



## Trustees' report and financial statements

For the year ended 31 December 2023

Co-operative Community Investment Foundation (a company  
limited by guarantee)

Company registered number 4117665 / Charity registered number  
1093028 (England & Wales), SC048102 (Scotland)



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Foundation

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## Foreword by Jamie Ward-Smith, Chair of Trustees

As my time as the Chair of the Board of Trustees comes to an end, it gives me great joy to take this opportunity to look back on the Foundation's journey since I joined the board back in 2016 and celebrate everything that we have achieved.

I feel enormously proud to have been a part of our transformation into a progressive grant making and campaigning foundation, bringing our co-operative values and the rich history of the Co-op into the heart of all we do. Back in 1844 the Rochdale Pioneers designed the Rochdale principles, a set of principles of co-operation, that influenced how co-ops around the world operate. Taking inspiration from them, we at the Co-op Foundation hope to encourage more of our fellow funders to adopt similar principles, making it the norm to work closely with communities, listen to their needs, and focus on shifting the power to those who have the most at stake, especially young people.

Since 2018 we have awarded 687 grants to 414 organisations, an overall investment of over £19 million. We have also generated over £13 million in match funding from #iwill, Co-op and others. This has been instrumental in us having greater impact and providing the desperately needed support for individuals and communities in these difficult times. And we've supported organisations right across the UK, spanning from the Outer Hebrides in Scotland and Londonderry in Northern Ireland to Penzance in Cornwall and Bangor in Wales.

Some of my personal highlights have been the amazing Lonely Not Alone campaign and its pioneering youth-led approach; being the first to offer interest free social loans, truly delivering on co-operative values of self-help and self-responsibility; our start up grants for charity digital code, helping all charities, regardless of size, budget, or cause, to embrace digital; and the investment we've made in diversifying charity boards through our support to Action for Trustee Racial Diversity and Young Trustee Movement.

Our commitment to putting young people at the heart of the Foundation continues to shape all that we do. In 2022 we collaborated with a diverse group of 96 young people, aged 11 to 25 across the UK to develop our Future Communities Vision – a vision of fair communities in 10 years' time built on co-operative values.

This vision inspired our five-year strategy - *Building communities of the future together*, with a commitment to deliver funding that is long-term and unrestricted and includes those with lived experience in designing the fund and awarding the funding. The Future Communities Fund was our first fully unrestricted grant programme with the funding allocated by our Future Communities Collective – a group of seven young people from diverse backgrounds – alongside two of our own young trustees. We awarded 13 five-year grants with a combined investment of £1.4m.

Looking to the future, I am excited to see the impact our recently announced young gamechangers will make in transforming their communities; and look forward to the launch of our second round of the Future Communities Fund in 2025.

Finally, I'd like to say a huge thank you to Co-op and Co-op member-owners who contribute to us being able to support our brilliant partners. From the carrier bag levy funding to the £1m annual donation we will receive from Co-op Live as a result of Co-op being the naming rights partner – they really are helping us to create social value in communities across the UK.

It is with mixed emotions that I step down from my role as Chair after eight years; a sense of sadness that our incredible journey draws to an end, but also an immense sense of pride in what we have built together. It has been an absolute joy to see our vision come to life and to see how many lives we have helped to change for the better.

I have been blessed to have worked with such an amazing team, from my brilliant fellow Trustees, our incredibly passionate staff team, our awesome young volunteers and of course the many partners that we have worked with to build co-operative communities for the future. Thanks to all of them for making this such a happy experience for me that I will forever treasure. But I'm sure that this is not the end of my journey with the Foundation and I look forward to following the many more achievements that are bound to come in the years ahead!

A handwritten signature in black ink, reading 'Jamie Ward Smith'. The signature is written in a cursive, flowing style with a large initial 'J'.

**Jamie Ward Smith**

Chair of the Board of Trustees

## Trustees' report

The Trustees, who act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### Reference and administrative details

Co-operative Community Investment Foundation is a company limited by guarantee, registered with Companies House (number 4117665). Its registered office is 1 Angel Square, Manchester M60 0AG. It is registered as a charity in England and Wales (number 1093028) and Scotland (number SC048102).

Its day-to-day working name is the Co-op Foundation. In this report, it is referred to simply as 'the Foundation'.

The following people served as Trustees of the Foundation during the year and up to the date of this report:

Jamie Ward-Smith (Chair)  
Sharon Jones (Vice Chair)  
Sheila Jane Malley  
Hope Levy-Shepherd  
George Imafidon  
Mahalia Flasz  
Peter Batt  
Latefa Mansarit (resigned 13 July 2023)  
Jane Waters (Treasurer) (appointed 1 February 2023)  
Zoe Selby (appointed 26 February 2024)

### Key personnel

Chief Executive – Nick Crofts

### Bankers

Barclays Bank PLC, 1 Churchill Place, London, E14 5HP

## Legal advisers

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

## Auditor

Sayer Vincent LLP, 110 Golden Ln, London EC1Y 0TG

## Objectives

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

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### Our strategy - Building Communities of the future together

2023 saw the second year of work to deliver our five-year Foundation strategy, Building Communities of the future together.

The strategy has three building blocks –

**We worked** with a highly diverse group of 100 young people, to create a clear, detailed and compelling vision of communities in ten years' time that are fair and built on co-operative values. This is their Future Communities Vision.

**We pioneer** a distinctly co-operative way of funding. We provide flexible and unrestricted funds to people and organisations working to build the fairer, more co-operative communities of the imagined by the young visionaries. We'll fund diverse young people and organisations, and learn from and celebrate the progress being made in building fairer, more co-operative communities.

**We co-operate** with others from across the co-operative movement, social change, and philanthropic sectors to bring our vision of future communities to life through our funding and campaigning. We'll advocate for our co-operative way of funding and encourage other funders to join in.

Underneath these three building blocks, there are six strategic priorities that our young visionaries told us were central to their Future Communities Vision.

We will help to create –

Prosperous communities with access to opportunity

Safe communities

Diverse, equitable and inclusive communities

Healthy communities

Sustainable communities

Communities that prioritise youth activism, shared power and transparent governance

All our grantmaking, relationships, campaigning and influencing is designed to help bring the Future Communities Vision to fruition.

## Activities and achievements

### Flexible funding

*2023 was the third year of our membership of the 'Open & Trusting' grant making community, a group of pioneering funders committed to flexible grantmaking. Co-ordinated by the Institute for Voluntary Action Research (IVAR), our commitments demonstrate our determination to be the best funder we can be. This is helping us to shape lives in our co-operative image, and influence other funders, too.*

*"The Co-op Foundation is a funder with a co-operative difference. We care deeply about how our funding can empower people and we trust our partners to do what matters most. By building relationships, by being honest and open, by learning and by accepting appropriate risk, we will support our partners to make an even greater impact tackling inequality and strengthening communities."*

**Jamie Ward-Smith, Chair of the Co-op Foundation**

As a result, we made the following eight commitments:

Commitment	How we will deliver this	How we've brought this to life
1. We will not waste their time	For open funds, we will ensure that clear, plain English guidance is published and will be available for questions and clarifications. We will ensure our strategic priorities and Foundation Strategy are shared with organisations throughout our application process. We will use a two-stage application process, so that ineligible applicants do not waste time applying. We will only launch funding that links closely to our strategic priorities, using an eligibility checker whenever possible, for organisations to check eligibility prior to making a full application. When working with strategic partners on solicited applications, we will keep open communication with our	<p>We have run launch webinars for our Future Communities Fund and Carbon Innovation Fund, to share detailed information about eligibility and timelines. We used an eligibility checker for our Future Communities Fund, to reduce the number of application submissions - although volumes were still higher than we would have liked. We have built this learning into the design of our next round of Future Communities Fund.</p> <p>We have a 100% success rate in 2023 for decisions about strategic funding made by our Board of Trustees.</p>

	Trustees to ensure that proposals are only progressed when they are likely to succeed.	
2. We will only ask relevant questions	<p>We will always keep our questions to the minimum needed to make a decision. We will act on feedback from current and former partners to ensure that our application processes are straightforward and proportionate. Where appropriate, we will work in a participatory way, with a collective made up of young people from our Future Communities Collective and other subject matter experts. We will be flexible in our approach to applications enabling organisations to submit information in a way which is accessible to them or that allows them to submit information in their own format.</p>	<p>We continue to learn about participatory approaches to funding. We worked closely with our Future Communities Collective of young people, who made funding decisions on our Future Communities Fund, round 1, which supported 13 partners with £1.38m for up to 5 years of unrestricted funding. Our Young Gamechangers Fund works with a steering group made up of young people, who have co-designed the fund from its branding to application materials and funding decisions.</p> <p>Our application form for Future Communities Fund round 1 sought feedback from applicants about its use and we are using this insight to develop the second round of funding.</p>
3. We will accept our share of risk	<p>We will work with our Trustees to agree an approach to risk ensuring that we fund a range of organisations, including smaller grassroots groups which may inherently carry more risk. We accept that even when things don't go to plan, this represents a learning opportunity rather than 'failure'. In our investments we will continue to support our partners with interest-free loans to community organisations, accepting a meaningful share of risk alongside our partners.</p>	<p>We have an integrated and close working relationship with our Audit, Risk and Finance committee to ensure that risk is a constant dialogue between the team and Board of Trustees. When working with a collective of young people, our team takes responsibility for undertaking due diligence and explaining the risks associated with funding organisations and ensuring any risks align with Co-op Foundation's risk appetite.</p> <p>We continue to support partners through our loans portfolio and are currently reviewing a future loans offer to ensure this remains part of our offer.</p> <p>We are committed to learning from all of our partners, and have learning contracts in place to do this for our funds.</p>



<p>4. We will act with urgency</p>	<p>We will seek to work at a pace that works for applicants. We will publish our timelines when announcing a fund and stick to them wherever possible (recognising that sometimes things happen that affect our timelines). We build strong relationships with our funded partners, so that we can respond with urgency to any issues they may face. Our recent funding of Refugee Action in response to the Afghanistan crisis since 2021 is a good example of the responsive approach we want to foster. Following Covid we paused repayments from our Loans partners and we will continue to support partners during the cost-of-living crisis.</p>	<p>We were transparent with applicants to our Future Communities Fund about our anticipated timeline for delivery and how working with young people from our Future Communities Collective might change this. We sought feedback on our launch webinar and about the ease of the application process.</p> <p>We supported some eligible partners with modest cost of living increases during 2023.</p> <p>We continue to take a flexible approach to working with all partners - for loan partners this means the option to pause repayments where possible.</p>
<p>5. We will be transparent about our decisions</p>	<p>We worked in conjunction with 100 young people to help shape a Future Communities Vision that would guide our new strategy. We will involve people from the communities we work with in decisions about how to use our funds and we aim to complete our journey towards becoming a participatory grant maker by the end of our current strategic cycle. We are piloting this through our Future Communities Collective, made up of diverse young people, who will make decisions on our first strategic fund, the Future Communities Fund.</p> <p>We will publish our approach to funding and will be open about chances of success when we launch a fund. Funds will be as targeted as possible to reduce likelihood of high volumes. We will publish reasons for rejection and give more detailed feedback wherever possible. We share all of our funding data via 360 giving and will continue to do so.</p>	<p>Our approach to funding is published on our website, as part of our strategy, Building Communities of the Future Together.</p> <p>We continue to work closely with our Future Communities Collective of young people and are doubling the number of young people we're working with in 2024 and expanding the range of work young people will be involved with.</p> <p>We offered detailed feedback to unsuccessful applicants to stage two of the Future Communities Fund and to our Carbon Innovation Fund.</p> <p>We continue to share data via 360 giving.</p> <p>We have more work to do in publishing our success rates and reject reasons for recently launched funds.</p>

<p>6. We will enable them to respond flexibly to changing priorities and needs</p>	<p>We will work with partners, supporting them to respond flexibly as required in funded projects. We want to invest in organisations that can bring our Future Communities vision to life. We will seek to keep funding as flexible as possible and offer unrestricted long-term funding where we can. When co-operating with other funders and stakeholders, we will be clear about how we fund, and seek to influence others to also fund in flexible and responsive ways. We will set our expectations clearly at the beginning of partnership funds and not be afraid to move away if we feel our approaches cannot align.</p>	<p>We have funded organisations on an unrestricted basis for up to five years through our Future Communities Fund round one.</p> <p>We work flexibly with our partners to support them via a relational approach.</p> <p>We entered into two new funding partnerships in 2023 - with #iwill Fund and Co-op on our Young Gamechangers Fund - alongside delivery partners Global Fund for Children and Restless Development and with UnLtd and Phoenix Group on our Funding Futures Programme which will commence in 2024.</p>
<p>7. We will be clear about our relationship from the start</p>	<p>We will continue to be a relational funder and will invest time in building strong partnerships. We will trust our partners to know how best to deliver positive change in their area of expertise. We will make it clear to partners at the start of a funding relationship what they can expect of us, and what we will expect of them. During the lifespan of our Future Communities Strategy we develop ways to provide partners with additional support. We are committed to developing a funder plus model which provides partners access to an enhanced range of support.</p>	<p>We continue to work closely and supportively with partners across our funding portfolio. We are in the process of developing our Funder Plus offer to partners, in consultation with partners, stakeholders and our team. We expect this to be launched in 2024.</p>

<p>8. We will commit to light touch reporting</p>	<p>Our reporting will always be proportionate, and we will be clear with partners exactly what we hope to learn from each fund and what information we will need from them. We will always seek to make reporting light touch and accessible, reusing other reports or agreeing shared approaches with other funders. Where practical, we will involve our partners right from the start to co-design learning goals, set learning questions and develop reporting processes. We will ground our learning and evaluation in Diversity, Equity and Inclusion (DEI), making it more equity-focussed, culturally responsive and participatory.</p>	<p>Our approach to progress reporting and learning from our Future Communities Fund round 1, which supports organisations working with diverse young people and supporting them into positions of power and leadership, has been participatory from the start. Young people from our Future Communities Collective supported the appointment of a learning partner and the progress reporting and learning approach has been co-designed with all 13 partners. We are sharing learning from the fund externally - in 2024, we are launching a report on unrestricted funding that we commissioned via our learning partner, IVAR.</p> <p>We have involved partners and young people in developing a Theory of Change for our Young Gamechangers Fund, so it is participatory from the outset.</p>
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## Grantmaking activity

### Future Communities Fund

Our £1.5m Future Communities Fund is the first strategic fund we launched under our [‘Building communities of the future together’](#) strategy. We’re pioneering a distinctly co-operative way of funding, and that’s why this fund is:

**Participatory** – grant-giving will be led by our [Future Communities Collective](#). This is a group of diverse young people who have provided input into decisions on our funding and strategy.

**Unrestricted** – we’re funding organisations, not projects.

**Long-term** – we’re providing funding for up to five years.

**Trusting** – we’ll work with our partners to understand how our funding can increase their impact.

**Accessible** – we introduced a two-stage application process for this fund and pledged to be honest and open with applicants as we trial new ways of working. This aligns to our [IVAR commitments](#).

**Supportive** – we’re here to help community groups to be the best they can be in whatever way we can. That’s why we’re funding them flexibly and amplifying the amazing work that they do.

**Facilitating co-operating** – we'll help to facilitate connections between groups so our partners can achieve more, learn together and co-operate for a fairer world.

Our Future Communities Fund was launched in November 2022. It brought together two strategic priorities from our youth-designed [Future Communities Vision](#) – 'youth activism and shared power' and 'diversity, equity and inclusion'.

Our working definition of 'diverse' is people who have experience of being marginalised in society due to their race, gender identity, sexual orientation, disability, socioeconomic status or any other attribute that impacts their inclusion. We were able to support 13 organisations through the fund, and made the first round of payments to partners in the summer of 2023 and our partnerships with the funded organisations will continue up to 2027.

### **Young Gamechangers Fund**

2023 saw the development of perhaps the most exciting and innovative new fund under our new strategy, the Young Gamechangers Fund.

Designed to fund the next generation of activists, campaigners, disrupters, leaders, social entrepreneurs and co-operators, Gamechangers will be the largest fund launched in the UK to fund individual young people and youth-led groups.

The Foundation has committed £1.5m over three years, and in 2023 we secured commitments of a further £1.5m of funding from the Co-op and £1.38m from the #iwill Fund. Along with our team's costs, this will make it a £4.5m, three-year fund.

Recognising that we don't have the skills or capacity within the team to directly manage funding relationships with individual young people, we spent part of 2023 searching for and evaluating proposals from potential delivery partners.

After a comprehensive exercise, we appointed Global Fund for Children and Restless Development, working together in partnership, as the delivery partners for the new fund.

The initial stages of the development of the fund were informed by an in-house scoping study the Foundation team conducted that reviewed 20 funding programmes investing in individuals, offered by 16 UK funders. The findings indicated involving experts and people with lived experience at various stages of the fund design, embedding Diversity Equity and Inclusion principles in communications and data collection, simplifying the applications process and diversifying outreach strategies. Approaches to mitigate risks included offering training to the grant recipients, flexibility and trust and involving delivery partners depending on the funding team's existing experience and skills. Tailored support, in addition to the funding from the outset based on needs assessment, was also considered important. A light monitoring of progress and evaluation of both processes and impact for continuous improvement and sector influence was also recommended.

Taking into consideration the scoping study's finding the YGF is designed by and for young people. A diverse Youth Steering Group was established to meaningfully shift power and decision-making to those with the lived experience of the issues we seek to impact.

The Young Gamechangers opened to the first round of applications in late 2023 and the first funds will be awarded by our delivery partners in spring 2024.

## **Support for Refugees**

In 2023, we supported three organisations working to improve the lives of refugees and people seeking asylum in the UK.

### **Refugee Action**

2023 saw the third year of our funding partnership with Refugee Action. Since 2021, we have funded Refugee Action with £500,000. In line with our IVAR principles, the funding we awarded Refugee Action was unrestricted so that it could be used where it was needed most.

In 2023, we supported Refugee Action with their vision that every refugee can thrive as part of a welcoming, anti-racist society.

Our funding enabled Refugee Action to strengthen the refugee sector and communities by collaborating with and supporting organisations across the UK. The funding also provided direct support to some of the most vulnerable refugees in the UK through defending rights, access to suitable housing and financial support, and supporting well-being.

Beyond this, the funding also helped challenge the root causes of issues through advocacy and public mobilisation. It helped remove barriers to power for people with lived experience, by ensuring that people with lived experience of the asylum system have equal access to the power that exists in Refugee Action and the wider sector.

### **Compass Collective**

In 2023, we awarded a continuation grant of £30,440 to youth-led, lived-experience-led Compass Collective. This followed a grant of £20,717 that we awarded in 2022 that had been transformational in allowing the charity to expand their programmes and increase their provision.

The 2023 funding helped Compass Collective to assist unaccompanied minor refugees and young people seeking asylum to build resilience and integrate into the UK. Compass Collective worked with these young people at a critical, transitional moment in their lives when they most needed support. The majority of them were at their initial stage of immigration. We funded the development of an innovative youth board as well as dynamic English language classes.

### **The Children's Society**

In 2023, we awarded The Children's Society continuation funding of £40,000 towards their Helping Every Asylum Seeker and Refugee To Settle (HEARTS) programme. We have awarded The Children's Society £120,000 for the HEARTS programme since 2021.

In 2023, we funded the HEARTS programme to support young refugees and migrants in Birmingham. The funding supported both group work and individual one-to-one work for more complex cases.



## Carbon Innovation Fund

Co-op Foundation launched the second round of the Carbon Innovation Fund in January 2023. First launched in 2021, the Carbon Innovation Fund is a multi-year partnership between the Co-op and the Co-op Foundation. It's funded through Co-op donations raised from the sale of compostable carrier bags in the UK and topped up with the Co-op Foundation's own funds, to an estimated total of more than £3.5m.

The purpose of the Carbon Innovation Fund is to fund organisations who are making exciting, alternative and different developments to create a more sustainable food and farming sector that is kinder to the environment, supportive of local communities and more resilient in the face of the climate emergency.

Round two applicants could apply for up to £200,000 for their projects that will help to reduce UK farmers' reliance on synthetic fertiliser and soy-containing feed. Funding partnership work was of key importance to us and therefore we offered an elevated grant size to allow for these partnerships to thrive. With regards to the theme, we know that the spiralling price of fertiliser is becoming inaccessible for UK farmers, and paired with the associated environmental damage, we know that finding strength through a diversity of alternatives is essential. Additionally, reducing imports of soy-containing feed will reduce deforestation, protect biodiversity and livelihoods overseas. Finding alternatives in this space strengthens our food systems and security in the UK.

We were delighted with the level of interest in the fund, having received almost 60 applications in total. We managed the burden on potential partners by adopting a light-touch two-stage application process, in line with our IVAR commitments. In June 2023, we held a decision panel comprised of relevant specialists with differing views and expertise to mutually agree on who the Foundation will fund and why. We awarded over £1m to a total of 7 partners, located across the UK. We also awarded an additional £5,000 grant to our partners for support and capacity building costs for their organisation (i.e. not linked to their project-related work). This is to show our belief and support of the organisation as a whole, and partners have so far reported spending this on essential training courses and marketing materials.

We have committed to ensuring funded partners can learn and network with one another to gain knowledge, work together and advance their own projects. We held our first in-person gathering in November 2023 and feedback from partners was excellent. We hope to run another event in November 2024. We have commissioned a learning partner to ensure that projects are appropriately evaluated, and common learnings are pulled together in reports that can be shared with the sector.

In February 2024, we launched our third round of the Carbon Innovation Fund, which focused on funding sustainable ways to create a thriving food and farming sector, without the need to damage important peat soils across the UK. Peatland is often drained to grow crops and to allow livestock to graze. It is also often broken up to put the peat into compost as a growth aid. This is a major issue in terms of landscape degradation and biodiversity loss. Because of this, we want to focus our funding on ways to protect peatland while still providing the food we need to eat. This also compliments the Co-op's multi-million peatland restoration partnership with RSPB. Applications for the fund closed on 15th March and we hope to award grants from July 2024 onwards.

## **Gen (Z)ero: Creating a pathway to a greener, fairer future research**

Linked to the Carbon Innovation Fund, Co-op's climate justice campaign and the Co-op Foundation's strategic priority on sustainability, the Co-op Foundation and the Co-op commissioned research to explore young people's views about the impact of the journey to Net Zero on their lives and how they would like to be involved in the process. Over 1,000 diverse young people ages 16-24, participated in the research through online community discussions and a survey. Many young people lacked awareness of the concepts of Net Zero and just transition. Those who were better informed tended to be from more affluent socioeconomic backgrounds. Young people felt climate change was a pressing societal issue for which the government and businesses primarily bear responsibility for emissions reduction, but they also acknowledged personal accountability. They emphasized fairness in climate actions, wary of exacerbating inequalities and they called for their greater involvement in decision-making and public awareness of the Net Zero agenda.

Young people, MPs, Co-op's CEO Shirine Khoury-Haq and a lead researcher discussed the findings of the research [Gen \(Z\)ero: Creating a pathway to a greener, fairer future](#), during panel sessions at the Conservative and Labour conferences in October 2023, promoting a more inclusive and representative discourse on climate change in the UK.

## **Lonely Not Alone - Creating a lasting legacy**

2023 was our last year of Lonely Not Alone at the Co-op Foundation. We focused on celebrating young people and shared everything we learned over the last five years to help strengthen the sector as a whole. This was our way of thanking the amazing young people who helped create the campaign over the years and make sure that the youth sector that supports them is stronger than ever.

A small group of young co-designers from across the life span of the campaign came together to reflect on their involvement in Lonely Not Alone over the years and create content that would encourage people to spread the word one last time. We shared the social media content they created during Loneliness Awareness Week which helped drive over 12,500 visits to the website and helped us reach over 7.5 million people across our social media channels.

A few months later, we hosted a webinar to share everything we learned over the last five years and create a lasting legacy for the campaign. Over 70 people signed up for the webinar and their feedback was very positive. 100% of those who fed back after attending the webinar said they were either satisfied or very satisfied with the webinar as a whole. Adding to that, 75% of attendees said they agree or strongly agree that our learning webinar has inspired them to work with young people more closely through campaigning or other project work. To ensure this learning reached a wider audience, we also wrote two separate pieces for the [Tackling Loneliness Hub](#) and [Charity Comms](#).

The end of the year was spent encouraging people to leave a message of support or a story on the digital universe before we removed the function on the website that allowed them to do so. This final push helped us ensure we had well over 320 stories and over 80 messages of support before the site became a static resource. We also created a video that captured key moments throughout the history of the campaign to highlight its evolution and encourage people to keep the conversation going in our absence. This video remains on our social media channels as a lasting call to action.

We had always planned to fund the digital universe until the end of 2024 but thanks to support from Digital Wonderlab, we have been able to secure funding for the website until the end of 2026. This will

help ensure that the hundreds of stories and messages of support remind young people for years to come that they might be lonely, but they're not alone.

## **Systemic change**

For transformative change in the voluntary sector and wider society to be possible, ambitious, systemic change is required. In 2023, our Systemic Change funding supported organisations that are playing a crucial role in strengthening civil society, championing open and trusting grantmaking and diversifying charity boards.

We awarded a grant of £52,000 for 2023-2025 to [Getting on Board](#) to expand their open, free learning programme for trustees, and to promote trustee campaigns to engage under-represented communities, including young people, in trusteeship. In line with our strategic priority of creating diverse, equitable and inclusive communities, we also awarded a further grant of £25,000 for Action for Trustee Racial Diversity's work.

This grant was awarded to improve awareness in the charity sector of the benefits of Board diversity and the barriers and challenges to achieving this; increase capacity of charities to recruit and retain Black and Asian trustees; to encourage aspiring and first time Black and Asian trustees to become and remain as trustees and Chairs and to increase the sustainability of ATRD's activities.

We also strengthened our existing funding partnerships with Young Trustees Movement and IVAR.

## **#iwill Fund**

The #iwill Fund is made possible thanks to £66 million joint investment from The National Lottery Community Fund and the Department for Culture, Media and Sport (DCMS) to support young people to access high quality social action. The #iwill Fund brings together a group of organisations who all contribute funding to embed meaningful social action into the lives of young people. Social action involves activities such as campaigning, fundraising and volunteering, all of which enable young people to make a positive difference in their communities as well as develop their own skills and knowledge. The #iwill Fund supports the aims of the #iwill movement - to make involvement in social action a part of life for young people, by recognising the benefit for both young people and their communities.

The Co-op Foundation's original 2017-20 partnership (Version 1) focused on social action, tackling youth loneliness through a £2 million grants fund. This was subsequently extended, through a £3 million grants fund (Version 2), agreed in 2019, which aimed to move the focus towards social action drawing on young people's lived experience, through peer support and youth-led advocacy.

The projects funded via Version 2 of the programme are grouped into three thematic strands:

School Transitions, aimed at supporting young peoples' wellbeing in the transition from primary school to secondary school

Community Spaces, aimed at helping young people to improve the design and use of community spaces

Bereavement Support, aimed at providing young people safe spaces and support to share their experience of bereavement

In a report created by IFF Research, initial findings from learning from Version 2 projects can be found here: [Co-op-Foundation-iwill-Year-2-evaluation-report.pdf \(coopfoundation.org.uk\)](https://coopfoundation.org.uk/wp-content/uploads/2023/07/Co-op-Foundation-iwill-Year-2-evaluation-report.pdf)

In 2022/23, our grant-making focused on using a programme underspend of £1.3m to extend our #iwill Fund offer to existing (Version 2) and former (Version 1) #iwill Fund partners. We also offered an additional year of funding to five devolved nations partners who had previously been funded through our Co-op Foundation Bereavement Fund. In total, we made 37 awards to the value of £1.2 million.

IFF Research have been re-commissioned to complete the evaluation for the extended Version 2 projects and the final evaluation report will be published in Summer 2024. Partners originally funded through Version 1 of the programme participated in an action learning set and Action Learning Associates were commissioned to deliver this work. This work was completed in October 2023 and it is anticipated that we will share our learning from this evaluation approach in the form of a blog, launched to coincide with the Power of Youth Day 2024.

### **Federation programme - increasing equality through tech**

Digital technology can help make the world fairer but can also threaten privacy and contribute to inequity.

2023 saw the successful completion of the multi-year, multi-stakeholder, Greater-Manchester-based Federation programme, which addressed these inequities.

Through a \$940,000 grant from Luminate in 2018, the Federation programme initially explored the impact of technology on society. In 2021, Luminate awarded a further grant of \$675,000, grounded in previous learning, to challenge the ways in which technology and data can reinforce existing inequalities. It also encouraged co-operation to build trust and deliver digitally enabled products and services that are inclusive, respect people's rights and safeguard their privacy. It was developed in consultation with over 30 key stakeholders, including ethical enterprises from the Federation community, social enterprise experts and local government officials.

The programme achieved outstanding results in three key areas:

Capacity building: supporting social enterprises, organisations and communities to grow the impact of their work through developing and strengthening skills, processes or resources, enabling them to grow or become more sustainable.

Community building – strengthening communities to drive meaningful change in the digital technology space.

Collective action – collaborating with Greater Manchester leaders and the digital technology community to understand how technology can be designed or used in a more ethical way to tackle inequality, put society first, tackle the erosion of rights and trust, and increase the impact of the Responsible Tech Collective that formed in the initial phase of the Federation programme.

## Impact & learning

### Organisational Theory of Change and Evaluation Framework

In July 2023, we published our organisational [Theory of Change](#), which we developed with the support of NCVO and by involving the Co-op Foundation team, trustees, Co-op colleagues, funded partners, and young people. The Theory of Change helped us articulate what we want to achieve in the next five years of implementing our strategy, and we are currently using it as a basis for designing the aim and outcomes of our future funding programmes.

In order to track progress while we implement our strategy in 2023, we continued to work with NCVO to design our evaluation framework. Following a process prioritising ten outcomes from our ToC that we want to focus on measuring change and setting indicators of success, we then designed four tools: an annual survey and focus group interview guide for our funded partners and an annual survey and focus group interview guide for young people.

The design of the tools has been based on other standardised relevant research and evaluation methods used by other funders and youth sector organisations in the UK and the US. In April 2024, we will be testing the tools with a small number of organisations and young people, and we will be refining and finalising these in May 2024. It is envisaged that the data collection will take place annually, between October and December, to capture the impact across the Foundation funding programmes and activities in the last 12 months. The Foundation team will be trained to use the tools, and the first data collection will occur in October-December 2024. An annual Learning and Impact report will be produced in January 2024.

The design and implementation of our evaluation framework align with our IVAR commitments to open and trusting grant-making, including the commitments to “not waste time,” “ask relevant questions,” “be open,” and “be proportionate.”

Implementing the evaluation framework at the Co-op Foundation and the ownership of the Foundation team of the whole process has many benefits, including:

Understanding better the impact of our work as an organisation

Gaining organisational learning and continuous improvement in our grant-giving processes

Increasing our accountability and transparency as we communicate our impact to internal and external stakeholders.

### Data Analytics

In June 2023, we appointed Samuel Kwatiah as our Data analyst, responsible for building a Data analytics function for the Foundation that will include collecting and reporting on the [DEI Data Standard](#), collating and reporting our funding data to 360 Giving, and creating reporting and dashboards that summarise data within and across our funding portfolios.



As part of building our data analytics function, we have been conducting interviews with data analysts from other funders and have identified examples of best practices and challenges which can be summarised as follow:

An important aspect of a data analyst's role is helping decision-makers in a funder understand how data can help them make better decisions.

Data analysts need to have good communication skills and to produce outputs, e.g. reports, infographics, and dashboards that are engaging for the internal and external stakeholders.

It takes time to get buy-in from the funding team on the value of data in grantmaking. That can involve training, setting up a working group and creating reports, e.g. Data Digests that present relevant insights in an accessible way on the focus areas of different funding programmes.

Many funders conduct surveys to get feedback from their funded partners on their funding relationship, their experience of receiving the grant, and any associated support. The survey findings are used to compare with other funders and improve the funding practices.

One of the key activities of the data analyst at the Co-op Foundation to date has been implementing the DEI Data Standard. This involved joining the funders' DEI Data Standard group and reviewing and refining the Foundation DEI Data Standard collection method based on other funders' feedback and reflections from the Foundation team. The revised tool will be tested by funded partners and implemented across our live and future programmes at the application stage in 2024.

### **Learning from Participatory Grantmaking**

The Co-op Foundation contracted with HUDL Youth Development agency to form the Future Communities Collective (FCC), comprising ten diverse young people across the UK. The objective was to share power with young people to allocate unrestricted funding through the Future Communities Fund. Whilst this was not the first time the Foundation had engaged a group of young people on an advisory basis, it was our first time of delivering a participatory approach to grant-making.

HUDL and the Foundation created a structured framework, providing training, facilitation and further support to prepare the young people for collaborative decision-making. Evaluation data revealed young people gained new knowledge and skills in grantmaking and built confidence in debating and speaking confidently in front of others. They found the experience enjoyable and an opportunity for personal and professional development. They highlighted the value of in-person meetings, appreciated the inclusion of youth voices in decision-making, and valued the relationships formed within the collective.

The Collective also expressed their desire to continue working together and participate in future opportunities, indicating that they found their experience positive and fulfilling. We also learned how to improve our process and support. Members of the collective suggested receiving documentation in a timely manner to participate in discussions fully. Young people wanted more information related to the terminology used within the funding sector, requested to receive the due diligence data to make better-informed decisions, more clarity regarding the spending requirements of the fund, and to incorporate more in-person meetings, especially at the beginning of the process to foster closer collaboration. They also suggested streamlining the application ranking process, optimising the application questions and assessment criteria and ensuring more effective communication during conversations.

This feedback proved invaluable for refining our approach to engaging young people in participatory grantmaking, notably for the Young Gamechangers Fund.

## **Other challenges and lessons learned**

### **Future Communities Fund**

We launched the first round of our Future Communities Fund at the end of 2021. It was designed to provide long term funding to organisations working to provide leadership opportunities to young people from highly diverse communities. We adopted a light-touch two-stage application process, with the first stage essentially requiring a short expression of interest.

In retrospect, we did not set out the fund criteria explicitly enough, and as a consequence, many organisations that were at best marginally eligible for funding made a stage one application. Hundreds of organisations expressed an interest.

This led to the huge capacity challenge of reviewing all of these expressions of interest and determining which organisations to invite to make full applications in round two.

We significantly underestimated the appetite for unrestricted, multi-year funding, and managing the situation we found ourselves in was a significant challenge for the whole Foundation team.

We have taken on board these learnings in the development of Future Communities Fund round two and are being much more deliberate in carefully researching the focus area of the fund and establishing its criteria.

## **Financial review**

The Foundation's total income in 2023 was £5,368,177. This was an increase on 2022 of £1,901,858. The main reason for this is increased income from match funding partnerships.

Expenditure increased to £8,824,481 (2022: £5,301,821). The main driver of this was in-year recognition of multi-year funding agreements

Net expenditure for the year, before investment gains, was £3,143,280 (2022: £1,531,478 net expenditure). The Foundation also made investment gains of £2,537,213 (2022: investment losses of £4,065,254).

The Foundation also holds a small social investment portfolio. £833,375 of assets were held in mission-related investments at year-end (2022: £1,091,420).

### **Reserves**

The Foundation's target reserves level are set as a ratio of annual support costs.

The reserves policy sets out:

A central reserves target equivalent to six months' support costs (c.£270k based on a budgeted support cost of £540k)

A range of tolerance up to three months either side of this central target (i.e. at any given time, reserves would be maintained at a level between 3 and 9 months' support costs) to allow for expected fluctuations in the phasing of income and expenditure.

Reserves at 2023 year-end were within this range, at £406,863 (2022: £1,622,467)

Endowments, restricted fund balances and designated funds are excluded from the definition of reserves. The total value of all assets held by the Foundation at year-end was £22,424,518 (2022: £23,030,585). This provides a strong financial position from which to deliver our existing plans for 2024 and beyond, as we continue to implement the Foundation's strategy.

The Trustees believe that the Foundation is well placed to manage its business risks successfully. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Foundation financial statements.

## Risks

The Foundation maintains an Audit, Risk and Finance sub-committee of the Board. This Committee reviews the Foundation's risk framework and recommends various improvements, which were approved by the Board. An updated framework was then adopted in November 2023.

The main risks identified by the Foundation and mitigating actions taken in 2023 are summarised below.

Main risks	Controls
The impact of Covid-19 on partners and the wider community leads to fewer outcomes delivered by The Co-op Foundation's funding	Agreed approach with Board of Trustees and funding partners to support partners through Covid-19 with greater flexibility
Co-op does not deliver on its stated commitment to donate agreed funding to the Foundation	Ongoing dialogue with senior Co-op figures in respect of Co-op funding
Loss of key personnel from Foundation team	Continued focus on improved culture and wellbeing. Board Wellbeing champions engaging with team

Foundation funds used for activities outside of charitable objects	Policy on grants to non-charities approved following review of legal advice
Foundation fails to meet data protection requirements under GDPR	Drafted risk and remediation plan in consultation with Group Risk
Failure to access significant new income streams in line with strategic ambitions	High-level engagement with senior Group stakeholders, support from Group fundraisers to develop opportunities
Security breach on website	Site is hosted through our developer Wilson Cooke. They follow ISO27001 procedures, approved by Co-op

### Post-balance sheet events

There were no post-balance sheet events.

### Investments

The Trustees have set the following objectives for the Foundation's long, medium and short-term investments.

Fund	Objectives	Benchmarks
Main endowment	To maximise total return over the long-term (5 to 10-year horizon) and generate a steady income stream, while investing in accordance with the UN Principles for Responsible Investment	Consumer Price Index +3% per annum (of which 2% realised as income)
Environmental endowment	To maintain the real value of capital over the long term and generate a steady income stream, while investing in accordance with the UN Principles for Responsible Investment, and where practical giving additional weight to investments with a positive environmental impact.	CPI + 2% per annum

Income funds for medium-term investment	To maintain the real value of funds over the medium term, while investing in accordance with the UN Principles for Responsible Investment.	CPI + 1% per annum
Income funds for short-term needs and contingencies	To maintain the nominal value of the funds and ensure sufficient liquidity to meet all spending requirements, while investing in accordance with the UN Principles for Responsible Investment.	CPI

The Foundation's investment portfolio is held by Royal London and is allocated as follows:

Sustainable World Trust  
Sustainable World Trust  
Sustainable Managed Growth  
Sustainable Managed Income

Despite the significant market uncertainties, our investments performed well in 2023, showing gains of slightly more than £2.5m over the year. This represented an increase of 13.1%, favourable to the benchmark.

## Fundraising

The Foundation does not undertake widespread fundraising from the general public and does not use professional fundraisers or commercial participators. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Foundation's Board.

The income of the Foundation is not bound by any regulatory scheme, and the Foundation does not consider it necessary to comply with any voluntary code of practice relating to fundraising. We have received no complaints in relation to any fundraising activities. As we do not approach individuals for the purpose of raising funds, we do not have specific requirements related to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

## Plans for future periods

The impact of the multiple crises facing society has shown that the need for co-operation is greater than ever before. The Foundation principle focus will be on the implementation its new five year strategy.

In addition, specific plans for 2024 include:

Growing our partnership with Co-op Live, a new arena in Manchester which will fund the Foundation with £1m per year



Working to more effectively centre the voices of young people and those with lived experience within all of our decision making

Scoping and building the second round of our Future Communities Fund

Delivering the Young Gamechangers Fund

Delivering the third round of the Carbon Innovation Fund, funded by a proportion of the sale of compostable carrier bags in Co-op Food stores, and exploring the possibility of further partnerships with Co-op Food

Implementing the DEI Data Standard

Embedding our organisational Theory of Change into our work

The Co-op Foundation is proud to be a contributor to the Co-op's wider commitment to racial equality and inclusion. The issues of racial justice are systemic, deeply entrenched, and knotty. The Co-op Foundation believes that being 'not racist' is not enough; we strive to be anti-racist. This means that means that we'll work to eliminate individual, institutional, and systemic racial inequalities that currently exist.

In recent years, we have made meaningful improvements to the diversity of both our team and our Trustee Board's. The remains, however, more work to do: currently, our leadership team is all white.

## Structure, governance and management

The Foundation is governed by its Memorandum and Articles of Association ('Articles').

Trustees are appointed by Co-operative Group Limited ('Co-op'). The Co-op is currently the Foundation's sole Member. With the Co-op Board's approval, Trustees may co-opt a new Trustee to fill a vacancy at any time. Co-opted Trustees may then be elected at the next AGM.

Currently, two Trustees are senior Co-op colleagues. Two are elected members of the Co-op National Members' Council. Six are recruited through open advertisement.

New Trustees are inducted by the Foundation CEO and the Secretary. This covers their legal and regulatory duties and the Foundation's governance, finances and strategy. The Board maintains a skills matrix based on each Trustee's self-assessment of their experience and expertise. This is updated every year and informs priorities for succession planning and further training and development.

Trustees are not paid and do not receive any benefits. They are reimbursed for expenses incurred on Foundation business.

Trustees are responsible for decisions on policy, strategy and allocation of resources. This includes approving the annual operating budget and major grant awards. Day-to-day running of the Foundation is delegated to the Foundation CEO. The Foundation CEO and Foundation team work within the policy, strategic and financial frameworks set by Trustees.

The Foundation team is employed by the Co-op, but reports to the Board of Trustees. The Foundation CEO's pay is set by the Trustees, who consult with the Co-op to establish suitable salary benchmarks. The Co-op provides various support services to the Foundation. The Foundation reimburses the Co-op for salary costs of the Foundation team, whose time is spent only on Foundation work. The Co-op does not charge the Foundation for the cost of Co-op colleagues who support the Foundation as part of wider roles in the Co-op. This includes the Foundation Secretary. Nor does the Co-op charge for office space and other facilities that it provides for the Foundation's use. The Trustees have considered the recognition of a gift in kind but feel the amount is immaterial.

### **Compliance with the Charity Governance Code**

The Board agrees that the principles in the Charity Governance Code ('the Code') represent best practice. It aims to apply these where appropriate and practical. The following is a summary of the Foundation's compliance with the Code.

### **Organisational Purpose**

The Board reviews the Foundation's purpose as part of their annual strategy day. The Board has adopted a Values Framework which is used to ensure that all decision making and planning aligns to the Foundation's mission and values.

### **Leadership**

When considering new appointments during the year, the Board paid particular attention to how it could improve its diversity and reinforce key areas of expertise.

### **Integrity**

The Board has adopted a Code of Conduct. This outlines the standards and behaviours expected from the Board. The Foundation also has a Conflicts of Interest Policy.

The Trustees acknowledge their accountability to a range of stakeholders. They ensure that appropriate stakeholder engagement is factored into all the Foundation's activities.

### **Decision Making, Risk and Control**

The Board has 'matters reserved' and a financial delegated authorities framework. These act as effective delegation and control. 2023 was the fourth year of the Audit, Risk and Finance Committee, which is responsible for overseeing the risk management framework and assessing the effectiveness of internal controls. The Committee Chair provides an update to the Board on items discussed at each meeting.

### **Board Effectiveness**

The Board holds at least four meetings each year. The Secretary maintains a forward planner, which is presented at each Board meeting. This ensures that Trustees have enough time to explore key issues and reach well-considered decisions.

## **Equality, Diversity and Inclusion**

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

## **Openness and Accountability**

The Board of Trustees identifies key stakeholders at its annual strategy day. It ensures that regular and effective communication with these stakeholders forms part of its plans.

## **Statement of responsibilities of the trustees**

The trustees (who are also directors of Co-operative Community Investment Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

Select suitable accounting policies and then apply them consistently

Observe the methods and principles in the Charities SORP

Make judgements and estimates that are reasonable and prudent

State whether applicable UK Accounting Standards and statements of recommended practice have been followed, 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 in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

There is no relevant audit information of which the charitable company's auditor is unaware

The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees' annual report has been approved by the trustees on 30 July 2024 and signed on their behalf by

Jamie Ward-Smith  
Chair of Trustees

## Independent auditor's report to the trustees of Co-operative Community Investment Foundation (a company limited by guarantee)

### Opinion

We have audited the financial statements of Co-operative Community Investment Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

### 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 charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Co-operative



Community Investment Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other Information**

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or

- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit, risk and finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date 14 August 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

## Statement of Financial Activities (incorporating the income and expenditure account)

for the year ended 31 December 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £	2022 Total Funds £
<b><u>Income and endowment from:</u></b>						
Donations and grants	3	2,833,845	2,534,332	-	5,368,177	3,616,792
Investments	3	23,258	289,766	-	313,024	162,551
<b>Total income</b>		<b>2,857,103</b>	<b>2,824,098</b>	<b>-</b>	<b>5,681,201</b>	<b>3,779,343</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	4	(4,016,350)	(4,808,131)	-	(8,824,481)	(5,310,821)
<b>Total expenditure</b>		<b>(4,016,350)</b>	<b>(4,808,131)</b>	<b>-</b>	<b>(8,824,481)</b>	<b>(5,310,821)</b>
<b>Net (expenditure) (before net gains/(losses) on investments)</b>		<b>(1,159,247)</b>	<b>(1,984,033)</b>	<b>-</b>	<b>(3,143,280)</b>	<b>(1,531,478)</b>
Net gain/(loss) on investments	8	22,181	115,818	2,399,214	2,537,213	(4,065,254)
Transfers between funds		(78,540)	78,540	-	-	-
<b>Net movement in funds</b>		<b>(1,215,606)</b>	<b>(1,789,675)</b>	<b>2,399,214</b>	<b>(606,067)</b>	<b>(5,596,732)</b>
<b><u>Reconciliation of funds:</u></b>						
Total funds brought forward	11	2,676,465	2,290,318	18,063,802	23,030,585	28,627,317
<b>Total funds carried forward</b>		<b>1,460,859</b>	<b>500,643</b>	<b>20,463,016</b>	<b>22,424,518</b>	<b>23,030,585</b>

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

Movement in funds are disclosed in Note 11.

The notes to the accounts form an integral part of the financial statements.

## Balance Sheet

as at 31 December 2023

	Notes	2023 £	2022 £
<b><u>Fixed assets:</u></b>			
Investments	8	<u>21,831,179</u>	<u>19,293,966</u>
<b>Total Fixed assets</b>		<u>21,831,179</u>	<u>19,293,966</u>
Debtors: amounts receivable after more than one year	9	938,331	754,182
<b><u>Current assets:</u></b>			
Debtors: amounts receivable within one year	9	980,952	954,961
Cash at bank and in hand		<u>3,693,661</u>	<u>3,352,157</u>
<b>Total Current assets</b>		<u>4,674,613</u>	<u>4,307,118</u>
<b><u>Current Liabilities:</u></b>			
Creditors: amounts falling due within one year	10	(2,507,318)	(1,180,300)
<b>Net current assets</b>		<u>2,167,295</u>	<u>3,126,818</u>
<b>Total assets less current liabilities</b>		<b>24,936,805</b>	<b>23,174,966</b>
Creditors: amounts falling due in more than one year	10	(2,512,287)	(144,381)
<b>Total net assets</b>		<u><b>22,424,518</b></u>	<u><b>23,030,585</b></u>
<b><u>The funds of the charity:</u></b>			
<b><u>Endowment</u></b>			
Environmental	11	4,503,430	4,048,610
Main endowment	11	15,959,586	14,015,192
<b>Restricted income funds</b>	11	500,643	2,290,318
<b><u>Unrestricted funds</u></b>			
General fund	11	406,861	1,622,467
Designated	11	<u>1,053,998</u>	<u>1,053,998</u>
<b>Total charity funds</b>		<u><b>22,424,518</b></u>	<u><b>23,030,585</b></u>

The notes to the accounts form an integral part of the financial statements.

These financial statements were approved by the Trustees on 30 July 2024 and were signed on their behalf by:

Jamie Ward-Smith  
Chair of Trustees  
Company registered number: 4117665

## Statement of cashflows

for the year ended 31 December 2023

Reconciliation of net movement in funds to net cash flow provided by / (utilised in) operating activities:

	2023 £	2022 £
Net movement in funds	(606,067)	(5,596,732)
(Gains)/Losses on investments	(2,537,213)	4,065,254
Deduct investment income shown in investing activities	(313,024)	(162,551)
(Increase)/Decrease in accrued income	(921,912)	285,997
Decrease in trade and other receivables	711,772	158,832
Increase in creditors	3,694,924	536,316
<b>Net cash from operating activities</b>	<b>28,480</b>	<b>(712,884)</b>
 <b>Cashflows from investing activities:</b>		
Investment income	313,024	162,551
<b>Cash provided by investing activities</b>	<b>313,024</b>	<b>162,551</b>
 Increase/(decrease) in cash and cash equivalents in the year	<b>341,504</b>	<b>(550,333)</b>
 Cash and cash equivalents at the beginning of the year	<b>3,352,157</b>	<b>3,902,490</b>
 Total cash and cash equivalents at the end of the year	<b>3,693,661</b>	<b>3,352,157</b>



## Notes (forming part of the financial statements)

### 1. Accounting policies

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

#### Basis of preparation

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

These accounts have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)' and the Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP and the special nature of the Charity's activities. The Charity is a public benefit entity.

#### Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2023, the Trustees are required to consider whether the Foundation has sufficient resources to continue in operational existence for the foreseeable future. The Foundation generated net income in the year ended 31 December 2023 of £2,537,213 (2022: net expenditure of £4,065,254) and at the balance sheet date holds net assets of £22,424,518 (2022: £23,030,585).

The Trustees have concluded that it is appropriate to adopt the going concern basis, following an assessment of the financial forecasts and financial assets available to the Foundation. Management has funds to satisfy the future liabilities that they are aware of now and assets remain in place and available to meet future liabilities until at least the end of July 2025.

Therefore, after conducting the financial projections exercise set out above and making all appropriate inquiries, the Trustees have a reasonable expectation that the Foundation has access to adequate resources to enable it to continue in operational existence for the foreseeable future.

#### Income

All income is recognised once the Charity has entitlement to it, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability. Committed grant income not yet received is recognised as an asset on the balance sheet. If grant income is receivable in less than one year it is classified as short term and if receivable in more than one year as long term.

#### Grant expenditure

Grants made by the charity are recognised when there is a constructive obligation to pay. Grant expenditure is recognised when grants are approved by the Trustees, notified and accepted by the organisations concerned, payment is probable, it can be measured reliably, and all conditions have been met. Grant expenditure not yet paid is recognised as a liability on the balance sheet. If grants are payable in less than one year they are classified as short term and if payable in more than one year, then they are classified as long term.

#### Other expenditure

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation committing the Charity to the expenditure, payment is probable, and it can be measured reliably. Costs have been directly attributed to a particular heading in the Statement of Financial Activities on a headcount basis or on a time basis consistent with the use of the resource.

This includes the cost of monitoring and evaluating projects to ensure the money is being used to maximum effect and ensuring that grant making is supported, processed and governed responsibly. This also includes costs of staff who support the grant making process, cost of meetings and other expenditures incurred in this process.

#### Taxation

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

#### Nature of funds

Unrestricted income relates to funds available for use at the discretion of the Trustees in furtherance of the general objects of the charity. The charity has a number of restricted income and endowment funds received for specific purposes, which are documented and used accordingly. A restricted income and endowment fund arises from monies received that are communicated to the Charity for specific uses outlined in grant agreements and grant letters.

## Notes (continued)

### Financial assets

Basic financial assets represents investments, accrued income, trade debtors including amounts due by related parties, sundry debtors and cash and bank balances that are initially recognised at transaction price. Investments are subsequently measured at fair value with all adjustments going through the Statement of Financial Activities. At 31 December 2023, the Foundation had only financial assets classified as basic financial instruments. Debtors receivable in less than one year are recorded at transaction price. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

### Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The Foundation does not acquire put options, derivatives or other complex financial instruments.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### Financial liabilities

Basic financial liabilities represents creditors, including amounts owed to related parties and accruals, are initially recognised at transaction price. At 31 December 2023, the Foundation had financial liabilities classified as basic financial liabilities. Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### Accrued income

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

### Apportionment of expenses

Support costs have been allocated across the programmes of the charity. In 2023 there were 8 programmes (2022: 7 programmes). Expenses which directly relate to a particular programme have been charged to the relevant programme on a 100% basis, while costs relating to the overall management and governance of the charity (e.g. payroll costs) have been apportioned based on estimated time allocation.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

### Loans and other repayable finance for charitable purposes

Loans to charities are recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments, adjusted for any impairment and net of any bad debt provision. Loans to charities are non-interest bearing and no bad debt provision has been made in 2023.

### Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

When assessed as material; then on receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### Estimates and judgements

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

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

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

## Notes (continued)

### 2. Detailed comparatives for the statement of financial activities

for the year ended 31 December 2022

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
<b>Income and endowment from:</b>				
Donations, grants and legacies	2,620,296	996,496	-	3,616,792
Investments	3,035	159,516	-	162,551
<b>Total income</b>	<b>2,623,331</b>	<b>1,156,012</b>	<b>-</b>	<b>3,779,343</b>
<b>Expenditure on:</b>				
Charitable activities	(2,164,303)	(3,146,518)	-	(5,310,821)
<b>Total expenditure</b>	<b>(2,164,303)</b>	<b>(3,146,518)</b>	<b>-</b>	<b>(5,310,821)</b>
<b>Net income / (expenditure) before net gains / (losses) on investments)</b>	<b>459,028</b>	<b>(1,990,506)</b>	<b>-</b>	<b>(1,531,478)</b>
Net (losses)/gain on investments	(47,874)	(211,353)	(3,806,027)	(4,065,254)
Transfer between funds	513,069	(513,069)	-	-
<b>Net movement in funds</b>	<b>924,223</b>	<b>(2,714,928)</b>	<b>(3,806,027)</b>	<b>(5,596,732)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	1,752,242	5,005,246	21,869,829	28,627,317
<b>Total funds carried forward</b>	<b>2,676,465</b>	<b>2,290,318</b>	<b>18,063,802</b>	<b>23,030,585</b>

### 3. Income

The Foundation has recognised the following income in 2023 and 2022:

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
<b>Donations and grants</b>						
Carbon Innovation Fund	-	654,332	<b>654,332</b>	-	752,953	752,953
Salvation Army	600,199	-	<b>600,199</b>	408,518	-	408,518
National Lottery Community Fund #iwill grant	-	1,380,000	<b>1,380,000</b>	-	215,000	215,000
Luminate grant	-	-	-	-	28,543	28,543
Local Community Fund	1,955,708	500,000	<b>2,455,708</b>	1,915,568	-	1,915,568
Other donations	277,938	-	<b>277,938</b>	296,210	-	296,210
<b>Total voluntary income</b>	<b>2,833,845</b>	<b>2,534,332</b>	<b>5,368,177</b>	<b>2,620,296</b>	<b>996,496</b>	<b>3,616,792</b>
<b>Investment Income</b>	<b>23,258</b>	<b>289,766</b>	<b>313,024</b>	<b>3,035</b>	<b>159,516</b>	<b>162,551</b>
<b>Total</b>	<b>2,857,103</b>	<b>2,824,098</b>	<b>5,681,201</b>	<b>2,623,331</b>	<b>1,156,012</b>	<b>3,779,343</b>

## Notes (continued)

### 4. Expenditure

	Charitable Activities £	Governance Cost £	Support Cost £	Total Cost £
<b>2023</b>				
Youth programmes	(4,547,086)	(9,555)	(649,360)	<b>(5,206,001)</b>
Carbon Innovation fund	(1,236,656)	(2,600)	(176,708)	<b>(1,415,964)</b>
Federation Phase 2 (Digital capacity building)	(29,120)	(62)	(4,184)	<b>(33,365)</b>
Systemic Change (New Strategic Initiatives)	(402,155)	(846)	(57,471)	<b>(460,472)</b>
Future Communities	(1,385,226)	(2,913)	(197,957)	<b>(1,586,096)</b>
New campaigning activity	(105,016)	(220)	(14,973)	<b>(120,210)</b>
Fundraising Costs	(2,038)	(5)	(330)	<b>(2,373)</b>
<b>Total</b>	<b>(7,707,297)</b>	<b>(16,200)</b>	<b>(1,100,984)</b>	<b>(8,824,481)</b>
Support cost	(1,100,984)	-	1,100,984	-
Governance cost	(16,200)	16,200	-	-
<b>Total</b>	<b>(8,824,481)</b>	-	-	<b>(8,824,481)</b>

All grants expenditure (in both the current and prior years) were to institutions rather than individuals. Grants paid and included in the table below > £100,000 in 2023 related to: 21 Together (£150,000), Farm Carbon Zero NI CIC (£102,800), For the love of the sea Ltd (£192,885), Kent Wildlife Trust (£104,998), North Wests Migrants Forum (£150,000), Nurturing Foundations (£150,000), Pontus Research Ltd (£200,000), Reestablish (£140,000), RJ Working CIO (£107,000), Roar Pursuits CIC (£150,000), Scottish Association for Marine Sciences (£203,765), The Gina Project CIC (£132,842), Vandenbergh UK Ltd (£186,383), WWF-UK (£105,000), Young Scot (£104,715), Global Fund for Children UK Trust (£4,380,001). The prior year items >£100,000 related to Refugee Action (£250,000), Co-operative College (£143,160).

Number of grants awarded:	2023	2022
<£10,000	57	14
£10,001 - £25,000	0	2
£25,001 to £50,000	3	17
£50,001 to £100,000	7	7
>£100,000	16	1
<b>Total</b>	<b>83</b>	<b>41</b>

	Charitable Activities £	Governance Cost £	Support Cost £	Total Cost £
<b>2022</b>				
Youth programmes	(1,819,046)	(6,435)	(453,377)	(2,278,858)
Equal voices	(280,718)	(990)	(69,750)	(351,458)
Carbon Innovation fund	(1,405,295)	(4,980)	(350,866)	(1,761,141)
Federation Phase 2 (Digital capacity building)	(303,480)	(1,065)	(75,035)	(379,580)
Evaluation Contracts	(32,314)	(120)	(8,455)	(40,889)
Systemic Change (New Strategic Initiatives)	(398,144)	(1,410)	(99,341)	(498,895)
<b>Total</b>	<b>(4,238,997)</b>	<b>(15,000)</b>	<b>(1,056,824)</b>	<b>(5,310,821)</b>
Support cost	(1,056,824)	-	1,056,824	-
Governance cost	(15,000)	15,000	-	-
<b>Total</b>	<b>(5,310,821)</b>	-	-	<b>(5,310,821)</b>

## 4. Expenditure (*continued*)

Support costs, governance costs and costs of raising funds have been allocated across the programmes using the percentages in the table below. The split in costs is based on estimated colleague time spent on each programme. Support costs primarily relate to people related costs incurred by Co-op Group employees who worked for the Foundation during the year and occasionally third party advice sought by the charity. The Trustees do not receive any remuneration or benefit from the charity for their service.

Allocation of Costs	2023	2022
Equal Voices	0.0%	6.6%
Systemic Change (New Strategic Initiatives)	5.2%	9.4%
Youth	59.0%	42.9%
Evaluation Contracts	0.0%	0.8%
Carbon Innovation Fund	16.1%	33.2%
Future Communities Fund	18.0%	0.0%
New Campaigning Activity	1.4%	0.0%
Federation Phase 2 (Digital capacity building)	0.4%	7.1%
Fundraising Costs	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Notes (continued)

### 5. Net income / (expenditure) for the year

Net income / (expenditure) for the year is stated after charging auditor remuneration of £13,500 excluding VAT (2022: £12,250).

### 6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	746,899	594,771
Redundancy	-	9,758
Social security costs	80,091	67,365
Employer's contribution to defined contribution pension schemes	98,243	78,349
<b>Total</b>	<b>925,233</b>	<b>750,243</b>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023	2022
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £121,038 (2022: £124,410).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,565 (2022: £311) incurred by 7 members (2022: 2) relating to attendance at meetings of the trustees.

### 7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 17 (2022: 15).

### 8. Investments

	2023	2022
	£	£
Fair value at the start of the year	19,293,966	23,359,220
Additions at cost	-	-
Disposal proceeds	-	-
Net gain/(loss) on change in fair value	2,537,213	(4,065,254)
Fair value at the end of the year	<b>21,831,179</b>	<b>19,293,966</b>

All investments are held in Unit Trust investments by Royal London.

## Notes (continued)

### 9. Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Amounts due from related parties	-	453,727
Loans and other repayable finance for charitable purposes	355,044	337,238
Amount due from Co-operative and Community Finance	-	19,804
Grant income due within less than one year	460,000	-
Donation income	165,908	144,192
	<u>980,952</u>	<u>954,961</u>

All amounts due from related parties are repayable on demand and no interest is payable.

	2023	2022
	£	£
<b>Amounts falling due after more than one year:</b>		
Loans and other repayable finance for charitable purposes	478,331	754,182
Grant Income	460,000	-
	<u>938,331</u>	<u>754,182</u>

These loans are repayable between 5 and 20 years.

#### Loans and other repayable finance for charitable purposes (as above)

	2023	2022
	£	£
Amounts falling due within one year	355,044	337,238
Amounts falling due after more than one year	478,331	754,182
<b>Total</b>	<u>833,375</u>	<u>1,091,420</u>



## 9. Debtors (continued)

Repayable loans made were as follows:

	2023			2022
	Initial loan	Repayments	Net balance	Net balance
	£	£	£	£
11th Folkstone Scouts	15,000	(15,000)	-	5,184
Anti tribalism	50,000	(31,250)	18,750	30,208
Ballymacash Sports Academy	50,000	-	50,000	50,000
Beechbrae	50,000	(18,750)	31,250	42,708
Bramley elderly action (OWLS)	50,000	(34,375)	15,625	27,083
Centre 4 Limited	50,000	(39,583)	10,417	21,875
Church Aston	10,000	(7,800)	2,200	4,400
Circus Eruption	30,000	(10,000)	20,000	25,500
Coedwig community Woodland	22,000	(10,083)	11,917	16,500
Constitution Hill	30,000	(25,000)	5,000	14,375
Creative Health	10,000	(5,313)	4,687	6,979
Eastside Community Felix Road	50,000	(36,458)	13,542	25,000
Element society	7,500	(5,781)	1,719	3,438
Friends of Stretford Public Hall	50,000	(50,000)	-	12,500
FROG	50,000	(22,917)	27,083	39,000
Future Wolverton	50,000	(13,800)	36,200	38,021
Granby Four Streets	50,000	(26,042)	23,958	35,417
Heeley development	50,000	(48,958)	1,042	12,500
Highbury Roundhouse assoc	55,000	(40,037)	14,963	26,720
Hulme Community Garden Centre	50,000	-	50,000	50,000
Iona Village Hall	30,000	(16,200)	13,800	20,800
Jubilee Community	50,000	-	50,000	50,000
Jubilee Pool Penzanze	50,000	(37,500)	12,500	25,000
Newnham on Severn	30,000	-	30,000	30,000
Norton Sports Charity	50,000	(21,875)	28,125	39,583
Oban Communities Trust	30,000	(5,500)	24,500	30,000
October Books Limited	20,000	(10,000)	10,000	13,333
Projeckts Mcr Ltd	50,000	(14,100)	35,900	40,900
Rotherham Rise	50,000	(27,083)	22,917	34,375
RUSS	50,000	-	50,000	50,000
Seagulls Re-Use Limited	50,000	(9,375)	40,625	43,750
Sudbury Gasworks Restoration Trust	50,000	-	50,000	50,000
The Star Tree Studio CIC	26,500	(11,594)	14,906	20,979
The Walled Garden	50,000	(37,500)	12,500	23,958
Todmorden Learning Centre	50,000	(25,833)	24,167	33,333
Urban biodiversity	50,000	(36,458)	13,542	25,000
White Rock	50,000	-	50,000	50,000
WTOW - Welcome to Our Woods	50,000	(38,458)	11,542	23,000
<b>Total</b>	<b>1,566,000</b>	<b>(732,625)</b>	<b>833,375</b>	<b>1,091,420</b>

The Foundation trustees have assessed the recoverability of all outstanding loan balances and are satisfied that all balances are fully recoverable. As such there is no bad debt provision in place as at 31 December 2023 (2022: nil).

## 10. Creditors

### Amounts falling due within one year

	2023	2022
	£	£
Grants payable	2,455,860	1,165,300
Accruals	16,200	15,000
Amounts due to related parties	35,258	-
	<b>2,507,318</b>	<b>1,180,300</b>

### Amounts falling due after more than 1 year

	2023	2022
	£	£
Grants payable (within 1-5 years)	2,512,287	144,381
	<b>2,512,287</b>	<b>144,381</b>

## Notes (continued)

### 11. Movement in funds

2023	Fund balances b/f £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances c/f £
<b><u>Restricted funds:</u></b>						
Environmental	386,398	289,767	(5,413)	(159,540)	12,369	<b>523,580</b>
Community Fund	-	500,000	(2,166,000)	-	-	<b>(1,666,000)</b>
Britannia	482,033	-	-	-	46,293	<b>528,326</b>
Big Lottery Fund #iwill grant	46,421	1,380,000	(1,420,909)	80,006	-	<b>85,518</b>
Luminate	25,802	-	(29,120)	3,318	-	-
Welsh carrier bag levy	690,101	-	-	(111,995)	57,157	<b>635,263</b>
DCMS	4,785	-	-	(4,785)	-	-
Carbon Innovation Fund	654,777	654,332	(1,186,689)	271,536	-	<b>393,956</b>
<b>Total Restricted funds</b>	<b>2,290,317</b>	<b>2,824,098</b>	<b>(4,808,131)</b>	<b>78,540</b>	<b>115,819</b>	<b>500,643</b>
<b><u>Unrestricted funds:</u></b>						
General funds	1,622,467	2,857,103	(4,016,350)	(78,540)	22,181	<b>406,861</b>
Designated funds	1,053,998	-	-	-	-	<b>1,053,998</b>
<b>Total Unrestricted funds</b>	<b>2,676,465</b>	<b>2,857,103</b>	<b>(4,016,350)</b>	<b>(78,540)</b>	<b>22,181</b>	<b>1,460,859</b>
<b><u>Endowment fund:</u></b>						
Environmental	4,048,610	-	-	-	454,820	<b>4,503,430</b>
Main endowment	14,015,192	-	-	-	1,944,394	<b>15,959,586</b>
<b>Total endowment funds</b>	<b>18,063,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,399,214</b>	<b>20,463,016</b>
<b>Totals funds</b>	<b>23,030,584</b>	<b>5,681,201</b>	<b>(8,824,481)</b>	<b>-</b>	<b>2,537,214</b>	<b>22,424,518</b>

  

2022	Fund balances b/f £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances c/f £
<b><u>Restricted funds:</u></b>						
Environmental	500,085	159,516	(54,131)	(196,500)	(22,572)	<b>386,398</b>
Community Fund	52,614	-	(10,000)	(42,614)	-	-
Britannia	566,511	-	-	-	(84,478)	<b>482,033</b>
Big Lottery Fund #iwill grant	497,282	215,000	(665,861)	-	-	<b>46,421</b>
Luminate	316,458	28,543	(319,199)	-	-	<b>25,802</b>
Funeralcare	-	-	-	-	-	-
Welsh carrier bag levy	1,076,390	-	-	(281,986)	(104,303)	<b>690,101</b>
Co-operate	1,412,487	-	(692,033)	(720,454)	-	-
DCMS	4,785	-	-	-	-	<b>4,785</b>
Carbon Innovation Fund	578,634	752,953	(1,405,295)	728,485	-	<b>654,777</b>
<b>Total Restricted funds</b>	<b>5,005,246</b>	<b>1,156,012</b>	<b>(3,146,518)</b>	<b>(513,069)</b>	<b>(211,353)</b>	<b>2,290,317</b>
<b><u>Unrestricted funds:</u></b>						
General funds	711,986	2,623,331	(2,164,303)	499,327	(47,874)	<b>1,622,467</b>
Designated funds	1,040,256	-	-	13,742	-	<b>1,053,998</b>
<b>Total Unrestricted funds</b>	<b>1,752,242</b>	<b>2,623,331</b>	<b>(2,164,303)</b>	<b>513,069</b>	<b>(47,874)</b>	<b>2,676,465</b>
<b><u>Endowment fund:</u></b>						
Environmental	4,899,158	-	-	-	(850,548)	<b>4,048,610</b>
Main endowment	16,970,671	-	-	-	(2,955,479)	<b>14,015,192</b>
<b>Total endowment funds</b>	<b>21,869,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,806,027)</b>	<b>18,063,802</b>
<b>Totals funds</b>	<b>28,627,317</b>	<b>3,779,343</b>	<b>(5,310,821)</b>	<b>-</b>	<b>(4,065,254)</b>	<b>23,030,585</b>

## 11. Movement in funds (*continued*)

### Restricted funds:

*Environmental* – this is the income received from our restricted Environment Fund endowment following the merger of United Co-operatives Ltd and Co-operative Group Ltd in 2007 (see below for further details)

*Community* - the Community Fund is the remaining balance of funds that were donated through the Co-op's membership scheme prior to 2014. These funds are now being used for the Foundation's Community Spaces programme, which awards grants that are consistent with the original purposes of the Community Fund to support voluntary, self-help or not-for-profit groups to address community issues, provide long-term benefits to the community, support co-operative values and principles, and ideally be innovative in their approach.

*Britannia* - the Britannia Fund was transferred following the closure of the Building Charitable Foundation and is restricted for use on financial education or numeracy projects.

*Big Lottery Fund #iwill grant* - this is to be used to deliver a youth-focused grants programme using social action to tackle loneliness among disadvantaged young people.

*Luminate* - is to be used to support a programme based at Federation Manchester to contribute to a more inclusive digital economy for Manchester and the North West of England.

*Welsh carrier bag levy* – this fund was donated to support projects with an environmental benefit in Wales.

*Co-operate* - these are the funds that we receive from the Co-operative Group Ltd in furtherance of our charitable purposes.

*DCMS Building Connections* – used to deliver a grant programme addressing youth loneliness.

*DCMS Lonely Not Alone* – for a campaign to reduce the stigma of youth loneliness.

*Carbon innovation* - this is a fund that aims to fund organisations delivering innovative project activities that lead to carbon reduction.

### Designated funds:

These are multiple funds that we have chosen to set aside for particular projects or grants, from both restricted and unrestricted sources. Designated funds have been committed as future grant payments or repayable finance for charitable purposes.

### Endowment funds:

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

The investment is shown as Endowment funds and income from the investment is shown as Restricted. In 2016 the Trustees received legal advice suggesting that this fund is permanent endowment.

The Main Endowment fund of £15,959,586 (2022: £14,015,192) is an expendable endowment held to generate investment income to be distributed in line with the objects of the charity.

### Transfers:

Environmental (United), Welsh Carrier bag levy (Wales) & Carbon Innovation fund are all thematic environmental programmes by nature. Transfers between these funds are permitted based on the geographics of where the Carbon Innovation fund awarded grantees are located. In 2023 £159,542 was transferred from Environmental and £111,995 from Welsh Carrier Bag Levy to Carbon Innovation Fund based on where geographically the grants were awarded to allow grants to be allocated from one fund rather than across all three.

Big Lottery Fund #iwill grant is a 50/50 match funding programme with 50% awarded from unrestricted. In 2022 accrued grants under this programme where incorrectly accrued fully against restricted, the transfer of £80,006 from unrestricted is a correction of the accruals ensuring the grants paid out were allocated correctly.

Luminate programme concluded in 2022. The final learning & impact costs came in in 2023 higher than the residual funds available to the programme so £3,317 was transferred from unrestricted funds to clear the programme balance to nil.

DCMS remaining funds of £4,785 were moved to unrestricted in 2023 to offset against some of the costs the continuation of Lonely not Alone as the programme had been moved to unrestricted.

## Notes (continued)

### 12. Analysis of net assets between funds

	Endowment £	Unrestricted £	Restricted £	Total £
<b>2023</b>				
Investments	20,463,016	251,199	1,116,964	<b>21,831,179</b>
Debtors	-	674,071	1,245,212	<b>1,919,283</b>
Cash	-	2,517,488	1,176,173	<b>3,693,661</b>
Liabilities	-	(1,981,902)	(3,037,703)	<b>(5,019,605)</b>
Net assets at 31 Dec 2023	20,463,016	1,460,856	500,646	<b>22,424,518</b>
<b>2022</b>				
Investments	18,063,802	229,019	1,001,145	19,293,966
Debtors	-	52,209	1,656,934	1,709,143
Cash	-	2,919,801	432,356	3,352,157
Liabilities	-	(524,565)	(800,116)	(1,324,681)
Net assets at 31 Dec 2022	18,063,802	2,676,464	2,290,319	23,030,585

### 13. Financial instruments

	Note	2023 £	2022 £
<b>Financial assets at fair value through the statement of financial activities</b>			
Investments	8	<b>21,831,179</b>	19,293,966
		<b>21,831,179</b>	19,293,966

### 14. Related party transactions

The Co-op Foundation paid Co-operative Group Limited £929,055 (2022: £755,831) for Foundation staff salaries and other costs directly attributable to Foundation activities. The Trustees consider that the support provided by Co-operative Group Limited represents the best value for money for the charitable company, and that it would not be financially beneficial to employ staff directly.

In regard to gifts in kind, the Co-op Foundation relies heavily on Co-operative Group Limited to provide necessary administrative support for additional staff resources, space and related services. This support includes Co-operative Group costs that are not directly attributable to Foundation activities and are not easily monitored. The Trustees' view that value is not easily quantified. This amount was not included as donations as in the Trustees' view, it is not material in either the current or preceding financial period.

Co-operative Group Limited donated £250,000 in fees which were waived by its Group Chair, Allan Leighton (2022: £250,000).

At the year-end £35,258 (2022: £453,727 due from Co-operative Group Limited) was due to the Co-operative Group Limited.

During the financial year, the Trustees of the board have not received either remuneration or benefits, however seven (2022: one) Trustees were reimbursed for both their travel and hotel expenses totalling £1,565 (2022: £311).

### 15. Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

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

Registered office: 1 Angel Square, Manchester M60 0AG



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Foundation