory framework.

Despite this an Interim Academic Board - which has representatives from all partner Higher Education Co-operatives sitting upon it - continues to meet quarterly. These colleagues are joined by several independent co-operative practitioners, students and various other adult and co-operative educators. Good progress has been made in terms of developing mutually beneficial policies and procedures and in building sustainable relationships and practice. A range of Level 4-6 programmes have been developed with the support of 'external' critical friends.

Returning the College to accredited status with the Chartered Management Institute (CMI) has also allowed us to develop and deliver accredited programmes up to and including Level 6 (degree equivalent).

Our aim is to build co-operative capacity through our accredited and non-accredited programmes and ensure that they meet the needs of both the existing and emerging co-operative movement. This year we have worked with a growing number of constituencies – including in communities with both young and older citizens – to empower and encourage values-based approaches to building a better locality.

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.

One of the many great achievements of 2019 has been the progress the College has made towards meeting this goal. The Rochdale Pioneers inaugurated both co-operatives and adult education in local communities in response to need – ensuring that people learnt to understand co-operative character and identity as well as how to run a sound co-operative business. Throughout the nineteenth century co-operators continued to deliver adult education in the reading rooms above co-operative shops.

As we began our research which revisited the great 1919 Ministry of Reconstruction Report on Adult Education, we were delighted to see that the original report said: *'The co-operative movement is the one working-class body which continuously and persistently stood for a humane education as an essential element in the social aims of democracy'*.

Our involvement in the Adult Education 100 project, in partnership with the Raymond Williams Foundation, the WEA and the Universities of Oxford and Nottingham, has enabled us to produce a report which has helped to stimulate a renewed political interest in community based and co-operative adult learning and which we will build upon in 2020. The Report, *A Permanent National Necessity: Adult Education & Lifelong Learning for the 21st Century*, contains much new research and can be found at: <https://www.co-op.ac.uk/news/adult-education-a-national-necessity>

Trustees Report

We are proud that in its centenary year, the Co-operative College, and the co-operative movement of which it is a part, continues to represent this humane and democratic tradition.

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

We have continued to make good progress on our international co-operative development projects with work continuing in Malawi, Zambia and Rwanda. We have also worked alongside ICA Americas piloting a Co-operative Relief Fund project in Mexico, and were invited by the British Council to travel to Ethiopia to run a series of co-operative development workshops at the Social Enterprise World Forum. We have continued in partnership on a series of European Co-operative Development Projects based in Brussels, Spain and Italy. Our work on current European projects will continue to their conclusion following the Brexit agreement on 31 January 2020 and we will be eligible to and will be looking to partner in further EU projects where funding lines are open up to 31 December 2020.

We have also transferred the learning from our International Co-operative Development work into a series of workshops and webinars on an Introduction to International Co-operative Development, which has received learners from India, Canada, Belgium, Sweden and the UK.

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 re-launched our accredited learning offer with a suite of leadership and management qualifications, developed specifically for co-operatives, re-introducing the member to director programmes aimed at individuals who want to gain the knowledge and skills to become a successful co-operative director.

We are also taking our Leadership and Management training to a wider audience, including bespoke first time courses in the Philippines and with CDS Co-operatives Housing Association in London.

Continuing to take our learning offer to an international audience, we have also worked closely with the Business Council of Co-operatives and Mutuals in Australia to develop co-operative e-learning programmes for their members.

Finally, we are currently piloting our unique introductory module for our degree level programmes, with initial feedback being very encouraging.

Trustees Report

Events and Study Tours

We continue to welcome co-operators from around the world. We have been delighted to welcome back visitors from Denmark, Japan and Brazil and to continue to spread our reach with further visits including those from Nepal, China, Nigeria and South Korea to, somewhat closer to home, groups from Sweden, Austria and Portugal.

This international flavour was also carried into our Centenary Conference, with visitors from all over the globe arriving in Rochdale in November 2019 to celebrate co-operative education - education to change the world

We have hosted and attended a number of events and roundtables on co-operative higher education and the work of the College, including a joint research day held with the UK Society for Co-operative Studies and of course a number of commission meetings for the Adult Education 100 campaign, including one in Manchester which we were extremely proud to host.

Projects

We have seen continuous growth in our UK Projects portfolio this year with the development of two new projects and through expanding our reach into six new locations across the UK, Greater Manchester, Plymouth, Cannock, Fife, Hartlepool and Edinburgh. We continue to build upon our partnership working ensuring we are meeting the needs of our participants and connecting with relevant organisations including co-operatives. Our theory of change methodology maps our projects from inputs through to outcomes and allows us to evaluate the positive impact our projects continue to make to the lives of young people and adults from a variety of backgrounds and experiences. The projects team are in the process of developing a Youth Steering Group to gain the insights from young people in relation to the college's wider work.

We would like to say a particular thank you to Potterspurty Lodge Trust, Co-operative Group, The Co-operative Foundation/Big Lottery Fund and the RBS skills and opportunities fund for the vital funding provided and for all individual and organisational members and donors, large and small – all your contributions enable the College to reach more beneficiaries and transform more lives.

Co-operative Heritage Trust

We were disappointed that during the year a decision was made by the CHT Board of Trustees to end the management agreement with the College and make alternative arrangements. Our best wishes go to colleagues who transferred to direct employment with CHT. As founder members of the CHT we will naturally continue to co-operate closely and know we will work together to our mutual benefit in the future.

Trustees Report

Membership

We have again seen growth in our membership base and now have 248 individual members and 42 organisational members. Our members continue to be at the core of what we do as a college and we continue to strengthen our member offer and levels of member engagement.

Future Plans

It is no accident that our Centenary Conference in Rochdale was entitled: And now the future. At this conference we launched the College's new strategy for the period 2020-2025.

Fundamentally the strategy builds upon the incredible and pioneering work that the College has developed during its centenary year - in particular its project, accredited and adult/youth and community education work.

Our mission and strategy have been co-developed with colleagues with a key commitment to being global in our aspirations and our reach. We are also concerned to increase our impact in marginalised communities both in the UK and internationally by delivering co-operative learning opportunities. Our aim is to continue to be the go-to organisation for co-operative education and to ensure that we reach new constituencies by looking upwards and outwards. We have refreshed our commitment to ensure that we seek, through our work, to address the great challenges of our times – climate change, automation and inequality.

In order to achieve this we will:

- Offer opportunities in diverse learning spaces to increase our impact in response to identified need
- Place membership at the core of everything we do, growing an engaged network of co-operators
- Build a diverse and progressive workforce, committed to an outstanding quality of work and that role models co-operative values and principles
- Be financially sustainable to meet the long-term needs of all beneficiaries.

In addition to launching the new strategy, we also welcome a new Principal (and CEO) to the College. Dr Cilla Ross stepped into the role in December 2019 from the role of Vice- Principal. Cilla and the College leadership team will be responsible for delivering the new strategy.

We also welcome Emma Robinson and Vivian Woodell to the board of the College and say thank you to John Chilcott for his support over the past five years.

Finally we would like to thank Simon Parkinson, our outgoing CEO and Principal, for his work over the time he has been at the College and wish him well in his new role.



Nigel Todd
Chair



Cilla Ross
College Principal

Structure, Governance and Management

Overview of Financial Results

In our 2018 annual report we were so pleased to report a 54% reduction in losses. Twelve months on we have improved a little from that position as losses have fallen further from £177,002 to £149,463. This included £54,112 of strategic spend on development towards a future co-operative university and on developing College centenary events. Whilst vital for future performance, this shows that the underlying picture of net spend relating to the year to July 2019 was a little under £100k, a significant improvement from where we were a few years ago.

We know that we are still too reliant on returns from our investments and there is a key focus on building our long term income as we move into our next five year strategic plan in 2020/21. The strategic investment to build up our UK projects team and to fund the development of degree awarding powers leading hopefully to a future Co-operative University are indicative of our longer term planning. Whilst this may incur some sizeable costs in the short run both these areas are felt to offer long term sustainable performance, whilst contributing significantly to our charitable objective *to promote the education of the public in a manner consistent with the values and principles of the co-operative movement.*

Income

Our projects work has continued to grow by a further 11% and is our greatest source of income with at £368,332. This comprises £229,341 of income from grants and service contracts and £138,991 of donations for specific projects.

Whilst our work in Malawi, Rwanda and Zambia has continued, this element has reduced as a proportion of our overall project income as our major development project in Malawi, funded by the Scottish Government has come to a close. We are still working with our in country partners COMSIP and with our fellow Co-operatives Europe development partner, DGRV in developing the co-operative support infrastructure in Malawi and still see this as an important part of our international development work.

Most significantly, we have seen great success in building our UK project work. Having completed a pilot project 'Youth Co-operative Action', tackling youth loneliness, we have been successful in receiving further funding from the Co-op Foundation/Big Lottery Fund's #iWill Fund to roll out the project over the two years from 2019-21 working across Greater Manchester, but also extending the project to Hartlepool and Plymouth.

With funding from Potterspurty Lodge Trust we have successfully run the first cohorts of our Co-operative (Ad)Venture project. In Fife, Manchester and Cannock this project has provided young people with learning difficulties and autism, support and skills development to assist with the transition from compulsory education to further education, training and employment. Our work in Scotland has been further boosted by funding from The Royal Bank of Scotland's Skills and Opportunities Fund for our Together Enterprise project.

Structure, Governance and Management

Not only have these projects brought in over £230,000 income, they have allowed us to employ a number of project co-ordinators, giving us a base upon which to build further projects across the country.

Our learning and development income has increased slightly year on year, but the rise of circa £6k is well short of where we aspire to be. Having now become an accredited centre with the Chartered Management Institute we have mapped co-operative modules to their framework to offer specialised co-operative management and leadership qualifications. Coupling this with our range of existing courses and our e-learning offer as we enter the latter part of 2019 we are offering free training needs consultations which we hope will significantly extend the number of organisations we provide training to, both with new customers and re-connecting with co-operatives who we previously provided regular training to.

Other areas of income have stayed very similar to previous years. We have built our income from study tours but did not have income from our major annual conference within this year as our Centenary conference was held later than in previous years, in November 2019.

Expenditure

Our charitable expenditure has risen year on year by approximately £100,000. This is mainly due to approximately £70,000 increase in staffing costs, as we invested in our UK projects staffing, employing a UK projects manager and a number of project co-ordinators. This figure also reflects the employment of an Academic Programme Manager to drive our development towards achieving degree awarding powers. This is a cost which won't result in immediate financial returns but is seen as a key strategic investment to enable the College to develop and safeguard its longer term financial position.

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 helped to build our UK projects portfolio in 2018/19.

Balance Sheet

The College balance sheet remains strong with £3,295,780 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.

An increase in fixed assets reflects an investment in IT equipment, particularly in laptops available for all staff to enable greater flexibility in working patterns and locations.

Structure, Governance and Management

Investments

Investment Policy

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

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

Performance

Investments have been held in Royal London Asset Management's Sustainable Diversified Fund for a number of years. This is a mixed portfolio which falls into the 20% to 60% level of shares category. Typically, the mix has been almost 60% equity with the remainder earning fixed rates of income. Sector rankings show the fund to have performed 2nd out of 140 similar funds over 3 years and 1st out of 119 similar funds over 5 years.

The returns on interest and dividends remain quite low at under 2%, but with capital growth remaining high, overall returns were over 10%

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

For the current period that minimum level of reserves is calculated at £282,000. These calculations 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 £282,000 in line with the College's reserves policy. Of these unrestricted funds, £20,805 of funds held would only be realised by the sale of fixed assets, thereby leaving £261,195 as free reserves.

Total reserves were £3,295,780 with endowment funds making up £2,060,152 and restricted funds £953,628. .

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The level of unrestricted reserves at year end falls at the minimum level, supported by release from The Co-operative College Fund, an expendable endowment from which the Trustees reserve the right to release funds for strategic purposes. The trustees have determined that the working capital requirements of re-purposing the College and developing new workstreams such as the Co-operative University Project represent appropriate use of these funds. In the year to 31 July 2019, £522,729 was released.

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

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

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

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

The Les Stannard Co-operative Citizenship Fund created to fund educational work with young people, predominantly in the South East, was not accessed in the year. Activity under this fund has been approved but is awaiting further funding to be granted to build the project identified.

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 a year 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.

During the year to July 2019 the executive team comprised:

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

Simon Parkinson left the College in on 8th December 2019. The Trustees have since appointed Cilla Ross as College Principal initially until the end of 2020 to provide continuity during a period of change, particularly in relation to the development of degree awarding powers. The Vice Principal role will remain vacant with the intention that Cilla Ross resume the role should a new Principal be appointed at the end of 2020.

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.

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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 progress towards degree awarding powers, together with becoming 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. Growth of our UK projects work has seen us strengthen our workforce and presence in a number of regions of the UK, a base upon which we hope to build further work and link to our learning offer.

It has been recognised by the Board of Trustees that we cannot simply continue to do 'more of the same' and as such investment was made in an Academic Programmes Manager and UK Programmes Manager in the past year and further roles in both learning technology and administration will be brought in in 2020 to build towards our aim of delivering degree level programmes from September 2020.

In the period immediately preceding the signing of these accounts, the COVID-19 Coronavirus outbreak occurred. Whilst the impact at this stage cannot be accurately assessed it is expected that this will, at a minimum, delay certain pieces of College work. The management team are accelerating work on varied methods and extended content for remote delivery and are in discussion with partners and learners to ensure that the College comes out of the crisis strengthened and with as little financial impact as possible.

The value of investments will undoubtedly be affected for a period by the global economic impact of the virus. The intention is for the vast majority of the College's investments to remain untouched in the long term so that short term falls in value are not crystallised. However, it is clear that the College will require some funds for working capital in the months ahead. To that end a six month working capital withdrawal was made whilst investment values were still greater than at 31 July 2019.

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,

Structure, Governance and Management

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 4 places were up for election by and from the membership (two from the individual membership category, one from the organisational membership category and one from the staff membership category.)

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

Individual membership category:

Nigel Todd	3 year term of office
Hazel Johnson	3 year term of office

Organisational membership category:

Vacancy (zero nominations)	3 year term of office
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Staff membership category:

Daniel Cox	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 86%.

Structure, Governance and Management

Induction and Training of Trustees

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

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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 2019 the members of the Audit and Risk Committee were as follows:

John Chillcott (Chair)	Retired 21 June 2019	Board member
Jon Nott (Appointed Chair 11 July 2019)	11 July 2019 – 11 July 2019)	Board member
Alison Lamond	5 July 2018 -	Board Member
Tony Saunders	13 March 2017-	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.

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Governing Document

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

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

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

Board of Trustees

The Board of Trustees for the year to 31 July 2019 were as follows:

Name	Category	Appointed	
Nigel Todd (Chair)	Individual member	5 April 2017	Reappointed 21 June 2019
Hazel Johnson	Individual member	5 April 2017	Reappointed 21 June 2019
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	Retired 21 June 2019
Sophie McCulloch (nee Stewart)	Staff	21 April 2016	Retired 21 June 2019
Jon Nott	Co-optee / Organisational member	12 October 2017/ 1 May 2018	Co-optee until 1 May 2018/ Appointed org member rep
Daniel Cox	Staff	21 June 2019	
Vivian Woodell	Co-operatives UK	21 June 2019	

Legal and Administrative Information

Registered Office

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

www.co-op.ac.uk

Tel: +44(0)161 819 3000

Email: hello@co-op.ac.uk

Registered charity 1159105

Principal Advisors

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

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

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

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

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

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

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

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

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

Approved by the trustees on 31 March 2020 and signed on their behalf by:



Nigel Todd

Chair of the Board of Trustees

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

Opinion

We have audited the financial statements of the Co-operative College "the charity" for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

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

Beever and Struthers

Beever and Struthers

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

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

Date: 15 April 2020

Co-operative College Statement of Financial Activities for year ended 31 July 2019

		12 Months Ended 31 July 19				12 Months Ended 31 July 18			
	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31 July 2019	Unrestricted Funds (restated)	Restricted Funds (restated)	Endowment Funds	Total Funds 31 July 2018
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	143,783	138,991	-	282,774	144,837	1,029	-	145,866
Charitable activities	4	482,292	183,404	-	665,696	576,306	196,972	-	773,278
Investments	5	41,141	13,282	-	54,423	44,728	13,902	-	58,630
Total		667,216	335,677	0	1,002,893	765,871	211,903	0	977,774
Expenditure on:									
Raising funds	9	73,018	5,477	11,683	90,178	65,684	4,788	14,322	84,794
Charitable activities	8	1,091,218	263,647	-	1,354,865	1,052,205	220,415	-	1,272,620
Restructuring Costs	10	2,252	-	-	2,252	17,500	-	-	17,500
Total		1,166,488	269,124	11,683	1,447,295	1,135,389	225,203	14,322	1,374,914
Gains/(losses) on investments	15	27,543	85,340	182,056	294,938	15,667	51,228	153,243	220,138
Net Income / (Expenditure)		(471,729)	151,893	170,373	(149,463)	(353,851)	37,928	138,921	(177,002)
Strategic Investment		54,112	-	(54,112)	-	40,722	-	(40,722)	-
Transfers between funds	21	468,617	-	(468,617)	-	304,210	-	(304,210)	-
Net Movement in Funds	21	51,000	151,893	(352,356)	(149,463)	(8,919)	37,928	(206,011)	(177,002)
Reconciliation of Funds									
Total funds brought forward		231,000	801,735	2,412,508	3,445,243	239,919	763,807	2,618,519	3,622,245
Total Funds Carried Forward		282,000	953,628	2,060,152	3,295,780	231,000	801,735	2,412,508	3,445,243

Co-operative College Balance Sheet as at 31 July 2019

	Notes	Total Funds 31 July 2019 £	Total Funds 31 July 2018 £
Fixed Assets			
Intangible assets	13	9,000	13,500
Tangible assets	14	20,805	9,136
Investments	15	3,170,430	3,274,420
Total Fixed Assets		3,200,235	3,297,056
Current Assets			
Stock	17	6,187	7,644
Debtors and prepayments	16	223,723	286,754
Cash at bank and in hand	23	31,662	32,612
Total Current Assets		261,572	327,010
Liabilities			
Creditors: amounts falling due within one year	18	166,027	178,823
Net current assets		95,545	148,187
Net Assets		3,295,780	3,445,243
The Funds of the Charity			
Endowment funds	21	2,060,152	2,412,508
Restricted funds	21	953,628	801,735
Unrestricted funds	21	282,000	231,000
Total Charitable Funds		3,295,780	3,445,243

The financial statements on pages 23 to 47 were approved and authorised for issue by the Board of Trustees on 31 March 2020 and approved on its behalf by

Nigel Todd

Nigel Todd
Chairman of the Board of Trustees

Co-operative College Cashflow Statement for Year Ended 31 July 2019

	Notes	12 Months ended 31 July 2019 £	12 Months ended 31 July 2018 £
Cash flows from operating activities:			
Net cash used in operating activities	22	(415,057)	(373,397)
Cash flows from investing activities:			
Dividends and interest from investments		54,423	58,630
Purchasing of plant and equipment		(20,316)	(936)
Proceeds from sale of investment		430,000	425,000
Investments purchased		(50,000)	(100,000)
Net cash provided by investing activities		414,107	382,694
Change in cash and cash equivalents in the reporting period		(950)	9,297
Cash and cash equivalents at the beginning of the reporting period		32,612	23,315
Cash and cash equivalents at the end of the reporting period		31,662	32,612

Notes to the Financial Statements for the Year Ended 31 July 2019

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.

The College has reassessed the treatment of certain items of funding in the past year and as such there has been a reclassification of some funds as restricted rather than unrestricted and of certain regular receipts as donations rather than income from charitable activities. This has led to a corresponding restatement of figures relating to the same funds and receipts for the prior year to 31 July 2018.

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.

Notes to the Financial Statements for the Year Ended 31 July 2019

ii) Expenditure

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

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

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

iii) Tangible Fixed Assets

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

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

iv) Intangible fixed assets

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

Technology investment	25% per annum
-----------------------	---------------

c Stock

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

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.

Notes to the Financial Statements for the Year Ended 31 July 2019

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

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

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.

Notes to the Financial Statements for the Year Ended 31 July 2019

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 7.

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 2018/19 £54,112 (2017/18 : £40,722) was invested from The Co-operative College Fund and is reflected as strategic investment transfers between funds.

j 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.

k 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. Expenses which can be directly related to a specific income stream the VAT treatment mirrors that of the income. Where expenses cannot be directly attributed, the irrecoverable amount of VAT is calculated on the basis of staff allocation between different income streams.

2 Income from Donations and Legacies

	2019	2018
	£	£
Donations	142,857	4,996
Core Funding	<u>139,917</u>	<u>140,870</u>
	<u>282,774</u>	<u>145,866</u>

Income from donations and legacies above includes £138,991 relating to restricted purposes (2018: £1,029)

Notes to the Financial Statements for the Year Ended 31 July 2019

3 Grants

In 2018/19 the College received the following grants and funding:

	2019 £	2018 £
Scottish Government International Development Fund:		
Co-operative Pathways Project	55,461	172,139
Co-op Foundation/Big Lottery Fund #iWill Fund:		
Youth Co-operative Action	-	25,000
Youth Co-operative Action Phase Two	80,839	-
	136,300	197,139

Income from grants above reflects £136,300 for restricted purposes (£2018: £197,139)

4 Charitable Income

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

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

Notes to the Financial Statements for the Year Ended 31 July 2019

2018	Learning & Development	Schools Programmes	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	-	-	6,572	328,953	-	-	337,714
Consultancy	-	2,185	-	-	-	-	-	-	2,185
Service level agreement	-	-	-	-	-	-	281,266	40,000	321,266
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	9,791	331,012	281,266	41,531	773,278

Charitable income above includes £196,972 relating to restricted purposes

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

Notes to the Financial Statements for the Year Ended 31 July 2019

5 Investment Income

	2019 £	2018 £
Dividends and Interest on Fixed Asset Investments	54,423	58,630
	54,423	58,630

Investment income above includes £13,282 relating to restricted funds (2018: £13,902)

6 Other Charitable Income

	2019 £	2018 £
Conferences	-	16,893
Study Visits	31,003	15,012
Membership Income	8,668	6,718
	39,671	38,623

None of the above income related to restricted purposes

7 Allocation of Governance and Support Costs

Cost Type	2019			2018			Basis of Apportionment
	Total Allocated	Governance	Other Support Costs	Total Allocated	Governance	Other Support Costs	
	£	£	£	£	£	£	
Cost of Goods Sold	5,341	-	5,341	2,499	-	2,499	Expenditure*
Administration	25,005	804	24,201	43,957	1,253	42,704	Expenditure*
Central Staffing	344,671	252	344,419	332,592	271	332,321	Expenditure*
Infrastructure	54,877	852	54,025	54,656	736	53,920	Expenditure*
Professional fees	1,004	-	1,004	1,432	14	1,418	Expenditure*
Travel	10,439	201	10,238	8,072	98	7,974	Expenditure*
Governance costs (Below)	18,007	18,007	-	22,116	22,116	-	Expenditure*
Total	459,344	20,116	439,228	465,324	24,488	440,836	

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

Notes to the Financial Statements for the Year Ended 31 July 2019

Governance Costs:	2019	2018
	£	£
Trustee expenses	4,831	5,531
External auditor	12,076	11,065
Legal fees	1,100	5,520
	18,007	22,116

Auditor's Remuneration

The auditor's remuneration constituted an audit fee of £11,342 (2018: £11,065). No other services were provided by the auditor.

8 Charitable Expenditure

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

Expenditure on charitable activities was £1,354,865 (2018: £1,272,620) of which £1,091,218 (£2018:1,052,205) was unrestricted and £263,647 (2018:£220,415) was restricted.

Notes to the Financial Statements for the Year Ended 31 July 2019

2018	Learning & Development £	Schools Programmes £	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 (see note 7)	58,872	13,900	34,585	30,212	149,099	154,168	440,836
Governance costs (see note 7)	3,270	772	1,921	1,678	8,283	8,564	24,488
	169,955	40,126	99,840	87,217	430,424	445,058	1,272,620

9	Raising Funds	2019 £	2018 £
	Fundraising Staff Costs	33,865	32,904
	Membership Staff Costs	28,293	24,404
	Administration	5,351	2,964
	Infrastructure	2,862	2,735
	Travel	879	1,214
	Investment Management	18,928	20,573
		90,178	84,794

Notes to the Financial Statements for the Year Ended 31 July 2019

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:

	2019	2018
Full time	19.0	16.3
Part time	4.8	8.6
	23.8	24.9
Full time equivalents	21.9	21.8

The costs incurred in respect of these employees were:

	2019	2018
	£	£
Salaries & wages	785,141	721,086
Social security	80,982	68,042
Pension	77,449	69,722
Other	20,259	14,072
	963,831	872,922

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

	2019	2018
	£	£
Redundancy Payments	2,252	-
Ex Gratia Payment	-	17,500
	2,252	17,500

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

Notes to the Financial Statements for the Year Ended 31 July 2019

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:

	2019	2018
	£	£
Salaries	144,056	139,950
Pension contributions	17,287	15,336
	<u>161,343</u>	<u>155,286</u>

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

	2019	2018
	£	£
Salary	85,000	84,583
Pension contributions	10,200	8,692
	<u>95,200</u>	<u>93,275</u>

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

	2019	2018
£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

Notes to the Financial Statements for the Year Ended 31 July 2019

12 Trustee Remuneration

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

Seven Trustees (2018: Ten) were reimbursed expenses during the year totalling £3,373 (2018: £5,531). These represented essential travel and subsistence costs incurred in the performance of their duties.

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

	Sophie McCulloch	Daniel Cox
	£	£
Salary	27,242	8,000
Pension Contributions	3,269	320
	30,511	8,320

13 Intangible Fixed Assets

	Website	Total
	£	£
Cost		
01 August 2018	18,000	18,000
Additions	-	-
Disposals	-	-
31 July 2019	18,000	18,000
Amortisation		
01 August 2018	4,500	4,500
Charge for year	4,500	4,500
Disposals	-	-
31 July 2019	9,000	9,000
Net book value at 01 August 2018	13,500	13,500
Net book value at 31 July 2019	9,000	9,000

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

Notes to the Financial Statements for the Year Ended 31 July 2019

14 Tangible Fixed Assets

	IT Equipment	Plant, fixtures and fittings	Total
	£	£	£
Cost			
01 August 2018	58,530	77,871	136,401
Additions	20,316	-	20,316
31 July 2019	78,846	77,871	156,717
Depreciation			
01 August 2018	56,840	70,425	127,265
Charge for year	5,835	2,812	8,647
31 July 2019	62,675	73,237	135,912
Net book value at 01 August 2018	1,690	7,446	9,136
Net book value at 31 July 2019	16,171	4,634	20,805

15 Fixed Asset Investments

	Total	Royal London Sustainable Diversified Fund	Co-operative Group Shares	Chelmsford Star Share Account
	£	£	£	£
1 August 2018	3,274,420	3,272,920	500	1,000
Investments	50,000	50,000		
Divestments	(430,000)	(430,000)		
Valuation gain	294,938	294,938		
Management Charges	(18,928)	(18,928)		
31 July 2019	3,170,430	3,168,930	500	1,000

Notes to the Financial Statements for the Year Ended 31 July 2019

16 Debtors	2019	2018
	£	£
Trade debtors	126,425	112,189
Project debtors	3,477	68,929
Accrued income	57,035	50,280
VAT	1,562	6,730
Prepayments	33,787	47,184
Other debtors	1,436	1,442
	223,723	286,754

17 Stock	£
Opening Stock	7,644
Stock Write Down	(1,457)
Total Stock	6,187

18 Creditors	2019	2018
	£	£
Trade creditors	35,186	20,437
Deferred income - Project creditors	45,824	51,226
Accruals	34,272	26,062
Taxation and social security	22,814	18,487
Other deferred income (note 19)	16,038	52,776
Other creditors	11,893	9,835
	166,027	178,823

Notes to the Financial Statements for the Year Ended 31 July 2019

19 Deferred Income

	2019	2018
	£	£
Project Creditors	45,824	51,226
Study Visits	7,190	5,000
Core funding	-	42,500
Conference	2,667	-
Workshops	458	308
Worker Co-ops	-	1,000
Membership subscriptions	5,723	3,968
	<u>61,862</u>	<u>104,002</u>

Reconciliation of Deferred Income

	£
Balance at 1 Aug 2018	104,002
Amount released from previous years	(83,046)
Amount deferred in current year	40,906
Balance at 31 July 2019	<u>61,862</u>

Notes to the Financial Statements for the Year Ended 31 July 2019

20	Operating Lease Commitments	2019 £	2018 £
	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 five years	5,802	13,695
	Later than five years	-	-
		13,538	21,431
	Total	27,049	34,942

Payments under operating leases within the year amounted to:

	2019 £	2018 £
Land & Buildings	32,427	32,427
Plant and Machinery	7,736	7,736

Notes to the Financial Statements for the Year Ended 31 July 2019

21 Charitable Funds 2019

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

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

Notes to the Financial Statements for the Year Ended 31 July 2019

2018	Balance at 1 August 2017	Income (restated)	Expenditure (restated)	Investment Gains	Transfers Between Funds	Balance at 31 July 2018
	£	£	£	£	£	£
Expendable Endowment Funds:						
Co-operative College Fund	2,618,519	-	(14,322)	153,243	(344,932)	2,412,508
	2,618,519	0	(14,322)	153,243	(344,932)	2,412,508
Restricted Funds:						
Les Stannard Co-operative Citizenship Fund	37,096	672	(239)	2,562	-	40,091
Co-operative Pioneers Memorial Fund	726,577	13,227	(38,269)	47,886	-	749,421
Joyce & Vic Butler	134	3	(1)	9	-	145
Together Enterprise	-	1,000	(1,000)	-	-	-
Rwanda SEAD Project	-	14,950	(14,950)	-	-	-
Co-op (Ad)venture	-	1,029	(1,029)	-	-	-
Co-op Starter 2	-	7,391	(7,391)	-	-	-
Co-op Pathways Malawi	-	148,631	(148,631)	-	-	-
Co-operative Foundation/Big Lottery Fund #iWill Fund	-	25,000	(13,693)	771	-	12,078
	763,807	211,903	(225,203)	51,228	0	801,735
Unrestricted Funds:						
Revenue Reserves	239,919	765,871	(1,135,389)	15,667	344,932	231,000
Total Charitable Funds	3,622,245	977,774	(1,374,914)	220,138	0	3,445,243

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.

Notes to the Financial Statements for the Year Ended 31 July 2019

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

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

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

Analysis of net assets between funds:

2019

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

Analysis of net assets between funds:

2018

	Unrestricted Funds (restated)	Restricted Funds (restated)	Endowment Funds	Total
	£	£	£	£
Tangible assets	9,136	-	-	9,136
Intangible assets	13,500	-	-	13,500
Fixed asset investments	75,495	786,417	2,412,508	3,274,420
Current assets	287,692	39,318	-	327,010
Current liabilities	(154,823)	(24,000)	-	(178,823)
	231,000	801,735	2,412,508	3,445,243

See note 28 regarding prior year adjustment

Notes to the Financial Statements for the Year Ended 31 July 2019

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

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	(149,463)	(177,002)
Adjustments for:		
Depreciation charges	8,647	7,220
Amortisation charges	4,500	4,500
Gains on investments	(294,938)	(220,138)
Management charges adjusted against investment value	18,928	20,573
Dividends and interest from investments	(54,423)	(58,630)
Decrease in stock	1,456	2,206
Decrease in debtors	63,033	37,937
(Decrease)/Increase in creditors	(12,796)	9,937
Net cash used in operating activities	(415,057)	(373,397)

23 Analysis of Cash and Cash Equivalents

	At 1 August 2018 £	Cash flows £	At 31 July 2019 £
Cash at bank and in hand	32,612	(950)	31,662
Total cash and cash equivalents	32,612	(950)	31,662

Notes to the Financial Statements for the Year Ended 31 July 2019

24 Financial Instruments

	2019 £	2018 £
Measured at fair value through profit or loss		
Investments stated at market value	3,170,431	3,274,420
Debt instruments measured at amortised cost		
Cash at bank and in hand	31,662	32,612
Trade debtors	126,425	112,189
Accrued income	60,512	119,210
Other debtors	1,436	1,442
Financial liabilities measured at amortised cost		
Trade creditors	35,186	20,437
Accruals	80,096	77,288
Other creditors	11,893	9,835

25 Contingent Liabilities and Capital Commitments

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

26 Related Party Transactions

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

The Co-operative Heritage Trust

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. The College runs the day to day management of the Co-operative Heritage Trust under a management agreement.

Amounts of £339,578 (2017/18: £353,621) and £3,200 (2017/18: £316) were receivable from and payable to the Co-operative Heritage Trust for the 12 month period. At 31 July 2019 the balance owed to the College was £104,711 (2017/18: £90,702) and the balance payable to the Co-operative Heritage Trust was £nil (2017/18: £nil).

Transactions with trustees are detailed in note 12

Notes to the Financial Statements for the Year Ended 31 July 2019

27 Post Balance Sheet Events

On 13th October 2019 The Co-operative Heritage Trust ended the management agreement with the Co-operative College. At the same date 8 employees of the College who had joint employment with the Co-operative Heritage Trust transferred to sole employment with the Heritage Trust. The impact over the next 12 months is that an estimated £220,000 of costs previously running through the College and then recharged to the Co-operative Heritage Trust will no longer be incurred and that £31,000 of management fee will no longer be earned.

28 Prior Year Adjustment

The College has reassessed the treatment of certain items of funding in the past year and as such there has been a reclassification of some funds as restricted rather than unrestricted and of certain regular receipts as donations rather than income from charitable activities. This has led to a corresponding restatement of figures relating to the same funds and receipts for the prior year to 31 July 2018.