

THE CO-OPERATIVE HERITAGE TRUST

England & Wales · Charity number 1179727

Details

Status	Registered
Legal form	CIO
Registered	2018-08-29
Register	View on the Charity Commission register

Contact

Address	Rochdale Pioneers Museum 31 Toad Lane Rochdale Lancashire OL12 0NU
Phone	07525699868
Email	museum@heritagetrust.coop
Website	www.co-operativeheritage.coop/

Activities

Objects: 3.OBJECTS 3.1 THE TRUSTEES SHALL HOLD THE CAPITAL AND INCOME OF THE TRUST FUND UPON TRUST AS TO THE INCOME, AND ALL SUCH PART OR PARTS OF THE CAPITAL, AS THE FOUNDER MAY BY NOTICE IN WRITING TO THE TRUSTEES DETERMINE FOR THE FOLLOWING OBJECTS:3.1.1 THE PRESERVATION, PROTECTION AND IMPROVEMENT FOR THE PUBLIC BENEFIT ON BEHALF OF THE CO-OPERATIVE MOVEMENT OF 31 TOAD LANE, ROCHDALE (KNOWN AS THE ROCHDALE PIONEERS MUSEUM) AND ANY ANCILLARY AND SUCH OTHER BUILDINGS AS SHALL OR MAY AT ANY TIME BE VESTED IN THE CIO OR IN RESPECT OF WHICH THE CIO SHALL HAVE ANY INTEREST.3.1.2 THE PRESERVATION, PROTECTION AND IMPROVEMENT FOR THE PUBLIC BENEFIT ON BEHALF OF THE CO-OPERATIVE MOVEMENT OF ALL FURNITURE, PICTURES, HISTORICAL RECORDS, BOOKS, MANUSCRIPTS, FILMS, PHOTOGRAPHS, OBJET D'ART AND OTHER CHATTELS OR ITEMS OF HISTORIC INTEREST ASSOCIATED WITH THE CO-OPERATIVE MOVEMENT THAT FORM THE NATIONAL CO-OPERATIVE ARCHIVE AND THE COLLECTIONS OF THE ROCHDALE PIONEERS MUSEUM OR THAT MAY, AT ANY TIME, BE VESTED IN THE CIO OR IN RESPECT OF WHICH THE CIO SHALL HAVE ANY INTEREST3.1.3 THE ENCOURAGEMENT OF THE PROVISION OF ACCESS TO AND THE STUDY OF SUCH BUILDINGS, LAND, FURNITURE, PICTURES, HISTORICAL RECORDS, BOOKS, MANUSCRIPTS AND OTHER CHATTELS OR ITEMS THAT COMPRISE THE NATIONAL CO-OPERATIVE ARCHIVE AND THE ROCHDALE PIONEERS MUSEUM BY MEMBERS OF THE GENERAL PUBLIC3.1.4 SUCH OTHER CHARITABLE OBJECTS AS THE TRUSTEES FROM TIME TO TIME DETERMINE SUBJECT TO THE PRIOR CONSENT OF THE MEMBERS OF THE CIO AND THE CHARITY COMMISSION.

Activities: The preservation, protection and improvement for the public benefit, on behalf of the co-operative movement, of 31 Toad Lane, Rochdale and the National Co-operative Archive. The encouragement of the provision of access to and the study of such buildings and objects.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Manchester City
- Rochdale

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£213,024	£404,263	-	-
2024-12-31	£106,131	£377,177	-	-
2023-12-31	£111,172	£367,665	-	-
2022-12-31	£96,306	£329,295	-	-
2021-12-31	£144,297	£319,318	-	-
2020-12-31	£170,957	£436,823	-	-

Trustees

Name	Role	Appointed
Anthony Webster	Chair	2020-02-20
Dr Alexandra Zenia Mitchell		2023-09-01
EDWARD POWELL		2021-05-21
Helen Davies		2024-05-16
Ian Adderley		2022-05-18
Jenny Rebecca Laycock		2024-07-08
John William Boyle		2022-07-01
Melanie Jane Hearn		2024-05-16
Nicholas John Matthews		2024-11-21
Prof. Stephen J Milner		2023-05-17
Tanya Noon		2021-06-25

Accounts

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**
**Annual Report and Accounts for the period ended 31 December
2025**

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: Rochdale Pioneers
Museum
31 Toad Lane
Rochdale
OL12 0NU

Operating Addresses:	National Co-operative Archive	Rochdale Pioneers Museum Toad Lane
	Holyoake House	Rochdale
	Hanover Street Manchester	OL12 0NU
	M60 0AS	

Independent Trustee Anthony Webster (Chair)

Independent Trustee Ian Adderley (Vice Chair)

CUK Founder Trustee Tanya Noon

CUK Founder Trustee Nicholas Matthews

Co-op Group Founder Trustee Edward Powell

Co-op Group Founder Trustee Melanie Hearn

College Founder Trustee John Boyle

College Founder Trustee Jenny Laycock

Independent Trustee Professor Stephen Milner

Independent Trustee Dr Alexandra Mitchell

Independent Trustee Helen Davies Resigned 14 May 2026

Secretary: Liz McIvor, Trust Manager
Helen Ashley Taylor

From 21st October 2025
To 20th October 2025

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

**Investment
Managers:** Churches Charities and Local Authorities Investment
Management (CCLA) (now Jupiter Asset Management)
1 Angel Lane
London
EC4R 3AB

**Independent
Examiners:** Menzies LLP
One Express
George Leigh Street
Manchester
M4 5DL

Structure, Governance and Management

Status and Charity Number

The Co-operative Heritage Trust was founded in 2007 and is registered with the Charity Commission as a Charitable Incorporated Organisation (registration date 29 August 2018).

Governing Document

The charity is administered in accordance with the constitution dated 29 August 2018.

Trustees and Officers

Under the constitution of the CIO (20th February 2020), trustees of the Co-operative Heritage Trust are nominated by the three members of the charitable incorporated (formerly un-incorporated) organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group. These nominations (found above) are ratified by the other founders.

Under the CIO the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group can nominate up to two trustees each. Nominations are ratified by the other founders. Further, up to five independent trustees may be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes. At the time of writing the standing orders are unchanged.

Appointments are ratified by founders.

Recruitment and Training of Trustees

Trustees are appointed based on their expertise in co-operative heritage and charitable organisations. The Trustees have received an appropriate induction and ongoing training support is kept under review by the Trustees.

The Trustees have renewable fixed terms of office and provide for succession through identifying new Trustees with appropriate skill sets.

Organisational Management

The day-to-day operational management of the Trust - the Rochdale Pioneers Museum and National Co-operative Archive is delegated to the Trust Manager with line management support from the Chair of Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Chair`s introduction

This report covers the period from 1st of January to the 31st of December 2025.

The Trust faces a range of major challenges which arise from the deteriorating global and economic environment and their effects on the movement. Increasing financial pressures have made it very difficult for the Trust to secure regular funding from the wider movement to date; and in turn this makes future planning and decision-making problematic.

One consequence has been constraints on the Trust's ability to take on new work or undertake risks. To cope with these difficulties, the Trust is endeavoring to pool resources with other organizations in partnership, as well as promote joint initiatives in which risks and costs are shared. As Trustees, our board is prepared to explore more exhaustively the possibility of securing more substantial and regular funding from the movement in the year to come.

I would like to thank my fellow Trustees, as well as the staff, advisors and volunteers for their ongoing efforts to support the charitable aims and objectives of the Trust during the period covered by this report.

A handwritten signature in black ink, appearing to read 'Anthony Webster', with a stylized flourish at the end.

Professor Anthony Webster

Chair of Trustees

Trustee's Annual Report

Review of the period 1st January to 31st December 2025

The following report details the way in which the Trust has operated regarding all strategic and operational considerations in the period under review.

Objects and Activities

Charitable Objectives

The objects of the Charity as defined in the Trust Deed are as follows:

The Trustees shall hold the capital and income of the trust fund upon trust as to the income, and all such part or parts of the capital, as the founder may by notice in writing to the Trustees determine for the following objects:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as Rochdale Pioneers Museum) and any ancillary buildings as shall or may at any time be vested in the charity or in respect of which the charity shall have any interest.
- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of all furniture, pictures, historical records, books, manuscripts, films, photographs, objets d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co- operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the charity or in respect of which the charity shall have any interest.
- The encouragement of the provision of access to and the study of such buildings, land, furniture, pictures, historical records, books, manuscripts and other chattels or items that comprise the National Co-operative Archive and the Rochdale Pioneers Museum by members of the public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founders and the Charity Commission.

The activities of the Trust work towards two key outcomes:

Charitable Objectives:

1. To increase activity and promote understanding of co-operative collections and materials.

The Trust remains committed to maintaining its Museum Accreditation status through Arts Council England following the most recent award of 2020: The charity had expected to be required to submit returns at the close of 2025 but the process remains delayed and may be revised in its entirety in the coming year. However, some specific changes have been advised as part of published guidelines which relate to climate impact and mitigation, the responsibility of museums to consider the UN Sustainable Development Goals and the ways in which museums approach sensitive subjects and objects they may hold. Specific guidelines have also been issued around museums and collections security protocols and ability to respond to an emergency / have a comprehensive disaster plan.

These changes are partly in response to a higher level of public scrutiny on public collections since 2023. Museums, Archives and Heritage sites are under increasing pressures due to climate change and the cost of repair and maintenance of buildings / cost of conservation needs which are made worse by the impacts of climate change.

The impacts of both climate change and 'wear and tear' on the museum building is significant and long-term maintenance targets which had to be postponed in the period most heavily impacted by the pandemic now needs to be addressed. While the Trust is working towards a more operationally sustainable model for the future of the museum and archive output, it acknowledges that it is unable to change the liabilities or adequately mitigate costs of the physical infrastructure of number 31 Toad Lane and that essential maintenance works still need to be carried out in line with recommendations made in the MACE survey sponsored by The Co-operative Group in 2022. Some of these improvements were made in the period – such as the installation of replacement vinyl flooring at the end of its lifespan in January/February. Other elements required have been delayed into 2026 due to the shortcomings of the building requiring partial or full closures to complete works.

The Trust continues to address the future financial strategy and viability of a two-site operation. Some plans have been prepared for any short term need for re-location which may become necessary due to the uncertain future of Holyoake House and other strategic partnerships in Rochdale have become key to the way in which the Trust makes its contingency plans.

During the period, there were two successful grant applications to National Lottery Heritage Fund ('Seeds of Change – The archive collections of the Co-operative College') and to Arts Council England in partnership with Your Trust Rochdale ('Unlocking Collections – Radical Rochdale'). These programmes seek to make collections more visible and accessible and have been designed to maximise the legacy of equipment and increase capacity to complete this work while remaining open to researchers. It is acknowledged that at the end of the funding period the increased staffing capacity will be removed and that expenditure on projects is likely to outstrip the incoming resource they offer. The Trust acknowledges that partnership with Your Trust through the Unlocking Collections project (ACE) is an important way to test processes and develop a foundation for alternative ways of working in the future within the wider context of culture heritage and tourism in Rochdale.

During the period, collections staffing changes have taken place as the Collections Manager Clare Hirst left for a senior collections-based role having trained and qualified in this specialism whilst in long term employment with the Trust. As a result of continued financial challenge, the role was recruited on a part time basis at the close of the year. Although the trust is committed to improving its collections status through ongoing review and an active programme of disposals of objects which do not meet collecting priorities, it acknowledges that a reduction in working hours has the impact of slowing the pace of review and re-boxing in stores as well as limiting team capacity for extra staffing on other operations in the Trust.

At the close of 2025 – the decision was made to introduce ticketed (charged) entry at Rochdale Pioneers Museum after operating as ‘free walk ins’ since re-opening the building in 2012. Although the museum had operated charged prior to renovation, this was a difficult decision but prompted by increasing costs of operating and evidence from the wider sector on the public response to charging at small venues. Our relationships with the ‘Hidden’ network in Manchester helped to inform the messaging around charges and set a ticket price for adults in a smaller venue. It was decided that young people under 18 would continue to have free entry and that group prices would be increased in line with market charges for similar delivery (the cost of talks and guided tours). The impact on visitor numbers is expected to be minimal, but a balance remains between the use of the building for room hire and the needs of paying visitors against the wear and tear costs of the way the building is being used. Continued developments in Rochdale Town Centre such as the closure of Touchstones Museum and Gallery, limited availability for workspace at Rochdale Town Hall and Rochdale Borough Council’s Riverside building as well as several smaller charities giving up their own premises has meant regular demand for room hire at the museum.

Considerations of equality and diversity remain at the forefront for the sector and are increasingly challenging as the gender gap in the arts increases. The Trust recognises this trend in its own staffing complement and remains committed to working with younger audiences to represent and embed their views and has taken some steps towards the ways it can involve young people in decision making – this may be a developing opportunity if the constitution of the board of Trustees is altered by the circumstances of some of its founder members.

2. Creating opportunities to present and interpret our heritage.

Outreach in the period: Museum based events and projects:

In the period, there have been a number of initiatives and events based out of the museum to work towards opportunities to present our heritage assets and raise the profile of the wider offer. Museum staff undertook surveys and some baseline research to better understand and map the demographics of visiting groups for ‘drop in’ and event users as part of a longer term plan to reflect the needs of visitors and potential visitors in re-developments.

School workshops and target audience content was reviewed and updated with a significant uptick in enquiries and school bookings – the decision was made to increase the Education and Outreach officer from 28 to 35 hours per week in order to maximise potential and create increased opportunities for directed volunteering over the life of the current strategic forward plan.

The museum continued to work with Rochdale Borough Council as a school holiday Healthy and Fed 'HAF' provider, although these events have tended to be more successful out of the summer holiday period, this has developed the offer to one of partnership with other providers. Some of the HAF sessions have led to further projects and positive user engagement such as the installation of the 'little library' designed by participants which is regularly used.

Several larger scale events were successful and well attended – such as the summer open day for families to support the Arts Council England puppetry touring show 'The Herds' when it came to Heywood in June.

The Museum was successful in applying for Town Centre Improvement funding from the UK Government which was supported by corporate donations from CLIMBS Co-operative Insurance – Philippines and Central Co-operative: The prisoner designed and built garden or 'parklet' was created as a result of outreach sessions at HMP Buckley Hall – Rochdale alongside a partnership project with University of Lancashire funded by GOOP (Greener On the Outside of Prisons exploring the impacts of nature on wellbeing and rehabilitation). The parklet was built by construction students at Hopwood Hall College in September of 2025 to provide leisure space, increase biodiversity and offset some of the structural impacts caused by climate change.

Specific and targeted events with marketing spend, and the development of print on demand merchandising through the 'Teemill' web platform from October have helped to raise the Trust's profile and while they are not a large income source, make passive income and are easy to maintain in house.

During 2025, the Trust received funding from Rochdale Development Agency to mark the second International Year of Co-operatives and cover the costs of hosting a series of arts installations / temporary exhibitions around the theme of co-op values and global co-operation. This was well received, offered an additional level of interpretation to visitors and helped to deepen links with local creatives and target demographics. The need to engage more proactively and positively with those under 30 continues to be the focus of events and outreach programmes and the Trust intends to continue to experiment with digital and social platforms in order to improve reach with this demographic.

Outreach in 2021: National Co-operative Archive

Archive staff have participated in several academic and subject specialism networks and events in the period – including the University of Birmingham 'Sites of Fracture' programme (2025-2026), and other partnerships of academic focus.

The majority of archive users remain academics and traditional demographics for archives libraries and records, although the volunteering hours specific to the archive have been high and have been sustainable due to the commitment of the Archivist in recruiting and managing these for different projects. Regular volunteers were joined by placement students and students as part of larger study groups who were previously unfamiliar with archive practice.

The Archivist has provided extensive opportunities for professionals from the movement to engage with and use the records and has worked with partners to support project specific volunteers who require a higher level of supervision. Having the support of a project Archivist for the Seeds of Change project as well as backfill in November of 2025 for open/ public hours has assisted volunteers to work with materials on 'backroom tasks' and puts the

collection in a stronger position should circumstances and delivery model change in the short term.

The Archivist and Project Archivist have worked on and planned a number of outreach events during the period designed to raise the profile of the collections and the work of the Trust, as well as supported those taking place offsite.

Other opportunities

UK Co-operative Congress took place in Rochdale 1-4th July 2025 at the newly re-opened Rochdale Town Hall, with a programme of activity and drinks reception taking place on Toad Lane. As the event co-incided with business of the International Co-operative Alliance, there was a large international contingent and there has been, as a result of the international year of co-operatives a renewed interest in engagement and visits for international groups. The raising of profile and the financial challenges facing the Trust with international co-ops is an important factor in securing its future and the Trust has been asked to take part in a working group for the recognition of sites of cultural heritage importance around the world- which is ongoing beyond the development of a 'co-operative world heritage map'.

The sustainability of international tour groups and the way these can be handled in the future is a challenge for the Trust as a small organisation and it is committed to working in partnership with other movement bodies to manage these effectively and with minimal risk in the future.

Opportunities for partnership and support as well as factors of risk exist around the future of Holyoake House, owned and operated by Co-operatives UK. Funding explored through the National Lottery Heritage Fund was withdrawn due to ineligibility and as financial circumstances and the needs of the building as significant, tenancy under the present terms remains a risk, as does entering into any agreements where the trust becomes solely responsible for the liabilities. The Trust has committed to working with other entities in the movement to explore the possible opportunities for positive outcomes through closer working relationships.

Future Plans

Strategic Priorities

- 1. Location and long-term collections needs for the Trust:** The board resolved that due to financial limitation and inability to expand holdings, the business plan and strategy over the next 2-3 years must continue to reflect a need for change in the way the Trust operates. It is acknowledged that continuing to rent limited space at Holyoake House and having a split team is not sustainable and places the trust at too high a level of risk. Options to move to Rochdale are being explored, but as local partners are the lead for a place based solution, at the time of writing, there is no fixed timeframe to remove to Rochdale
- 2. Financial sustainability:** The Trust has produced a financial projection that indicates that unless a significant financial support is received in the coming year,

the Trust cannot operate for longer than two financial years in its current model of delivery and incurring the projected rising costs against the devaluing of its investment funds. It is accepted that once current grant funded projects have been completed at the close of 2026; further applications would be unsustainable without significant partners in capital projects and/or significant increase in corporate support from UK co-operatives.

3. Relationships in the Co-operative Movement:

As part of the marking of 2025 as the second International Year of Co-operatives, CHT participated in a steering group formed by the International Co-operative Alliance to vote on a list of global sites of interest for the movement based on nominations across the regions of the ICA membership.

Profile raising through international partnerships can only be sustaining if it attracts significant support or funding – and if co-operatives are able to recognise the risk posed to sites of cultural and historic significance.

Travel and support of movement programmes must continue to be balanced against the costs incurred and the capacity of a very small team.

It is recognised that the period represented significant challenge for the founder organisations of the Trust and the wider movement due to ongoing instability in markets, uncertainty around the governance and future of independent consumer co-ops and a series of mergers as well as the impact of a cyber-attack which affected not only the Co-operative Group, but also its wider suppliers and partners. The Co-operative College is expected to cease operations of a delivery/staffed model in summer of 2026. The impacts of these changes on the Trust's governance are unclear at the time of writing.

The Co-operative Heritage Trust continues to support the work of the Co-operative Councils Innovation Network (CCIN) as an affiliate member on the Values and Principles Board for policy development.

A bid from Co-operatives UK to secure development and refurbishment funds from National Lottery Heritage Fund to secure the long term future of Holyoake House was required to be withdrawn. In order to re-approach this funding stream, Co-operatives UK are required to find alternative partnership models with non-profits / charitable and community organisations and the Trust is committed to working with them and other supporters to explore this in 2026-2027 as long as it remains a viable organisation and going concern.

Our people

Employees

The Trust has experienced a more stable period in terms of its staffing and a greater level of resilience in operations due to the increase in staffing footprint provided by project funded staff hours and a change to the existing staffing envelope in quarters three and four of 2025. The charity is aware that at the end of the period of additional funding any increased capacity will reduce and that strategic decisions and some operational delivery will be affected by this.

Emily Christie Pinder joined the team as Visitor Experience Officer at Rochdale Pioneers Museum in June 2025 – replacing Sarah Greenhall.

Project Archivist Aya Van Renterghem (National Lottery Heritage Fund's Seeds of Change) left employment after three months in August 2025 and was replaced by Daniella Bool.

Emilee Prince was employed as a part time Archive Assistant under the Unlocking Collections project (Arts Council England) to provide backfill staff cover at the Co-operative Archive from November of 2025.

Caitlin Shentall Education and Outreach Officer's hours were increased from 28 p/w to 35 p/w in December 2025.

Collections Manager Clare Hirst left the team in October of 2025 after 14 years of employment in a number of roles. The role remained vacant for the rest of the financial year.

The Trust would like to thank former members of staff for their contribution to its work in the period.

Volunteers:

During the period, the Trust's volunteer hours have significantly increased due to two externally funded projects in addition to regular back-room support and this has been made possible due to the Archivists own commitment to their supervision and development.

CHT has taken a proactive approach to the management of volunteer support in increasing hours for the Education and Outreach Officer to recruit and supervise an increased amount of volunteer hours for the sustainability of offer at the museum / externally in order to increase safe operating and capacity for education and engagement events.

We would like to thank all those who have given up their time to volunteer to make a vital contribution to the work of the Trust during the period.

Charity Governance Code

The Trustees have reviewed and adopted the Charity Governance Code and continue to make changes to policy and procedure based on best practice and training available for Trustees. During the period, the Trust inducted new board members and offered governance as well as charity finance training provided by Beyond Profit UK.

Internal Control

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

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

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Trust.
- Reporting to and review by the Trustees on a regular basis.

Risk Management

The Co-operative Heritage Trust has an active risk register which is reviewed on a quarterly basis and in the event of a new risk emerging: The key risks are subject to change in level of risk but have been identified as:

- Financial risk in relying on investment gains and ability to raise sustainable income through other means to meet operational costs.
- The ongoing costs and limitations of maintaining physical assets across two Greater Manchester locations especially in relation to staffing these sites with a quality offer.
- The risk to physical assets and infrastructure through lack of investment in building maintenance.
- Governance risk in equality and diversity makeup of board members, staff, volunteers and user demographic in maintaining relevance for the charity and its objectives.
- The capacity of a limited team in the event of unexpected events or absence of key staff.

Related Party Transactions

The Co-operative Heritage Trust has three founder members – The Co-operative Group, Co-operatives UK and The Co-operative College.

The Archive and Museum's services are used by the departments of the Co-operative Group, one of the founders of the Trust. Where major activity is involved, charges are made

by the Trust, smaller amounts of activity are included in the general costs and operation of the Archive and Museum.

The Co-operative Heritage Trust rents office and archival space from Co-operatives UK to House the National Co-operative Archive, the Archive Office and the Co-operative Group Archive.

The Co-operative College has retained a physical presence at Holyoake House in Manchester, although at a reduced capacity since 2020 and is able, as a registered charity to use the charitable rate offered for booking hire space and services for direct delivery at Rochdale Pioneers Museum.

Conflicts of interest were managed through the Conflict of Interests Policy within the terms of the Co-operative Heritage Trust's Trust Deed during the period. For further details of related party transactions please see Note 19.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Finance Review

2025 represented another year of financial challenge for the Trust and whilst costs for operations (unrestricted funds) remaining stable income decreased. However we did secure several restricted grants that have enable the preservation and cataloguing of collections. Unfortunately these grants only contribute a small amount to the core operating costs. The overall result for the year, before investment losses was a loss of £191,329 with core operations incurring a loss of £263,276. After investment losses of £47,066 the result was a loss of £238,305.

Income

Donations and legacy income remained consistent with the prior year whilst income from both unrestricted charitable activities and investments reduced. The net impact of this was a reduction in income of £14,714 on unrestricted funds.

Restricted charitable income increased due to several grants being awarded in the year, however these contribute little to core operating expenses due to the nature of the funding.

Expenses

Overall core operating expenses decreased due to tight budget controls but this is not a sustainable position in the longer term.

Investment Policy and Performance against Objectives

The Trust has its investment portfolio with Churches Charities and Local Authorities (CCLA) in an Ethical Investments Fund which can be drawn against to support core operational costs.

In the period dividends and interest were received totalling £26,453 which is a reduction on the previous year. This is as a result of having to drawdown funds from the investment to fund core operations.

Additionally the performance of CCLA over the year was not as good as previous years resulting in a loss on investments of £47,066.

Reserves Policy

The current value of free unrestricted reserves remains negative at £321,729. This figure has been calculated as follows:

	£
Unrestricted funds	(254,156)
Less unrestricted fixed assets	67,573
Free unrestricted reserves	<u>(321,729)</u>

The Trust also holds £2,453,504 in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and expendable endowment funds are to be invested in order that the interest and gains arising from this is used in the furtherance of the charity's objects.

This expendable endowment is currently held in the form of investments. This investment is used to fund the ongoing operations of the charity. At the current time the fund is decreasing by more than the combined interest and gains each year.

Heritage Assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

For further details of the Heritage Assets please see Note 11.

Going Concern

For the period ending 31 December 2025 the Trust has net current assets £49,287. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity. Therefore, based on an assessment of future budgets and liquidity of assets, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

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Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

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

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

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

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

Approved by the Trustees on 14th May 2026 and signed on their behalf by:



Anthony Webster

Chair of Trustees

Independent Examiners' Report to the Trustees of The Co-operative Heritage Trust

I report on the accounts of the Trust for the year ended 31 December 2025, which are set out on pages 21 to 39.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011. My Independent Examiner's work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity, and the Charity's Trustees as a body for my Independent Examiner's work, for this report, or for the opinions I have formed.

Respective Responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - b) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - b) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Helen Binns

Helen Binns (May 14, 2026 16:07:42 GMT+1)

Helen Binns FCA

Menzies LLP, One Express, 1 George Leigh St, Manchester, M4 5DL

14/05/26

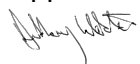
Statement of Financial Activities for the year ended 31 December 2025

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2025	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2024
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	28,637	-	-	28,637	28,296	-	-	28,296
Charitable Activities	3,4	36,327	121,607	-	157,934	42,683	-	-	42,683
Investments	5	26,453	-	-	26,453	35,152	-	-	35,152
Total		91,417	121,607	-	213,024	106,131	-	-	106,131
Expenditure on:									
Raising Funds	8	490	-	-	490	510	-	-	510
Charitable Activities	6,7	354,203	49,570	-	403,773	371,434	5,234	-	376,668
Total		354,693	49,570	-	404,263	371,944	5,234	-	377,178
Gains/(Losses) on investments		-	-	(47,066)	(47,066)	-	-	28,150	28,150
Net (expenditure) / income		(263,276)	72,037	(47,066)	(238,305)	(265,813)	(5,234)	28,150	(242,897)
Transfers between funds		262,061	1,348	(263,409)	-	93,368	(149)	(93,219)	-
Net movement in funds		(1,215)	73,385	(310,475)	(238,305)	(172,445)	(5,383)	(65,069)	(242,897)
Reconciliation of Funds									
Total funds brought forward		(252,941)	-	2,763,979	2,511,038	(80,496)	5,383	2,829,048	2,753,935
Total funds carried forward		(254,156)	73,385	2,453,504	2,272,733	(252,941)	-	2,763,979	2,511,038

Balance Sheet as at 31 December 2025

	Notes	Total Funds December 2025	Total Funds December 2024
		£	£
Fixed Assets			
Tangible assets	11	67,573	93,215
Heritage assets	12	1,385,930	1,394,402
Investments	13	769,943	962,009
Total Fixed Assets		2,223,446	2,449,626
Current Assets			
Debtors and prepayments	14	25,126	26,816
Stock	15	11,140	5,675
Cash at bank and in hand		37,063	54,482
Total Current Assets		73,329	86,973
Liabilities			
Creditors: amounts falling due within one year	16	24,042	25,561
Net current assets		49,287	61,412
Total assets less current liabilities		2,272,733	2,511,038
Total Net Assets		2,272,733	2,511,038
The funds of the charity			
Endowment funds	17	2,453,504	2,763,979
Restricted Funds	17	73,385	-
Unrestricted funds	17	(254,156)	(252,941)
Total Charitable Funds		2,272,733	2,511,038

Approved by the Trustees on 14th May 2026 and signed on their behalf.



Tony Webster
Chair

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

a

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

Based on an assessment of future budgets and liquidity of assets the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

c Income and endowments

All income is recognised when there is an entitlement to the finds, the receipt is probable and the amount can be measured reliably. General donations are recognised when they are received from the donor with the exception of donations given towards specific projects or activities. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of December 2025.

The Trust also sell merchandise through the shop at the Museum. Income from this is recognised at the point of sale along with the relevant cost of obtaining the goods.

d Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment.

Charity expenditure enables the Co-operative Heritage Trust to meet its charitable objective. All expenditure is shown inclusive of VAT.

e Tangible fixed assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Depreciation is calculated in equal monthly amounts based on cost. The following minimum rates are applied:

Plant, fixtures and fittings	6.67% per annum
Information technology equipment	25% per annum

f Heritage assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of the Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The external access tower is valued at the cost of its construction.

g Stock

Stock is stated at the lower of cost and net realisable value (estimated selling price). Cost is based on cost of purchase on a first in first out basis. Review at the end of each accounting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

h Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a Sustainable Diversified Fund. Investments are stated at market value being the share price.

i Allocation of support and governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit along with an apportionment of the management fee charged to the trust for the management of its day to day operations including financial and HR support.

Governance and support costs relating to charitable activities have been apportioned based on the total expenditure of each activity.

j Pension scheme

The Co-operative Heritage Trust offers an auto enrolment compliant group personal pension scheme, which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4%, with the Heritage Trust paying 8%. After two years' employment employees can opt to increase their contribution to 6%, with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

k Tax and VAT

The Co-operative Heritage Trust is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in The Corporation Taxes Act 2010. The Heritage Trust is not VAT registered and as such all expenditure is shown inclusive of applicable VAT.

l Fund accounting

- i Unrestricted funds: These are funds that can be used in accordance with the Co-operative Heritage Trust's charitable objective at the discretion of the Trustees.
- ii Expendable Endowment Funds: The funds are invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objectives. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity. The fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.
- iv Restricted funds: These are funds received for undertaking an activity specified by the donor.

2) Income from Donations and Legacies

	2025	2024
	£	£
Donations	28,637	28,296
	28,637	28,296

3) Grants

In the period to 31 December 2025 the following grants were received:

	Unrestricted	Restricted	Total 2025	Total 2024
	£		£	£
Rochdale Council				
HAF Funding	4,419	-	4,419	1,863
Visitor Attraction Fund	-	6,000	6,000	-
UCLAN	-	3,700	3,700	-
Arts Council				
HERDS	-	1,125	1,125	-
Unlocking Collections	-	44,955	44,955	-
Heritage Lottery Fund	-	65,827	65,827	-
	4,419	121,607	126,026	1,863

4) Charitable Income

	Core	National Co- operative Archive	Rochdale Pioneers Museum	Total 2025
	£	£	£	£
Event income	-	2,746	19,932	22,678
Merchandise and publications	22	-	9,208	9,230
	22	2,746	29,140	31,908

Prior year comparative

	Core	National Co- operative Archive	Rochdale Pioneers Museum	Total 2024
	£	£	£	£
Event income	500	- 165	20,589	20,924
Merchandise and publications	540	5,729	13,627	19,896
	1,040	5,564	34,216	40,820

5) Investment Income

	2025	2024
	£	£
Dividends and interest on fixed asset investments	26,453	35,152
	26,453	35,152

6) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	2025			Basis of apportionment
	Total allocated	Core Activities	Projects	
	£	£	£	
Governance Costs	4,762	4,762	-	Actual expenditure
Bank charges	147	141	6	Actual expenditure
Event expenditure	2,419	2,405	14	Actual expenditure
IT subscriptions	1,509	1,509	-	Actual expenditure
Marketing	437	337	100	Actual expenditure
Other expenditure	6,520	863	5,657	Actual expenditure
Print, postage and stationery	428	428	-	Actual expenditure
Professional fees	28,930	28,930	-	Actual expenditure
Storage	2,400	2,400	-	Actual expenditure
Telephones	1,160	1,160	-	Actual expenditure
Travel	1,648	1,605	43	Actual expenditure
Total	50,360	44,540	5,820	

6) Allocation of governance and support costs (continued)

Prior year comparative

		2024		
	Total allocated	Core Activities	Projects	Basis of apportionment
Cost type	£	£	£	
Governance Costs	8,361	8,171	190	Proportion of expenditure
Bank charges	196	196	-	Actual expenditure
Event expenditure	926	926	-	Actual expenditure
IT subscriptions	2,062	2,062	-	Actual expenditure
Marketing	1,402	1,120	282	Actual expenditure
Other expenditure	415	415	-	Actual expenditure
Print, postage and stationery	572	572	-	Actual expenditure
Professional fees	27,302	27,302	-	Actual expenditure
Storage	2,400	2,400	-	Actual expenditure
Telephones	3,522	3,522	-	Actual expenditure
Travel	3,146	3,146	-	Actual expenditure
Total	50,304	49,832	472	

	2025	2024
Governance costs	£	£
Independent Examination	2,460	2,400
Trustee Indemnity Insurance	509	906
Other Governance Cost	105	67
Secretarial Support	1,688	4,988
	<u>4,762</u>	<u>8,361</u>

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

Independent Examiners / Auditor's Remuneration

The independent examiners remuneration consisted of a fee of £2,460 (2024: £2,400). No other services were provided by the independent examiner.

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2025
	£	£	£	£
Core activities	180,171	44,540	129,492	354,203
Projects	28,511	5,820	15,239	49,570
	208,682	50,360	144,731	403,773

Prior year comparative

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2024
	£	£	£	£
Core activities	183,965	49,832	134,089	367,886
Projects	8,304	472	6.00	8,782
	192,269	50,304	134,095	376,668

8) Rasing Funds Expenditure

	2025 £	2024 £
Cost of fundraising	490	510
	490	510

9) Employee costs

The Trust seeks to ensure that all colleagues are fairly rewarded for the work that they undertake. All colleagues are appointed to a role cluster and level that is appropriate to the content of their role. Each role cluster and level have specific salary bands.

No employee of the Trust has an annual salary in excess of £60,000.

The average number of colleagues employed by the Trust was:

	2025	2024
Full time	3.4	3.0
Part time	2.4	2.3
	<u>5.8</u>	<u>5.3</u>
Full time equivalents	<u>5.8</u>	<u>5.3</u>

The costs incurred in respect of these employees were:

	2025	2024
Salaries and wages	180,068	161,840
Social security	10,376	9,942
Pension	13,864	13,011
Other	2,258	7,477
	<u>206,566</u>	<u>192,270</u>

Key Management Personnel

The Trust considers its key management position to be that of the Co-operative Heritage Trust Manager.

	2025	2024
Salaries and wages	47,953	47,586
Social security	6,173	5,312
Pension	3,836	3,807
	<u>57,962</u>	<u>56,705</u>

10) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £44 (2024:£nil) was incurred in respect of Trustee Expenses by one Trustee for travel expenses incurred on behalf of the charity.

11) Tangible Fixed Assets

	IT Equipment	Plant, fixtures and fittings	Total
	£	£	£
<u>Cost</u>			
01 January 2025	15,137	337,019	352,156
Additions	-	3,222	3,222
31 December 2025	15,137	340,241	355,378
<u>Depreciation</u>			
01 January 2025	14,753	244,188	258,941
Charge for the year	307	28,557	28,864
31 December 2025	15,060	272,745	287,805
Net book value at 1 January 2025	384	92,831	93,215
Net book value at 31 December 2025	77	67,496	67,573

12) Heritage Assets

Under FRS 102, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the costs of obtaining a valuation significantly outweigh the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The assets of the Trust consist of a substantial archive collection (National Co-operative Archive) which is home to a wide array of records relating to the history of the worldwide co-operative movement. The collections include rare books, periodicals, manuscripts, films, photographs and oral histories, and provide researchers with an unrivalled resource for the development of the co-operative movement, from the initial ideas of the eighteenth century to the present day. The Archive has been deemed a Designated Collection by Arts Council England. Designation sets out to identify nationally significant cultural assets in museums, libraries and archives and sets out to raise standards across the sector. Designated collections recognised by the Scheme are expected to work towards the provision of high-quality services, which deliver the fullest possible access to their collections.

In 2016 the Robert Owen Collection was put on the UNESCO UK memory of the world register as a significant collection in the history of the UK.

In accordance with FRS102 the Trustees have determined that the 31 Toad Lane Premises of the Rochdale Pioneers Museum are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of The Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over its expected life of 100 years. The external access tower is valued at the cost of its construction.

12) Heritage Assets (continued)

	Buildings: Rochdale Pioneers Museum	Buildings: External Access Tower	Artefacts	Total
	£	£		£
<u>Cost</u>				
01 January 2025	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2025	614,456	847,157	1,121	1,462,734
<u>Depreciation</u>				
01 January 2025	-	68,332	-	68,332
Charge for the year	-	8,472	-	8,472
31 December 2025	-	76,804	-	76,804
Net book value at 1 January 2025	614,456	778,825	1,121	1,394,402
Net book value at 31 December 2025	614,456	770,353	1,121	1,385,930

13) Fixed Asset Investments

	£
01 January 2025	962,009
Additions	-
Divestments	(145,000)
Investment gain	(47,066)
31 December 2025	769,943

The investments represent funds placed in CCLA COIF Charity Ethical Investment Fund. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 17 for further details

14) Debtors

	2025	2024
	£	£
Trade debtors	1,536	1,971
Accrued Income	6,479	7,089
Other debtors	124	124
Prepayments	16,987	17,632
	<u>25,126</u>	<u>26,816</u>

15) Stock

	2025	2024
	£	£
Goods for resale	11,140	5,675
	<u>11,140</u>	<u>5,675</u>

16) Creditors

	2025	2024
	£	£
Trade creditors	13,567	15,225
Accruals	4,240	3,593
HMRC	4,218	3,569
Other creditors	2,017	3,174
	<u>24,042</u>	<u>25,561</u>

17) Charitable Funds

	Balance at 1 January 2025	Income	Expenditure	Gain/(loss) on investments	Transfers Between Funds	Balance at 31 December 2025
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,513,979	-	-	(47,066)	(263,409)	2,203,504
	2,763,979	-	-	(47,066)	(263,409)	2,453,504
Restricted Funds:						
Visitor Attraction Fund	-	6,000	(7,613)	-	1,613	-
UCLAN	-	3,700	(3,506)	-	(194)	-
Arts Council	-					
HERDS	-	1,125	(1,054)	-	(71)	-
Unlocking Collections	-	44,955	(6,972)	-	-	37,983
Heritage Lottery Fund	-	65,827	(30,425)	-	-	35,402
	-	121,607	(49,570)	-	1,348	73,385
Unrestricted Funds:						
New Pioneers	56,922	-	-	-	-	56,922
Revenue reserves	(309,863)	91,417	(354,693)	-	262,061	(311,078)
	(252,941)	91,417	(354,693)	-	262,061	(254,156)
Total Charitable Funds	2,511,038	213,024	(404,263)	(47,066)	-	2,272,733

17) Charitable Funds (continued)

2025 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2025
	£	£	£	£
Tangible assets	67,573	-	-	67,573
Fixed asset investments	-	-	769,943	769,943
Heritage assets	-	-	1,385,930	1,385,930
Current assets	(297,687)	73,385	297,631	73,329
Current liabilities	(24,042)	-	-	(24,042)
	(254,156)	73,385	2,453,504	2,272,733

Prior year comparative

	Balance at 1 January 2024	Income	Expenditure	Gain/(loss) on investments	Transfers Between Funds	Balance at 31 December 2024
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,579,048	-	-	28,150	(93,219)	2,513,979
	2,829,048	-	-	28,150	(93,219)	2,763,979
Restricted Funds:						
TNA: Resilience in Archives***	5,383	-	(5,234)	-	(149)	-
	5,383	-	(5,234)	-	(149)	-
Unrestricted Funds:						
New Pioneers	56,922	-	-	-	-	56,922
Revenue reserves	(137,418)	106,131	(371,944)	-	93,368	(309,863)
	(80,496)	106,131	(371,944)	-	93,368	(252,941)
Total Charitable Funds	2,753,935	106,131	(377,178)	28,150	-	2,511,038

17) Charitable Funds (continued)

2024 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2024
	£	£	£	£
Tangible assets	93,215	-	-	93,215
Fixed asset investments	-	-	962,009	962,009
Heritage assets	-	-	1,394,402	1,394,402
Current assets	(350,595)	-	437,568	86,973
Current liabilities	(25,561)	-	-	(25,561)
	(282,941)	-	2,793,979	2,511,038

*Toad Lane Museum Fund: This is a permanent endowment fund where the assets must be held permanently by the charity. The fund relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

** Co-operative Group Fund: This is an expendable endowment fund invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objects. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes, which is in accordance with the Memorandum of Understanding between The Co-operative Group and the Trust.

The investment gain arising from the Co-operative Group Fund has been transferred to Unrestricted Funds as the interest and gains arising from the fund are used to support the ongoing work of the Trust. The deficit incurred on the Arts Council Project has also been transferred to unrestricted funds.

*** The Resilience Funding was to support backfilling the archivists time to address cataloguing gaps and conservation needs, the funding was specifically to cover the reading room and general enquiries for a day per week.

18) Contingent Liabilities and Capital Commitments

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

19) Related Party Transactions

The following are related party transactions, as defined by FRS102, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £nil and £225 were payable to and receivable from the College. At 31 December 2025 the balance owed to the College was £nil and owed from the College was £nil.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The Co-operative Group also provided donations of £15,000. There were no other transactions.

c. Co-operatives UK

Co-operatives UK is one of the founding members of The Co-operative Heritage Trust. The amount receivable from Co-operatives UK in the year was £225 with £72 outstanding.

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services and HR services. The amounts payable in the year relating to these services was £50,936. The amount outstanding at year end was £nil.

d. Trustees

See note 10

CHT CIO Annual Report and Accounts 31 December 2025 FINAL for signing

Final Audit Report

2026-05-14

Created:	2026-05-14
By:	Emma Willder (emma@beyondprofituk.co.uk)
Status:	Signed
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Accounts

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**

Annual Report and Accounts for the year ended 31 December 2024

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust Charitable Incorporated Organisation

Charity Number: 1179727

Registered Office: 117 Holyoake House
Hanover Street
Manchester
M60 0AS

Operating Addresses:	National Co-operative Archive	Rochdale Pioneers Museum
	Holyoake House	Toad Lane
	Hanover Street Manchester	Rochdale
	M60 0AS	OL12 0NU

Independent Trustee	Anthony Webster (Chair)	Elected as Chair 11 th July 2023

Independent Trustee	Ian Adderley	Elected as Vice Chair 16 th May 2024

CUK Founder Trustee	Tanya Noon	Resigned as Vice Chair 16 th May 2024

CUK Founder Trustee	Clare Dalton	Replaced by Nick Matthews
	Resigned 28 th June 2024	21 st November 2024

Co-op Group Founder Trustee	Paul Gerrard	Replaced by Melanie Hearn 16 th May 2024
	Resigned 1 st February 2024	

Co-op Group Founder Trustee	Edward Powell

College Founder Trustee	John Boyle

College Founder Trustee	Christopher Jardine	Replaced by Jenny Laycock 8 th July 2024
	Resigned 16 th May 2024	

Independent Trustee	Dr Alessandro Bucci
	Resigned 16 th May 2024

Independent Trustee	Professor Stephen Milner

Independent Trustee	Dr Alexandra Mitchell

Independent Trustee Helen Davies Elected 16th May 2024

Secretary: Helen Ashley Taylor
Charity HAT

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

Investment Managers: Churches Charities and Local
Authorities Investment Management
(CCLA)
1 Angel Lane
London
EC4R 3AB

Independent Examiner: Helen Binns FCA
Beever and Struthers
One Express
1 Geroge Leigh Street
Manchester
M4 5DL

Structure, Governance and Management

Status and Charity Number

The Co-operative Heritage Trust was founded in 2007 and is registered with the Charity Commission as a Charitable Incorporated Organisation (registration date 29 August 2018).

Governing Document

The charity is administered in accordance with the constitution dated 29 August 2018.

Trustees and Officers

Under the constitution of the CIO (20th February 2020), trustees of the Co-operative Heritage Trust are nominated by the three members of the charitable incorporated (formerly un-incorporated) organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group. These nominations (found above) are ratified by the other founders.

Under the CIO the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group can nominate up to two trustees each. Nominations are ratified by the other founders. Further, up to five independent trustees may be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes.

Appointments are ratified by founders.

Recruitment and Training of Trustees

Trustees are appointed based on their expertise in co-operative heritage and charitable organisations. The Trustees have received an appropriate induction and ongoing training support is kept under review by the Trustees.

The Trustees have renewable fixed terms of office and provide for succession through identifying new Trustees with appropriate skill sets.

Organisational Management

The day-to-day operational management of the Trust - the Rochdale Pioneers Museum and National Co-operative Archive is delegated to the Trust Manager with line management support from the Chair of Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Chair`s introduction

This report covers the period from 1st of January to the 31st December 2024

There remains a pressing need to develop new income streams to sustain the Trust in the long term. Planning fundraising for this has been a major priority in the year. In particular, the long term financial outlook for the Trust and the way it works with the rest of the movement has moved to centre stage; and it is clear that the movement both at home and abroad must be persuaded to contribute more on a regular basis to ensure long term viability.

The designation of 2025 as UN Year of Co-operatives clearly provides an opportunity to bring these questions to the fore. Financially the Trust has been 'treading water' in recent years, but as stated, this has to change if the Trust is to be sustainable. Changing investment managers has resulted in a higher level of performance and more predictable income but some other sources of funding have contracted during the period.

Rising costs have continued from the previous year, though inflation has now slowed this a little. Nonetheless, expenditure on maintenance and utilities costs, staffing and governance in a depressed financial climate remain a constant challenge. On a more positive note, a major National Lottery Heritage Fund grant was successful at the close of the reporting year. Though such funding is earmarked for specific delivery and cannot alleviate the Trust's long-term pressures.

A priority for the coming year is the need to ensure that the Trust's delivery of its charitable aims and objectives align with changing needs in the movement.

2025 is more promising, with a predicted increase in tourism to Rochdale which should enhance visitor numbers significantly, and new opportunities are likely to arise as the town's regeneration programme proceeds with the Trust playing a collaborative role. An important objective therefore remains around strengthening the diversity of our audience in Rochdale.

Uncertainties around the long-term location of the Archive continue, and discussions and work towards bringing two separate operations closer together with the view to re-locating the public facing archive service to Rochdale are in train. 2024 was another a challenging year; and while the Trust has weathered it tolerably well, the need to implement fund raising strategies has becoming more pressing.

I would like to extend my thanks to Liz and the team for the excellent and hard work they have done this year and to my fellow trustees for their commitment and time during the period.



Professor Anthony Webster

Chair of Trustees

Trustee's Annual Report

Review of the period 1st January to 31st December 2024

The following report details the way in which the Trust has operated regarding all strategic and operational considerations in the period under review.

Objects and Activities

Charitable Objectives

The objects of the Charity as defined in the Trust Deed are as follows:

The Trustees shall hold the capital and income of the trust fund upon trust as to the income, and all such part or parts of the capital, as the founder may by notice in writing to the Trustees determine for the following objects:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as Rochdale Pioneers Museum) and any ancillary buildings as shall or may at any time be vested in the charity or in respect of which the charity shall have any interest.
- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of all furniture, pictures, historical records, books, manuscripts, films, photographs, objets d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co- operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the charity or in respect of which the charity shall have any interest.
- The encouragement of the provision of access to and the study of such buildings, land, furniture, pictures, historical records, books, manuscripts and other chattels or items that comprise the National Co-operative Archive and the Rochdale Pioneers Museum by members of the public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founders and the Charity Commission.

The activities of the Trust work towards two key outcomes:

Charitable Objectives:

1. To increase activity and promote understanding of co-operative collections and materials.

The Trust is committed to maintaining its Museum Accreditation status through Arts Council England following the most recent award of 2020: Due to the impacts of the Covid-19 pandemic on the process of this professional review, The Trust was due to submit returns during the period in review. The process is significantly delayed, and we now expect the invitation to be issued late in 2025. Some specific changes have been advised which relate to climate impact and mitigation – specifically the responsibility of museums to consider the UN Sustainable Development Goals as well as ways in which museums approach sensitive subjects and objects they may hold.

Specific guidelines have also been issued around museums and collections security protocols and ability to respond to an emergency / have a comprehensive disaster plan in place. These changes are partly in response to the impacts of climate change and unpredictable weather patterns which increase operational costs as well as a higher level of public scrutiny following publicised thefts from the British Museum in 2023.

The impacts of both climate change and ‘wear and tear’ on 31 Toad Lane is significant and long-term maintenance targets which were delayed in the pandemic years now need to be addressed. While the Trust is working towards a more operationally sustainable model for the future of the museum and archive output, it acknowledges that it is unable to remove the liabilities of the physical infrastructure and that essential maintenance works must be carried out in line with recommendations made in a MACE survey of 2022 and an updated survey carried out in the Spring of 2024 by RLB sponsored by the Co-op Group Estates Team.

It was agreed that a number of these essential works would be scheduled for December 2024 to April 2025: Starting with a closure of the museum to replace the flooring. These changes should be communicated to our audiences and supporters as part of our programmes and projects in the coming years.

The Trust continues to address the future financial viability of a two-site operation facing increased costs of operation, the inability for the organisation to be able to trade out of deficit and the limited returns on investments being sufficient to fund basic operations in the current operational model.

During the period – partnerships in Rochdale were strengthened by increased participation in leadership circles and a closer working relationship with Arts and Culture providers Your Trust, as part of the NLHF Funded project to refurbish and re-develop Touchstones Museum, and a renewed commitment to work with Rochdale Development Agency on a collaborative project to bring archives together to benefit town centre regeneration.

As a result of increasing costs of remaining as tenants at Holyoake House, post October 2024; The Trust increasingly looked to partnership models in a refurbished building in Rochdale Town Centre and following a feasibility study on vacant buildings at Baillie Street’s ‘Heritage Quarter’ as a shared occupancy learning hub. The design moved to RIBA 2 and was put forward as an expression of interest for major capital project development funding to The National Lottery Heritage Fund by Rochdale Development Agency who have had previous investment success with Fireground FireUp Coworking space and Richard Street

Studios as well as an announcement of significant Arts Council England Place Partnership Fund for culture and skills based regeneration.

The Trust has reviewed the ways in which it can approach engagement with a wider audience considering the changes to traditional visiting trends. User numbers have increased at both sites but is still reflective of a traditional audience demographic. Strategies to use social media more dynamically to engage younger audiences have not had the results hoped as the capacity and skills of the team do not reflect the ways in which social media is being used for marketing. Although this may be shaped by partnership opportunities, future approaches for developmental funding should continue to focus on improving youth and diversity representation in the ways the Trust meets its charitable objectives.

2. Creating opportunities to present and interpret our heritage.

Outreach in the period: Museum based events and projects:

2024 marked the 180th anniversary of the Rochdale Society and a programme of events was designed to reflect this - with event volunteers recruited to manage capacity for delivery of weekend or evening events.

Key events included the continuation of the HAF (Healthy and Fed) programme in Rochdale for children in receipt of free school meals devised by Caitlin Shentall, our Education and Outreach Officer.

Caitlin has developed relationships with several partners to bring a younger demographic into the museum and build on the number of 'in-school' visits with new workshop and session offers. Some of the best attended sessions included the Pioneer Picnic on the 21st August and Heritage Information fairs in Rochdale with over 1000 people attending – many of whom had not heard of the Trust or the Museum previously.

Mikron Theatre performed a play at St Mary's on Toad Lane about democracy and access to the countryside, sponsored by The Co-operative Bank as part of the 180th anniversary to mark the formation of the society. The audience was reasonable considering very poor weather, but reflected 'traditional' demographics.

Audience demographics were measured differently from August of 2024: Jenny Ross trialled a meet and greet system to measure percentages of local / non local users and to more accurately test age and background demographics. Although the data does not cover the whole period and is not complete for December due to a closure for maintenance, early indicators are that most visitors are over the age of 50, the data suggests that around 65% of visitors visit in the afternoon, a similar total of 65% were not local to Rochdale and as high as 70% were making their first visit. This higher figure may reflect anecdotal reporting on visits to newly opened Rochdale Town Hall from June 2024. This method of gathering data supports strategic approaches and fundraising and proves that there is opportunity to work in partnership to promote joint bookable visits with other local culture partners – particularly for international groups in the coming year.

Relationships with other co-operatives were strengthened during the year as Front of House teams reached out to independent co-operatives and their audiences – particularly those associated with worker co-operatives who don't traditionally support the Trust. This work has

informed the programme for 2025 but relies heavily on staff time to manage these relationships.

National Co-operative Archive

During the period, the Archivist worked with Black Country Living Museum on a costed project to recreate their Halesowen and Hasbury Co-operative Society Store on the Dudley site in July. This is a key opportunity to engage the type of audience who might not visit museums or the Northwest – covers staff time and allows for a positive relationship and impact of the co-operative heritage outside the Trust's operations.

The Trust was represented in participation in the HIDDEN network events as part of Manchester Histories Festival in May as well as membership of the ACCLAIM group of archives in Manchester with similar collections themes around labour history. These peer networks allow The Trust to work on projects and events together and share audiences more effectively.

The Archive welcomed researchers from the West Calder and Hebburn Community Development Trust who are in the second phase of developing a former co-op bakery site in West Lothian into a Scottish 'Co-op Discovery Centre'. Relationships are ongoing across the museum and archive and may inform future collecting policies.

The Archive continues to build strong peer links and create opportunities for young people and those not familiar with archives through messaging, partnerships and the National Lottery Heritage Fund bid '*Seeds of Change – Documenting the history of the Co-operative College*' – This fund of **£131,653.00** aims to document, digitise and make available collections which reflect the international movement over two years from February 2025 to the close of 2026

The most successful event was 'Co-ops on Film' on 5th December, staged in partnership with HOME Arts Centre, Manchester to select and screen film shorts from the archive and those commissioned by Co-operatives UK to highlight co-op values and the ways in which co-ops have used film to connect with audiences. As part of the event, the Archive worked with a member of the Young Co-operator's network, Ryan Bird (From Midcounties Co-op) to select the material. He decided to make his own film as a result to be included in the screening. This event was very well attended despite very poor weather and transportation disruption due to Storm Bert: The panel consisted of Ryan Bird, Archivist Jane Donaldson and Actor John Henshall who starred as one of the Rochdale Pioneers in the 2012 feature film of the same name.

Other opportunities

The Co-operative Heritage Trust were invited to join the UK Delegation at the launch of the ICA Global Conference in New Delhi, India from 25th to 30th November: The costs for the Trust Manager to attend were covered by The Co-operative Group in recognition of provision of resources during the international year.

The event was hosted by IFFCO – the biggest member owned business in India, with cultural programme sponsors by Amul foods and other co-operatives. During the conference there were opportunities to address 3000 delegates – prior to the screening of the Rochdale Pioneers film, during a conference session on the importance of cultural heritage and as part of the exhibition stands where images from the collections were used.

ICA General Assembly and UK Congress in 2025: During the New Delhi Conference the ICA announced that they would be holding their next event in Greater Manchester which will take place two days before the UK Congress, confirmed to be at Rochdale Town Hall. This will be an opportunity to build on the partnerships in this reporting period and work towards our strategic objectives.

Future Plans / Strategic Priorities

1. **Operational resilience** – Focusing on priorities to ensure the organisation is operating efficiently – being able to offer access to archives and the museum building.
2. **Strategic heritage** - The role of the Heritage Trust in leading this in the co-operative movement to achieve our own objects
3. **Funding to secure the future** – Reflecting the need to have an increased but stable financial footing for the years ahead.

Operational resilience

Currently we operate the Rochdale Pioneers Museum at Toad Lane, with a reading room and archival storage at Holyoake House in Manchester.

While maintaining some kind of presence in Holyoake House is desirable, a twin site operation that straddles Rochdale and Manchester is inefficient on any measure.

- The Trust aims to consolidate archive storage and offer to one location - operable from Rochdale (we will explore connections and presence at Holyoake House through existing relationships).
- The Trust will identify investment needs of the Museum building
- The Trust will invest in technology and equipment to provide increased digital services.

Strategic Heritage

The UK Co-operative Movement has a rich heritage, not least through the foundational and catalysing efforts of the Rochdale Pioneers in 1844. This heritage is important in the UK and internationally. Internationally, the UK's co-operative heritage adds significantly to its importance on the international stage.

We know that business history adds value to businesses across all sectors. While some larger co-operatives have developed a business history approach, many do not.

There is a risk that this is deemed to be ‘outsourced’ to the Co-operative Heritage Trust, reflecting a misunderstanding of the reality, and a lack of alignment to funding.

Despite the strategic value of heritage to co-operatives, and the UK movement more generally, there is a risk it is undervalued by both. While some parts of the co-operative movement (notably the Co-operative Group) have directly and substantially funded heritage work, most parts of the movement do not. The co-operative movement makes no ongoing substantial financial contribution to co-operative heritage in the UK.

We therefore propose working on three priorities in our messaging and delivery:

1. Helping the UK co-operative movement recognise that heritage is of present / future value to the movement now.
2. Encouraging co-operatives to take seriously, and invest in, their own business history, to develop the future pipeline of archival and other material.
3. Engage internationally to amplify the role of the UK co-operative movement’s heritage.

We will do this by developing a ‘*Heritage for the Future*’ strategy for the co-operative movement. This work will involve:

- Iterative conversations with strategic leaders in the UK co-operative movement (e.g. Co-operatives UK, leaders in large retail co-operatives, other support organisations etc).
- Developing a ‘hub and spoke’ model; with the Trust providing support and expertise to those co-operatives investing in their business history.
- Consultation with retail consumer co-operatives at the Retail Conference in March 2025.
- Continue engagement with the International Working Group and consider engagement with a nascent ICA International Heritage and Culture working group.
- Consideration of direct (virtual) partnerships with other co-operative / mutual museums, such as the Rochdale Pioneers replica in Japan, and the Credit Union Museum in the USA.
- Consultation with the Co-operative movement at Co-op Congress 2025.

Funding to Secure the Future

The Trust will make it clear to its supporters and wider audiences that the rate of return on investments cannot sustain the current model of operation.

The Trust’s messaging needs to emphasise that a not-for-profit operation with fixed liabilities, even with significant changes to operational model can not generate enough income to be cost neutral.

The Trust is prepared to look at appetite for long term investment risk to secure a better rate of return but acknowledges that stability requires this rate to stay above the rate of inflation. Preferred approaches rely on increasing returns and limiting cash withdrawals

over the period 2025 to 2027: To achieve this, the Trust would need to target significant unrestricted cash injections of above £250,000 per annum in that period.

Our people

Employees

The Trust continued to experience turnover in the period and made some adjustments to salaries based on retention of skills and anticipated changes to the National Minimum Wage and 'Real Living Wage' as advised in line with ethical employment– continuing to recognise that the margin for error in the current staffing model is very small.

Cat Jessop (Education and Outreach Officer PT) left the Trust in December 2023 and was replaced by Caitlin Shentall in January 2024.

Fanny Reiter (Visitor Experience Officer) left the Trust in June and was replaced by Sarah Greenhall in August.

The Trust would like to thank former members of staff for their contribution to its work in the period.

Staff development:

During the period, all Trust staff and volunteers were trained and certificated in First Aid and Fire procedures.

All staff were obliged to undertake digital 'essential safeguarding' training.

Jenny Ross (Visitor Experience Officer PT) began a development course on fundraising and income generation with Museums Development Northwest.

Caitlin Shentall was enrolled in a Rochdale Creates leadership mentoring programme 2024-2025.

Volunteers:

During the period, the Trust's volunteer hours continued to be sustained – with a team of regular volunteers working in the Archive on Mondays.

Volunteers were also recruited for help with specific activities such as providing extra 'one off' staffing for events and for supporting collections-based projects, which has proved to be a more workable model than supervising regular volunteers to support general operations.

We would like to thank remote and in-person volunteers and local partners who have made a vital contribution to the work of the Trust during the period.

Charity Governance Code

The Trustees have reviewed and adopted the Charity Governance Code and continue to make changes to policy and procedure based on best practice and training available for

Trustees. During the period, the Trust inducted new board members and offered governance as well as charity finance training provided by Beyond Profit UK.

Internal Control

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

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

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Trust.
- Reporting to and review by the Trustees on a regular basis.

Risk Management

The Co-operative Heritage Trust has an active risk register which is reviewed on a quarterly basis and in the event of a new risk emerging: The key risks are subject to change in level of risk but have been identified as:

- Financial risk in relying on investment gains and ability to raise sustainable income through other means to meet operational costs.
- The ongoing costs and limitations of maintaining physical assets across two Greater Manchester locations especially in relation to staffing these sites with a quality offer.
- The risk to physical assets and infrastructure through lack of investment in building maintenance.
- Governance risk in equality and diversity makeup of board members, staff, volunteers and user demographic in maintaining relevance for the charity and its objectives.
- The capacity of a limited team in the event of unexpected events or absence of key staff.

Related Party Transactions

The Co-operative Heritage Trust has three founder members – The Co-operative Group, Co-operatives UK and The Co-operative College.

The Archive and Museum's services are used by the departments of the Co-operative Group, one of the founders of the Trust. Where major activity is involved, charges are made by the Trust, smaller amounts of activity are included in the general costs and operation of the Archive and Museum.

The Co-operative Heritage Trust rents office and archival space from Co-operatives UK to house the National Co-operative Archive, the Archive Office and the Co-operative Group Archive.

The Co-operative College has retained a physical presence at Holyoake House in Manchester, although at a reduced capacity since 2020 and is able, as a registered charity to use the charitable rate offered for booking hire space and services for direct delivery at Rochdale Pioneers Museum.

Conflicts of interest were managed through the Conflict of Interests Policy within the terms of the Co-operative Heritage Trust's Trust Deed during the period. For further details of related party transactions please see Note 19.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Finance Review

2024 remained challenging for the Trust with costs increasing but no corresponding increase in income. The overall result for the year, before investment losses was a loss of £271,046. After investment gains of £28,150 the result was a loss of £242,897

Income decreased from £111,172 to £106,131 in 2024. This is due to a grant received in 2023 that was not received in 2024.

Expenditure in the year increased from £367,665 to £377,177. This was due to increased salary costs as all salary levels were reviewed to ensure that they were inline with ethical employment practices. Additional rental increases for the archive and reading room at Holyoake House increased in the final quarter of the year.

The Trustees are developing a fundraising strategy that seeks to secure the Trusts' long-term future including discussions with the UK Co-operative movement.

Investment Policy and Performance against Objectives

The Trust has its investment portfolio with Churches Charities and Local Authorities (CCLA) in an Ethical Investments Fund which can be drawn against to support core operational costs.

In 2024 the Trust received investment income of £35,152 (2023: £37,408). The overall value of investments decreased from £1,038,859 to £962,009 as a result of the Trust requiring to drawdown funds for cashflow purposes.

Reserves Policy

The current value of free unrestricted reserves remains negative at £379,155. This figure has been calculated as follows:

	£
Unrestricted funds	(252,941)
Less unrestricted fixed assets	93,215
Free unrestricted reserves	<u>(346,155)</u>

The Trust also holds £2,763,979 (2023: £2,829,048) in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and expendable endowment funds are to be invested in order that the interest and gains arising from this is used in the furtherance of the charity's objects.

This expendable endowment is currently held in the form of investments. This investment is used to fund the ongoing operations of the charity. At the current time the fund is decreasing by more than the combined interest and gains each year.

Heritage Assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and

unique heritage qualities of indefinite life and are therefore not depreciated. The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

For further details of the Heritage Assets please see Note 12.

Going Concern

For the period ending 31 December 2024 the Trust has net current assets £2,481,039 Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity. Therefore, based on an assessment of future budgets and liquidity of assets, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

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Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

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

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

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

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

Approved by the Trustees on 15th May 2025 and signed on their behalf by:



Anthony Webster

Chair of Trustees

Independent Examiners' Report to the Trustees of The Co-operative Heritage Trust

I report on the accounts of the Trust for the year ended 31 December 2024, which are set out on pages 21 to 40.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011. My Independent Examiner's work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity, and the Charity's Trustees as a body for my Independent Examiner's work, for this report, or for the opinions I have formed.

Respective Responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

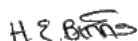
Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - a) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - b) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Helen Binns FCA
Beever and Struthers, One Express, 1 George Leigh St, Manchester, M4 5DL

20/05/25

Statement of Financial Activities for the year ended 31 December 2024

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2024	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2023
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	28,296	-	-	28,296	24,488	-	-	24,488
Charitable Activities	3,4	42,683	-	-	42,683	34,529	14,522	-	49,051
Investments	5	35,152	-	-	35,152	37,408	-	-	37,408
Other income		-	-	-	-	225	-	-	225
Total		106,131	-	-	106,131	96,650	14,522	-	111,172
Expenditure on:									
Raising Funds	8	510	-	-	510	4,785	8,724	-	13,508
Charitable Activities	6,7	371,433	5,234	-	376,667	353,742	415	-	354,157
Total		371,943	5,234	-	377,177	358,527	9,139	-	367,665
Gains/(Losses) on investments		-	-	28,150	28,150	-		124,031	124,031
Net (expenditure) / income		(265,812)	(5,234)	28,150	(242,897)	(261,876)	5,383	124,031	(132,462)
Transfers between funds		93,368	(149)	(93,219)	-	124,031	-	(124,031)	-
Net movement in funds		(202,445)	(5,383)	(65,069)	(242,897)	(137,845)	5,383	0	(132,462)
Reconciliation of Funds									
Total funds brought forward		(80,496)	5,383	2,829,048	2,753,935	57,349	-	2,829,048	2,886,397
Total funds carried forward		(252,941)	-	2,763,979	2,511,038	(80,496)	5,383	2,829,048	2,753,935

Balance Sheet as at 31 December 2024

	Notes	Total Funds December 2024 £	Total Funds December 2023 £
Fixed Assets			
Tangible assets	11	93,215	90,775
Heritage assets	12	1,394,402	1,402,874
Investments	13	962,009	1,038,859
Total Fixed Assets		2,449,626	2,532,508
Current Assets			
Debtors and prepayments	14	26,816	20,063
Stock	15	5,675	7,283
Cash at bank and in hand		54,482	225,938
Total Current Assets		86,973	253,284
Liabilities			
Creditors: amounts falling due within one year	16	25,561	31,857
Net current assets		61,412	221,427
Total assets less current liabilities		2,511,038	2,753,935
Total Net Assets		2,511,038	2,753,935
The funds of the charity			
Endowment funds	17	2,763,979	2,829,048
Restricted Funds	17	-	5,383
Unrestricted funds	17	(252,941)	(80,496)
Total Charitable Funds		2,511,038	2,753,935



Tony Webster

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

a

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

Based on an assessment of future budgets and liquidity of assets the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

c Income and endowments

All income is recognised when there is an entitlement to the finds, the receipt is probable and the amount can be measured reliably. General donations are recognised when they are received from the donor with the exception of donations given towards specific projects or activities. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of December 2024.

The Trust also sell merchandise through the shop at the Museum. Income from this is recognised at the point of sale along with the relevant cost of obtaining the goods.

d Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment.

Charity expenditure enables the Co-operative Heritage Trust to meet its charitable objective. All expenditure is shown inclusive of VAT.

e Tangible fixed assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Depreciation is calculated in equal monthly amounts based on cost. The following minimum rates are applied:

Plant, fixtures and fittings	6.67% per annum
Information technology equipment	25% per annum

f Heritage assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of the Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The external access tower is valued at the cost of its construction.

g Stock

Stock is stated at the lower of cost and net realisable value (estimated selling price). Cost is based on cost of purchase on a first in first out basis. Review at the end of each accounting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

h Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a Sustainable Diversified Fund. Investments are stated at market value being the share price.

i Allocation of support and governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit along with an apportionment of the management fee charged to the trust for the management of its day to day operations including financial and HR support.

Governance and support costs relating to charitable activities have been apportioned based on the total expenditure of each activity.

j Pension scheme

The Co-operative Heritage Trust offers an auto enrolment compliant group personal pension scheme, which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4%, with the Heritage Trust paying 8%. After two years' employment employees can opt to increase their contribution to 6%, with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

k Tax and VAT

The Co-operative Heritage Trust is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in The Corporation Taxes Act 2010. The Heritage Trust is not VAT registered and as such all expenditure is shown inclusive of applicable VAT.

l Fund accounting

- i Unrestricted funds: These are funds that can be used in accordance with the Co-operative Heritage Trust's charitable objective at the discretion of the Trustees.
- ii Expendable Endowment Funds: The funds are invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objectives. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity. The fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.
- iv Restricted funds: These are funds received for undertaking an activity specified by the donor.

2) Income from Donations and Legacies

	2024	2023
	£	£
Donations	<u>28,296</u>	<u>24,488</u>
	<u>28,296</u>	<u>24,488</u>

3) Grants

In the period to 31 December 2024 the following grants were received

	Revenue	Total 2024	Total 2023
	£	£	£
Rochdale Council	-	-	562
Rochdale HAF Funding	1,863	1,863	1,848
Rochdale Community Fund	-	-	1,140
TNA resilience	-	-	14,522
	<u>1,863</u>	<u>1,863</u>	<u>18,072</u>

The grants from Rochdale Council were received in relation to the Healthy & Fed Project

4) Charitable Income

	Core	National Co-operative Archive	Rochdale Pioneers Musuem	Projects	Total 2024
	£	£	£	£	£
Event income	500	- 165	20,589	-	20,924
Merchandise and publications	540	5,729	13,627	-	19,896
Project Income	-	-	-	-	-
	1,040	5,564	34,216	-	40,820

Prior year comparative

	Core	National Co-operative Archive	Rochdale Pioneers Musuem	Projects	Total 2023
	£	£	£	£	£
Event income	63	210	20,455	-	20,728
Merchandise and publications	125	1,337	3,235	-	4,697
Project Income	-	-	-	5,554	5,554
	188	1,547	23,690	5,554	30,979

5) Investment Income

	2024 £	2023 £
Dividends and interest on fixed asset investments	35,152	37,408
	35,152	37,408

6) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated	2024 Core Activities	Projects	Basis of apportionment
	£	£	£	
Governance Costs	8,361	8,171	190	Proportion of expenditure
Bank charges	196	196	-	Actual expenditure
Event expenditure	926	926	-	Actual expenditure
IT subscriptions	2,062	2,062	-	Actual expenditure
Marketing	1,402	1,120	282	Actual expenditure
Other expenditure	415	415	-	Actual expenditure
Print, postage and stationery	572	572	-	Actual expenditure
Professional fees	27,302	27,302	-	Actual expenditure
Storage	2,400	2,400	-	Actual expenditure
Telephones	3,522	3,522	-	Actual expenditure
Travel	3,146	3,146	-	Actual expenditure
Total	50,304	49,832	472	

6) Allocation of governance and support costs (continued)

Prior year comparative

	Total allocated	2023 Core Activities	Projects	Basis of apportionment
Cost type	£	£	£	
Governance Costs	16,658	16,243	415	Proportion of expenditure
Bank charges	167	167	-	Actual expenditure
Event expenditure	200	200	-	Actual expenditure
IT subscriptions	1,256	1,256	-	Actual expenditure
Marketing	527	527	-	Actual expenditure
Other expenditure	705	705	-	Actual expenditure
Print, postage and stationery	299	299	-	Actual expenditure
Professional fees	26,523	26,523	-	Actual expenditure
Storage	2,676	2,676	-	Actual expenditure
Telephones	2,434	2,434	-	Actual expenditure
Travel	599	572	27	Actual expenditure
Total	52,044	51,602	442	

	2024	2023
Governance costs	£	£
Auditors remuneration	-	11,578
Independent Examination remuneration	2,400	-
Trustee Indemnity Insurance	906	99
Other Governance Cost	67	192
Secretarial Support	4,988	4,789
	<u>8,361</u>	<u>16,658</u>

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

Independent Examiners / Auditor's Remuneration

The independent examiners remuneration consisted of a fee of £2,400 (2023: £9,798 - audit). No other services were provided by the independent examiner.

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2024
	£	£	£	£
Core activities	183,965	49,831	134,089	367,885
Projects	8,304	472	6	8,782
	192,269	50,303	134,095	376,667

Prior year comparative

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2023
	£	£	£	£
Core activities	159,381	51,602	142,318	353,301
Projects	415	441	-	856
	159,796	52,043	142,318	354,157

8) Raising Funds Expenditure

	2024	2023
	£	£
Cost of fundraising	510	13,508
	510	13,508

9) Employee costs

The Trust seeks to ensure that all colleagues are fairly rewarded for the work that they undertake. All colleagues are appointed to a role cluster and level that is appropriate to the content of their role. Each role cluster and level have specific salary bands.

No employee of the Trust has an annual salary in excess of £60,000.

The average number of colleagues employed by the Trust was:

	2024	2023
Full time	3.0	5.0
Part time	2.3	0.8
	<u>5.3</u>	<u>5.8</u>
Full time equivalents	<u>5.3</u>	<u>5.8</u>

The costs incurred in respect of these employees were:

	2024	2023
Salaries and wages	161,840	136,720
Social security	9,942	6,726
Pension	13,011	11,041
Other	7,477	4,341
	<u>192,270</u>	<u>158,828</u>

Key Management Personnel

The Trust considers its key management position to be that of the Co-operative Heritage Trust Manager.

	2024	2023
Salaries and wages	47,586	43,260
Social security	5,312	4,715
Pension	3,807	3,460
	<u>56,705</u>	<u>51,435</u>

10) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £nil (2023:£nil) was incurred in respect of Trustee Expenses.

11) Tangible Fixed Assets

	IT Equipment £	Plant, fixtures and fittings £	Total £
<u>Cost</u>			
01 January 2024	15,137	308,022	323,159
Additions	-	28,997	28,997
31 December 2024	15,137	337,019	352,156
<u>Depreciation</u>			
01 January 2024	13,781	218,603	232,384
Charge for the year	972	25,585	26,557
31 December 2024	14,753	244,188	258,941
Net book value at 1 January 2024	1,356	89,419	90,775
Net book value at 31 December 2024	384	92,831	93,215

12) Heritage Assets

Under FRS 102, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the costs of obtaining a valuation significantly outweigh the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The assets of the Trust consist of a substantial archive collection (National Co-operative Archive) which is home to a wide array of records relating to the history of the worldwide co-operative movement. The collections include rare books, periodicals, manuscripts, films, photographs and oral histories, and provide researchers with an unrivalled resource for the development of the co-operative movement, from the initial ideas of the eighteenth century to the present day. The Archive has been deemed a Designated Collection by Arts Council England. Designation sets out to identify nationally significant cultural assets in museums, libraries and archives and sets out to raise standards across the sector. Designated collections recognised by the Scheme are expected to work towards the provision of high-quality services, which deliver the fullest possible access to their collections.

In 2016 the Robert Owen Collection was put on the UNESCO UK memory of the world register as a significant collection in the history of the UK.

In accordance with FRS102 the Trustees have determined that the 31 Toad Lane Premises of the Rochdale Pioneers Museum are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of The Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over its expected life of 100 years. The external access tower is valued at the cost of its construction.

12) Heritage Assets (continued)

	Buildings: Rochdale Pioneers Museum £	Buildings: External Access Tower £	Artefacts	Total £
<u>Cost</u>				
01 January 2024	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2024	614,456	847,157	1,121	1,462,734
<u>Depreciation</u>				
01 January 2024	-	59,860	-	59,860
Charge for the year	-	8,472	-	8,472
31 December 2024	-	68,332	-	68,332
Net book value at 1 January 2024	614,456	787,297	1,121	1,402,874
Net book value at 31 December 2024	614,456	778,825	1,121	1,394,402

13) Fixed Asset Investments

	£
01 January 2024	1,038,859
Additions	-
Divestments	(105,000)
Investment gain	28,150
31 December 2024	<u>962,009</u>

The investments represent funds placed in CCLA COIF Charity Ethical Investment Fund. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 17 for further details

14) Debtors

	2024	2023
	£	£
Trade debtors	1,971	3,147
Accrued Income	7,089	7,742
Other debtors	124	124
Prepayments	17,632	9,051
	<u>26,816</u>	<u>20,063</u>

15) Stock

	2024	2023
	£	£
Goods for resale	5,675	7,283
	<u>5,675</u>	<u>7,283</u>

16) Creditors

	2024	2023
	£	£
Trade creditors	15,225	12,539
Accruals	3,593	14,861
HMRC	3,569	3,110
Other creditors	3,173	1,346
	<u>25,560</u>	<u>31,857</u>

17) Charitable Funds

	Balance at 1 January 2024	Income	Expenditure	Gain/(loss) on investments	Transfers Between Funds	Balance at 31 December 2024
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,579,048	-	-	28,150	(93,219)	2,513,979
	<u>2,829,048</u>	-	-	<u>28,150</u>	<u>(93,219)</u>	<u>2,763,979</u>
Restricted Funds:						
TNA: Resilience in Archives***	5,383	-	(5,234)	-	(149)	-
	<u>5,383</u>	<u>0</u>	<u>(5,234)</u>	-	<u>(149)</u>	-
Unrestricted Funds:						
New Pioneers	56,922	-	-	-	-	56,922
Revenue reserves	(137,418)	106,131	(371,944)	-	93,368	(309,863)
	<u>(80,496)</u>	<u>106,131</u>	<u>(371,944)</u>	-	<u>93,368</u>	<u>(252,941)</u>
Total Charitable Funds	<u>2,753,935</u>	<u>106,131</u>	<u>(377,178)</u>	<u>28,150</u>	-	<u>2,511,038</u>

17) Charitable Funds (continued)

2024 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2024
	£	£	£	£
Tangible assets	93,215	-	-	93,215
Fixed asset investments	-	-	962,009	962,009
Heritage assets	-	-	1,394,402	1,394,402
Current assets	(350,595)	-	437,568	86,973
Current liabilities	(25,561)	-	-	(25,561)
	(282,941)	0	2,793,979	2,511,038

Prior year comparative

	Balance at 1 January 2023	Income	Expenditure	Gain/(loss) on investments	Transfers Between Funds	Balance at 31 December 2023
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,579,048	-	-	124,031	(124,031)	2,579,048
	2,829,048	-	-	124,031	(124,031)	2,829,048
Restricted Funds:						
TNA: Resilience in Archives***	-	14,522	(9,139)	-	-	5,383
	-	14,522	(9,139)	-	-	5,383
Unrestricted Funds:						
New Pioneers	56,922	-	-	-	-	56,922
Revenue reserves	427	96,650	(358,527)	-	124,031	(137,418)
	57,349	96,650	(358,527)	-	124,031	(80,496)
Total Charitable Funds	2,886,397	111,172	(367,665)	124,031	-	2,753,935

17) Charitable Funds (continued)

2023 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023
	£	£	£	£
Tangible assets	90,775	-	-	90,775
Fixed asset investments	-	-	1,038,859	1,038,859
Heritage assets	(200,251)	-	1,603,125	1,402,874
Current assets	60,837	5,383	187,064	253,284
Current liabilities	(31,857)	-	-	(31,857)
	(80,496)	5,383	2,829,048	2,753,935

*Toad Lane Museum Fund: This is a permanent endowment fund where the assets must be held permanently by the charity. The fund relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

** Co-operative Group Fund: This is an expendable endowment fund invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objects. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes, which is in accordance with the Memorandum of Understanding between The Co-operative Group and the Trust.

The investment gain arising from the Co-operative Group Fund has been transferred to Unrestricted Funds as the interest and gains arising from the fund are used to support the ongoing work of the Trust. The deficit incurred on the Arts Council Project has also been transferred to unrestricted funds.

*** The Resilience Funding was to support backfilling the archivists time to address cataloguing gaps and conservation needs, the funding was specifically to cover the reading room and general enquiries for a day per week.

18) Contingent Liabilities and Capital Commitments

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

19) Related Party Transactions

The following are related party transactions, as defined by FRS102, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £nil and £3,515 were payable to and receivable from the College. At 31 December 2024 the balance owed to the College was £nil and owed from the College was £nil.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The amount receivable from The Co-operative Group for services provided was £637. The amount outstanding at year end was £250. The Co-operative Group also provided donations of £15,000.

c. Co-operatives UK

Co-operatives UK is one of the founding members of The Co-operative Heritage Trust. The amount receivable from Co-operatives UK in the year was £1,000 with £192 outstanding.

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services and HR services. The amounts payable in the year relating to these services was £54,596. The amount outstanding at year end was £2,480.

d. Trustees

The trustees received no remuneration in the performance of their duties. No trustees received any expenses. There were no related party transactions with the Trustees during the year.

20) Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Land and buildings		
Within one year	-	24,944
Between one and five years	-	-
	<u>-</u>	<u>24,944</u>

The amounts above include VAT as this cannot be recovered by the Trust.

From October 2024 there was a rolling lease in place.

CHT CIO Annual Report and Accounts v13

Final Audit Report

2025-05-20

Created:	2025-05-20
By:	Emma Willder (emma@beyondprofituk.co.uk)
Status:	Signed
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Accounts

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**
**Annual Report and Accounts for the period ended 31 December
2023**

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: 117 Holyoake House
Hanover Street
Manchester
M60 0AS

Operating Addresses:	National Co-operative Archive	Rochdale Pioneers Museum
	Holyoake House	Toad Lane
	Hanover Street Manchester	Rochdale
	M60 0AS	OL12 0NU

Independent Trustee	Anthony Webster (Chair)	Elected as Chair 11 th July 2023

Independent Trustee	Heather Roberts (Chair)	Resigned as Chair and from board 12 th June 2023

CUK Founder Trustee	Tanya Noon (Vice Chair)	Acting Chair interim 12 th June to 11 th July 2023

CUK Founder Trustee	Clare Dalton

Co-op Group Founder Trustee	Paul Gerrard

Co-op Group Founder Trustee	Edward Powell

College Founder Trustee	John Boyle

College Founder Trustee	Christopher Jardine

Independent Trustee	Dr Alessandro Bucci

Independent Trustee	Professor Stephen Milner	Joined 17 th May 2023

Independent Trustee	Dr Alexandra Mitchell	Joined 1 st September 2023

Independent Trustee	Ian Adderley

Secretary: Helen Ashley Taylor

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

Investment Managers: Churches Charities and Local Authorities
Investment Management (CCLA)
1 Angel Lane
London
EC4R 3AB

External Auditors: Beever and Struthers
Chartered Accountants and Registered Auditors
Suite 9B
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Structure, Governance and Management

Status and Charity Number

The Co-operative Heritage Trust was founded in 2007 and is registered with the Charity Commission as a Charitable Incorporated Organisation (registration date 29 August 2018).

Governing Document

The charity is administered in accordance with the constitution dated 29 August 2018.

Trustees and Officers

Under the constitution of the CIO (20th February 2020), trustees of the Co-operative Heritage Trust are nominated by the three members of the charitable incorporated (formerly un-incorporated) organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group. These nominations (found above) are ratified by the other founders.

Under the CIO the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group can nominate up to two trustees each. Nominations are ratified by the other founders. Further, up to five independent trustees may be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes.

Appointments are ratified by founders.

Recruitment and Training of Trustees

Trustees are appointed based on their expertise in co-operative heritage and charitable organisations. The Trustees have received an appropriate induction and ongoing training support is kept under review by the Trustees.

The Trustees have renewable fixed terms of office and provide for succession through identifying new Trustees with appropriate skill sets.

Organisational Management

The day-to-day operational management of the Trust - the Rochdale Pioneers Museum and National Co-operative Archive is delegated to the Trust Manager with line management support from the Chair of Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Chair`s introduction

This report covers the period from 1st of January to the 31st December 2023- and represents the first full year of unrestricted operations for the charity post-covid. The financial reporting for the period highlights several key points.

On the positive side, income is slightly up on that of 2022, but its sources are significantly different: Due to a higher level of individual donations and larger grants compared to the previous year, higher numbers of school bookings and hires of space, with some increases in merchandising. Changing investment managers has resulted in a higher level of performance and more predictable income but some other sources of funding have contracted during the period.

Rising costs have categorised the period covered, with lower levels of corporate donation towards unrestricted funds, and expenditure on maintenance and utilities costs in a depressed financial climate. Staffing and governance expenditure increases due to filling posts and widening the scope of operations as well as ensuring salary benchmarking to minimise risk have also had some impact.

Given the high levels of inflation in the markets, these rising costs are unsurprising. The contraction in corporate donations is certainly something upon which we must act – especially by raising awareness generally within the movement of the huge value and potential of our heritage resources to co-operators everywhere. This is something the Trust is committed to as part of its increasing pivot towards supporting the UK and international movement.

2024 is more promising, with a predicted increase in tourism to Rochdale which should enhance visitor numbers significantly, and new opportunities are likely to arise as the town's regeneration programme proceeds. An important objective is to strengthen the diversity of our audience in Rochdale.

There remain uncertainties around the long-term location of the Archive, and these are in the process of being resolved, though firm news is still awaited. Of course there is a significant risk in this. In brief – a challenging year, but one which the Trust has weathered well, though clearly there is work to be done in raising our profile. May I extend my thanks to Liz and the team for the excellent and hard work they have done this year; thanks are also due to the outgoing Chair Heather Roberts and to my fellow trustees for their commitment and time during the period.

Professor Anthony Webster

Chair of Trustees

Trustee's Annual Report

Review of the period 1st January to 31st December 2023

The following report details the way in which the Trust has operated regarding all strategic and operational considerations in the period under review.

Objects and Activities

Charitable Objectives

The objects of the Charity as defined in the Trust Deed are as follows:

The Trustees shall hold the capital and income of the trust fund upon trust as to the income, and all such part or parts of the capital, as the founder may by notice in writing to the Trustees determine for the following objects:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as Rochdale Pioneers Museum) and any ancillary buildings as shall or may at any time be vested in the charity or in respect of which the charity shall have any interest.
- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of all furniture, pictures, historical records, books, manuscripts, films, photographs, objets d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co- operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the charity or in respect of which the charity shall have any interest.
- The encouragement of the provision of access to and the study of such buildings, land, furniture, pictures, historical records, books, manuscripts and other chattels or items that comprise the National Co-operative Archive and the Rochdale Pioneers Museum by members of the public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founders and the Charity Commission.

The activities of the Trust work towards two key outcomes:

Charitable Objectives:

1. To increase activity and promote understanding of co-operative collections and materials.

The Trust is committed to maintaining its Museum Accreditation status and has embedded recommendations from the previous award of 2020: To review methods of fundraising as well as a strategy for future collecting and communication with users through a wide range of different methods, including social media. The impact of a highly publicised report around thefts from the British Museum in August of 2023 has increased the level of scrutiny around collecting practices and accountability for collections in the sector as a result. Although CHT collections are not thought to be at any increased level of risk, the incident has highlighted the need for organisations to audit collections practices and take into account any recommendations the Arts Council Accreditation scheme may make.

In line with best practice and to explore a more sustainable future for both archival and museum collecting, the Trust is working with local partners in Rochdale to build capacity towards a different business model of operation in Greater Manchester. It is recognised that it is unsustainable to operate two sites with associated costs of increasing rent and increased pressure on space and staff to add to and work with collections. Addressing the future strategy for the Trust and the financial viability of a two-site operation requires the collections to be in a better condition to prepare for any re-location which may become necessary through changing business models at Holyoake House or a more viable offer in Rochdale through supportive cultural partnerships.

During the period, grant funding was used to support external review and support for fundraising needs and to build a case for support which could be used in applying for specific project grants as well as capacity building and capital projects. IMPACT Fundraising produced a report for Trustees to highlight areas where the Trust could maximise charitable income and develop an 'ask' for corporate partners to help fund major developments as well as core costs. This fundraising toolkit will be used to support bids and communications with the movement to secure funding for core activities as well as special projects.

During the period, access to existing external stores in Rochdale was slightly improved due to changes to YourTrust activity due to the closure of Touchstones Museum for renovation. This has allowed the Collections Manager to have a better level of access to collections for operational and strategic purposes. However, space in external stores remains at a premium and costs relating to changing exhibitions at the Toad Lane site continue to be a factor in how the space and collections are used to balance visitor engagement with income generation and maintenance needs.

To continue to offer a high level of service and attract visitors in person as well as maintain income generating hires, it is understood that wear and tear and replacement of key plant and equipment will be required as part of a rolling programme which will form part of the rationale behind fundraising campaigns in the future.

The Trust has reviewed the ways in which it can approach engagement with a wider audience considering the changes to traditional visiting trends. Visiting figures have increased at both sites but is reflective of a traditional audience demographic. Strategy and policy has been developed to use social media to reach a younger and more diverse

demographic as a mainstream audience in ways which are financially viable. Future approaches for developmental funding should focus on improving the youth and diversity representation in the work the Trust does.

Considerations of equality and diversity are key for the future of both the museums / cultural sector as well as the co-operative sector and the Trust remains committed to embedding anti-racism and tackling unconscious bias in the work it does. The issue of representation of diversity affects the approach to governance, workforce, operations and strategic development and is recognised as a continued area for development.

2. Creating opportunities to present and interpret our heritage.

Outreach in the period: Museum based events and projects:

During the period, the Trust's Education and Outreach Officer continued to work on a part time basis due to personal circumstances and therefore the charity used the resource to focus on the development of school resources and workshops as these had struggled to recover to pre-pandemic levels.

As part of its strategic focus on the representation of co-op in the regions, CHT supported the CWMPAS development of a pilot for the Welsh Curriculum to complement careers and work related experience in April 2023: The module will be available to all schools in Wales and will focus on understanding the role of co-operatives within the economy and focusing on *social impact, health and wellbeing, fair work, and a greener environment*.

The first of a series of learning 'Loans Boxes' was developed with funding from Action Together Rochdale and Oldham to create a travelling trunk based on the life of Rochdale Pioneer Samuel Ashworth in May.

Some community outreach initiatives were continued, but only where this could be supported 'in-house' or through supportive external funding because of a decision to reduce fixed costs. One of these was 'Digital Skills' – A 12-week funded programme for recent arrivals to Rochdale and people with refugee status to learn basic IT skills, in partnership with Caring and Sharing Social Enterprise and the Rochdale Digital Strategy Team.

The Museum continued to offer school holiday workshops funded by Rochdale Council through the HAF (Healthy and Fed) for children in receipt of free school meals and a series of community interventions for families in local deprived wards of Kirkholt and Middleton. As part of the programme, families were required to book through a centralised system and all providers had to ensure that staff were appropriately safeguarding trained.

Other funded projects included the Museums Development Northwest and Garfield Weston Green Fund 'Wild Escape' programme in Rochdale focusing on animals and birds in museum collections in connection with climate responsibility and Earth Day (April 22nd). The Trust's programme explored the former use of 31 Toad Lane as a pigeon suppliers store prior to being opened as a museum and the natural and social history of pigeons culminating in a public sculpture at Number One Riverside, Rochdale.

Outreach in 2021: National Co-operative Archive

During the period our Archivist Jane developed opportunities to connect with academic institutions to offer students on different cohorts of related study (Archives and Libraries, Museums and Heritage Studies) regular volunteering and managed placement hours.

The Archive (CHT) joined the 'Hidden Network' formerly known as the 'Hidden 8' museums or libraries in Manchester City Centre to support cross promotion and peer support.

<https://www.thehidden8.com/about2>

As part of commitment to the activities of the network to promote and share audiences, CHT participated in the annual Manchester Histories event in June held at Manchester Central Library to showcase film, materials and volunteering opportunities.

The Archives HUB supported by JISC (digital data and technology charity for education) central directory of collections with descriptions was subject to a major cyber-attack during the period which prevented users from being able to update it. The result of this is a level of uncertainty around best practice and accessibility of collections if the model changes to an alternative and charged form of database.

During the period, talks and presentations in Holyoake House and externally have been offered and numbers of enquiries and users in person have increased considerably as a result. A workshop on women in archives was delivered as part of Co-operative Congress (during Co-operatives Fortnight) on the importance of recording female experiences in the co-operative movement.

Some outreach and engagement work has been done with organisations developing former co-op buildings or narratives in other locations including: The Scottish Co-operative Discovery Centre in West Calder (Lothian), The Black Country Living Museum (Dudley) and for wider audiences through media around the development of supermarket self-service and Channel 5's 'The 1970's Supermarket at Christmas' (20th December 2023).

Other opportunities

As a result of the closure of Rochdale Town Hall and of Touchstones Museum, there are limited meeting spaces available in Rochdale and use of the museum learning loft has increased the percentage of income the Trust has been able to generate as revenue. Some bookings have been for extended periods or 'whole building' exclusive use hires. PINC College are an alternative educational provider for young people with SEND requirements and used the museum building on regular Fridays for their work experience cohort on a termly basis 2023-2024.

CHT became a member of the CCIN (Co-operative Councils Innovation Network) as an affiliate member on the Values and Principles Board in order to raise the profile of the Trust, its work and better understand the ways in which heritage and education offer can be developed in partnership with co-operative councils.

Shop sales and point of sale: The Museum Team developed a new range of merchandise and an alternative point of sale for selling on site in order to reduce costs and improve revenues. Limitations to online selling through our own platforms remain as a result of poor access to storage for bulk merchandise and reliance on a small staff team to manage mailed sales.

A corporate donation partnership was developed with Central England Co-operative in the period for a 'heritage shopping bag' of which a 50p donation would go to the Trust. The launch of the bags was delayed and marketing around the units in stores was limited so the anticipated revenues were lower than expected and not received within the accounting period. A second version of the bags and associated promotion is therefore planned for 2024.

Future Plans

Strategic Priorities

1. **Location and long-term collections needs for the Trust:** The board resolved that due to financial limitation and inability to expand holdings, the business plan and strategy over the next 2-3 years must reflect a change in the way the Trust operates. Increased digitisation will be a target of the plan which will require some targeted funding, as will reduction in liability and risk around dual locations of operation which is reliant on mutually sustaining partnerships with peer organisations in Rochdale as an ACE 'Priority Place' for investment. The costs and infrastructure around digital presence and digital archiving should be a major consideration in terms of the legacy of funding bids.
2. **Financial sustainability:** The Trust needs to develop different relationships within the movement based on generating a higher level of income from its activities in order to show value for money to its supporter base. Increasing revenues through better return on investments and a higher rate of sale of goods and services can reduce the impact of deficit but cannot be a sustainable solution given increasing operating costs and costs of maintaining the heritage assets to a high standard. Fundraising for specific activity can support aims and objectives but not remove the financial risk of operating with a large deficit, so the Trust will prioritise passive income generation and funding bodies which offer a level of core and legacy funding.

The ongoing financial liability of operating in two locations must be weighed against the financial risk of relocating to alternative commercial space and for this reason, the Trust must prioritise partnership models in considering a move to Rochdale associated with a capital re-development.

3. **Audience development:** The Trust must continue to build on diverse audiences in person and through other channels and build relationships with key stakeholder groups into operational and strategic decision making. The Trust will do this through working in partnership with organisations to support their engagement outcomes and build in governance support and audience development into funding bids and future business plans. The Trust is aware that traditional forms of interpretation are coming towards the end of their useful life (museum displays, interactives). Development projects which are externally funded are increasingly reliant on co-curation as essential to the process and the time and costs to build

relationships to support this must be taken into account when planning any such work in the future.

4. **Relationships in the Co-operative Movement:** The Trust will continue to work with other stakeholder organisations representing the co-operative movement in the UK to meet its aims at home and internationally. The Trust intends to continue to share space at Holyoake House with Co-operative College and Co-operative Press and engage with the New Era agenda for co-operative events, training and development by participating in the International Co-operative Working Group (ICWG) as well as through membership of the Co-operative Councils Innovation Network (CCIN) as part of its values and principles board in order to maintain the position of the Trust as a cornerstone of the movement.

Our people

Employees

The Trust experienced a higher than usual level of staff turnover during the period which had an impact on general operations and strategic targets.

Oliva Smith (Visitor Experience and Operations Officer PT) resigned in April.

Danielle Sherwood (Visitor Experience and Operations Officer PT) resigned in July.

Thomas Smith (Visitor Experience and Operations Officer PT) resigned in October.

Catherine Jessop (Education Officer 21 hours per week) resigned in December.

The Trust would like to thank these former members of staff for their contribution to its work in the period.

Staff development:

During the period, resilience funding from The National Archives allowed the Trust to pay Danielle Sherwood (Museum Visitor Experience Officer) to work an additional day at the archive in a supervisory capacity to support Archivist Jane Donaldson to complete essential collections description tasks.

Clare Hirst (Collections Manager) took a sabbatical from January to April to take up a role with the University of Manchester's Collections Team as part of the Teaching and support for the Institute of Cultural Practices in Museum Studies and in order to further her professional development in collections management.

The Trust conducted a pay review at the end of the period based on sector recommendations to address the cost-of-living impact on staff retention and recruitment of key roles as a result of staff attrition and difficulty in recruiting effectively for roles. The Trust acknowledges that the size of the staff team and the part time hours mean that there is little margin for error on safe staffing and that being able to ensure continuity is key to the ability of the Trust to meet its charitable objectives.

Volunteers:

During the period, the Trust has increased its volunteering opportunities – particularly in support of archive collections. This has primarily been focused on students in heritage and archive programmes working regular placement hours to document and catalogue collections through the Institute for Cultural Practices (ICP) at the University of Manchester to offer a minimum of 20 days working towards MA qualifications in related fields.

Museum collections have also been supported by agreed work placements for students supervised by our Collections Manager.

We would like to thank remote, in-person volunteers and local partners who have made a vital contribution to the work of the Trust during the period.

Charity Governance Code

The Trustees have reviewed and adopted the Charity Governance Code and continue to make changes to policy and procedure based on best practice and training available for

Trustees. During the period, the Trust inducted new board members and offered governance as well as charity finance training provided by Beyond Profit UK.

Internal Control

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

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

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Trust.
- Reporting to and review by the Trustees on a regular basis.

Risk Management

The Co-operative Heritage Trust has an active risk register which is reviewed on a quarterly basis and in the event of a new risk emerging: The key risks are subject to change in level of risk but have been identified as:

- Financial risk in relying on investment gains and ability to raise sustainable income through other means to meet operational costs.
- The ongoing costs and limitations of maintaining physical assets across two Greater Manchester locations especially in relation to staffing these sites with a quality offer.
- The risk to physical assets and infrastructure through lack of investment in building maintenance.
- Governance risk in equality and diversity makeup of board members, staff, volunteers and user demographic in maintaining relevance for the charity and its objectives.
- The capacity of a limited team in the event of unexpected events or absence of key staff.

Related Party Transactions

The Co-operative Heritage Trust has three founder members – The Co-operative Group, Co-operatives UK and The Co-operative College.

The Archive and Museum's services are used by the departments of the Co-operative Group, one of the founders of the Trust. Where major activity is involved, charges are made by the Trust, smaller amounts of activity are included in the general costs and operation of the Archive and Museum.

The Co-operative Heritage Trust rents office and archival space from Co-operatives UK to House the National Co-operative Archive, the Archive Office and the Co-operative Group Archive.

The Co-operative College has retained a physical presence at Holyoake House in Manchester, although at a reduced capacity since 2020 and is able, as a registered charity to use the charitable rate offered for booking hire space and services for direct delivery at Rochdale Pioneers Museum.

Conflicts of interest were managed through the Conflict of Interests Policy within the terms of the Co-operative Heritage Trust's Trust Deed during the period. For further details of related party transactions please see Note 20.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Finance Review

2023 remained challenging for the Trust with costs increasing but no corresponding increase in income. The overall result for the year, before investment gains was a loss of £256,943. After investment gains of £124,031 the result was a loss of £132,462 which is a significant improvement on the prior year loss of £550,102.

Income increased slightly to £111,172 from £96,306 in 2022. This was mainly due to increased returns on investments and the receipt of a grant from The National Archives to increase the resilience of the archive.

Expenditure in the year increased from £329,295 in 2022 to £367,665 in 2023. Some of this increase was due to grant referenced above which also helped support some fundraising consultancy with the remainder being increase in staffing costs and overall running costs.

Investment Policy and Performance against Objectives

As detailed in the 2022 report the Trustees reviewed their investment managers during the period and moved from Royal London to CCLA.

In the period the investments in a Sustainable Diversified Fund managed by Royal London Asset Management were transferred to Churches, Charities and Local Authorities (CCLA) Ethical Investment Fund. This has resulted in an increase in dividends received as well as increased growth.

Reserves Policy

The current value of free unrestricted reserves remains negative at £171,271. This figure has been calculated as follows:

	£
Unrestricted funds	(80,496)
Less unrestricted fixed assets	90,775
Free unrestricted reserves	<u>(171,271)</u>

The Trust also holds £2,829,048 in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and an expendable endowment funds that is to be invested in order that the interest and gains arising from this is used in the furtherance of the charity's objects.

This expendable endowment is currently held in the form of investments. This investment is used to fund the ongoing operations of the charity. At the current time the fund is decreasing by more than the combined interest and gains each year.

Heritage Assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The Trustees

have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

For further details of the Heritage Assets please see Note 11.

Going Concern

For the period ending 31 December 2023 the Trust has net current assets £221,427. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity. Therefore, based on an assessment of future budgets and liquidity of assets, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Auditor

Each of the persons who is a Trustee at the date of approval confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

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

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

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

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

Approved by the Trustees on 16 May 2024 and signed on their behalf by:



Anthony Webster

Chair of Trustees

Independent Auditors' Report to the Trustees of the Co-operative Heritage Trust

Opinion

We have audited the financial statements of The Co-operative Heritage Trust "the charity" for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

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

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

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to

state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Lomax
Beever and Struthers
Chartered Accountants and Registered
Auditors
Suite 9B
The Beehive, Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date: 4 June 2024

Statement of Financial Activities for the year ended 31 December 2023

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2023	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2022
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	24,488	-	-	24,488	29,131	-	-	29,131
Charitable Activities	3,4	34,529	14,522	-	49,051	41,321	-	-	41,321
Investments	5	37,408	-	-	37,408	25,854	-	-	25,854
Other income		225	-	-	225	-	-	-	-
Total		96,650	14,522	-	111,172	96,306	-	-	96,306
Expenditure on:									
Raising Funds		4,785	8,724	-	13,508	291	-	-	291
Charitable Activities	6,7	353,742	415	-	354,157	329,004	-	-	329,004
Total		358,527	9,139	-	367,665	329,295	-	-	329,295
Gains/(Losses) on investments	12	-	-	124,031	124,031	-	-	(317,113)	317,113
Net (expenditure) / income		(261,876)	5,383	124,031	(132,462)	(232,989)	-	(317,113)	(550,102)
Transfers between funds		124,031	-	(124,031)	-	-	-	-	-
Net movement in funds		(137,845)	5,383	0	(132,462)	(232,989)	-	(317,113)	(550,102)
Reconciliation of Funds									
Total funds brought forward		57,349	-	2,829,048	2,886,397	290,338	-	3,146,161	3,436,499
Total funds carried forward		(80,496)	5,383	2,829,048	2,753,935	57,349	-	2,829,048	2,886,397

The results above relate wholly to continuing activities. The notes on pages 26 to 43 form an integral part of these financial statements.

Balance Sheet as at 31 December 2023

	Notes	Total Funds December 2023 £	Total Funds December 2022 £
Fixed Assets			
Tangible assets	10	90,775	117,488
Heritage assets	11	1,402,874	1,411,345
Investments	12	1,038,859	1,341,477
Total Fixed Assets		2,532,508	2,870,310
Current Assets			
Debtors and prepayments	13	20,063	24,485
Stock	14	7,283	6,077
Cash at bank and in hand		225,938	21,114
Total Current Assets		253,284	51,676
Liabilities			
Creditors: amounts falling due within one year	15	31,857	35,588
Net current assets		221,427	16,088
Total assets less current liabilities		2,753,935	2,886,397
Total Net Assets		2,753,935	2,886,397
The funds of the charity			
Endowment funds	17	2,829,048	2,829,048
Restricted Funds	17	5,383	-
Unrestricted funds	17	(80,496)	57,349
Total Charitable Funds		2,753,935	2,886,397

The financial statements on pages 24 to 43 were approved by and authorised for issue by the Board of Trustees on 16 May 2024 and were signed on their behalf by:



Notes to the accounts

1) Accounting Policies

a Basis of preparation and assessment of going concern

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

Based on an assessment of future budgets and liquidity of assets the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the Trustees opinion there are no judgements other than those disclosed in the policies below.

c Income and endowments

All income is recognised when there is an entitlement to the finds, the receipt is probable and the amount can be measured reliably. General donations are recognised when they are received from the donor with the exception of donations given towards specific projects or activities. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of December 2023.

The Trust also sell merchandise through the shop at the Museum. Income from this is recognised at the point of sale along with the relevant cost of obtaining the goods.

d Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment.

Charity expenditure enables the Co-operative Heritage Trust to meet its charitable objective. All expenditure is shown inclusive of VAT.

e Tangible fixed assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Depreciation is calculated in equal monthly amounts based on cost. The following minimum rates are applied:

Plant, fixtures and fittings	6.67% per annum
Information technology equipment	25% per annum

f Heritage assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principle heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of the Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The external access tower is valued at the cost of its construction.

g Stock

Stock is stated at the lower of cost and net realisable value (estimated selling price). Cost is based on cost of purchase on a first in first out basis. Review at the end of each accounting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

h Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by CCLA and are invested in their Ethical Investment Fund. Investments are stated at market value being the unit price.

i Allocation of support and governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit along with an apportionment of the management fee charged to the trust for the management of its day to day operations including financial and HR support.

Governance and support costs relating to charitable activities have been apportioned based on the total expenditure of each activity.

j Pension scheme

The Co-operative Heritage Trust offers an auto enrolment compliant group personal pension scheme, which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4%, with the Heritage Trust paying 8%. After two years' employment employees can opt to increase their contribution to 6%, with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

k Tax and VAT

The Co-operative Heritage Trust is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in The Corporation Taxes Act 2010. The Heritage Trust is not VAT registered and as such all expenditure is shown inclusive of applicable VAT.

l Fund accounting

- i Unrestricted funds: These are funds that can be used in accordance with the Co-operative Heritage Trust's charitable objective at the discretion of the Trustees.

- ii Expendable Endowment Funds: The funds are invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objectives. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity. The fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.
- iv Restricted funds: These are funds received for undertaking an activity specified by the donor.

m Materiality

The majority of figures in this document have been rounded to the nearest £1. This means that there be may be very minor inconsistencies between tables and notes due to rounding.

2) Income from Donations and Legacies

	2023	2022
	£	£
Donations	24,488	29,131
	<u>24,488</u>	<u>29,131</u>

3) Grants

In the period to 31 December 2023 the following grants were received

	Revenue	Total 2023	Total 2022
	£	£	£
Rochdale Council	563	563	5,167
Rochdale HAF Funding	1,848	1,848	-
Rochdale Community Fund	1,140	1,140	-
TNA resilience	14,522	14,522	-
	18,073	18,073	5,167

The grants from Rochdale Council were received in relation to the Healthy & Fed Project

4) Charitable Income

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2023
	£	£	£	£	£
Event income	63	210	20,455	-	20,728
Merchandise and publications	125	1,337	3,235	-	4,697
Project Income	-	-	-	5,554	5,554
	188	1,547	23,690	5,554	30,979

Prior year comparative

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2022
	£	£	£	£	£
Event income	3,610		12,813	-	16,423
Merchandise and publications	388	1,719	629	-	2,736
Projects Income			1,956	15,039	16,995
	3,998	1,719.00	15,398	15,039	36,154

5) Investment Income

	2023	2022
	£	£
Dividends and interest on fixed asset investments	37,408	25,854
	37,408	25,854

6) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

		2023		
	Total allocated	Core Activities	Projects	Basis of apportionment
Cost type	£	£	£	
Governance Costs	16,658	16,243	415	Proportion of expenditure
Total	16,658	16,243	415	

Prior year comparative

		2022		
	Total allocated	Core Activities	Projects	Basis of apportionment
Cost type	£	£	£	
Governance Costs	12,176	11,763	413	Proportion of expenditure
Total	12,176	11,763	413	

Governance costs	£
Auditors remuneration	11,578
Trustee Indemnity Insurance	99
Other Governance Cost	192
Secretarial Support	4,789
	16,658

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

Auditor's Remuneration

The auditors remuneration consisted of an audit fee of £9,798 (2022: £7,980), net of VAT. No other services were provided by the auditor

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2023	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2022
	£	£	£	£	£	£	£	£
Core activities	159,381	51,602	142,318	353,301	149,172	46,867	121,395	317,434
Projects	415	442	-	856	3,339	512	7,719	11,570
	159,795	52,044	142,318	354,157	152,511	47,379	129,114	329,004

8) Employee costs

The Trust seeks to ensure that all colleagues are fairly rewarded for the work that they undertake. All colleagues are appointed to a role cluster and level that is appropriate to the content of their role. Each role cluster and level have specific salary bands.

No employee of the Trust has an annual salary in excess of £60,000.

The average number of colleagues employed by the Trust was:

	2023	2022
Full time	5.0	2.7
Part time	0.8	2.5
	<u>5.8</u>	<u>5.2</u>
Full time equivalents	<u>5.80</u>	<u>5.20</u>

The costs incurred in respect of these employees were:

	2023	2022
Salaries and wages	136,720	131,489
Social security	6,726	6,746
Pension	11,041	11,830
Other	4,342	2,446
	<u>158,828</u>	<u>152,511</u>

8) Employee costs (continued)

Key Management Personnel

The Trust considers its key management position to be that of the Co-operative Heritage Trust Manager who was appointed in May 2017.

	2023	2022
Salaries and wages	43,260	42,945
Social security	4,715	4,929
Pension	3,461	3,436
	<u>51,435</u>	<u>51,310</u>

9) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £nil (2022:£42.61) was incurred in respect of Trustee Expenses.

10) Tangible Fixed Assets

	IT Equipment £	Plant, fixtures and fittings £	Total £
<u>Cost</u>			
01 January 2023	15,137	308,022	323,159
Additions	-	-	-
31 December 2023	15,137	308,022	323,159
<u>Depreciation</u>			
01 January 2023	12,695	193,018	205,713
Charge for the year	1,086	25,585	26,671
31 December 2023	13,781	218,603	232,384
Net book value at 1 January 2023	2,442	115,004	117,446
Net book value at 31 December 2023	1,356	89,419	90,775

11) Heritage Assets

Under FRS 102, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the costs of obtaining a valuation significantly outweigh the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The assets of the Trust consist of a substantial archive collection (National Co-operative Archive) which is home to a wide array of records relating to the history of the worldwide co-operative movement. The collections include rare books, periodicals, manuscripts, films, photographs and oral histories, and provide researchers with an unrivalled resource for the development of the co-operative movement, from the initial ideas of the eighteenth century to the present day. The Archive has been deemed a Designated Collection by Arts Council England. Designation sets out to identify nationally significant cultural assets in museums, libraries and archives and sets out to raise standards across the sector. Designated collections recognised by the Scheme are expected to work towards the provision of high-quality services, which deliver the fullest possible access to their collections.

11) Heritage Assets (continued)

In 2016 the Robert Owen Collection was put on the UNESCO UK memory of the world register as a significant collection in the history of the UK.

In accordance with FRS102 the Trustees have determined that the 31 Toad Lane Premises of the Rochdale Pioneers Museum are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of The Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over its expected life of 100 years. The external access tower is valued at the cost of its construction.

	Buildings:	Buildings:		
	Rochdale Pioneers Museum	External Access Tower	Artefacts	Total
	£	£		£
<u>Cost</u>				
01 January 2023	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2023	614,456	847,157	1,121	1,462,734
<u>Depreciation</u>				
01 January 2023	-	51,389	-	51,389
Charge for the year	-	8,471	-	8,471
31 December 2023	-	59,860	-	59,860
Net book value at 1 January 2023	614,456	795,768	1,121	1,411,345
Net book value at 31 December 2023	614,456	787,297	1,121	1,402,874

12) Fixed Asset Investments

	£
01 January 2023	1,341,477
Additions	1,000,000
Divestments	(1,426,649)
Investment gain	124,031
31 December 2023	<u>1,038,859</u>

During the year the Trustees tendered for their investment managers and CCLA were appointed. The investments represent funds placed in CCLA COIF Charity Ethical Investment Fund. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 17 for further details

13) Debtors

	2023	2022
	£	£
Trade debtors	3,147	5,280
Accrued Income	7,742	5,915
Other debtors	124	124
Prepayments	9,051	13,165
	<u>20,063</u>	<u>24,484</u>

14) Stock

	2023	2022
	£	£
Goods for resale	7,283	6,077
	<u>7,283</u>	<u>6,077</u>

15) Creditors

	2023	2022
	£	£
Trade creditors	12,539	14,975
Project creditors	-	5,553
Accruals	14,861	9,452
HMRC	3,110	2,816
Other creditors	1,346	2,792
	<u>31,857</u>	<u>35,588</u>

16) Deferred Income

	£
Balance at 1 January 2023	-
Amounts released to income earned from charitable activities	-
Amount deferred in period	-
Balance at 31 December 2023	<u>-</u>

17) Charitable Funds

	Balance at 1 January 2023	Income	Expenditure	Gain/(loss) on investments	Transfers Between Funds	Balance at 31 December 2023
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,579,048	-	-	124,031	(124,031)	2,579,048
	2,829,048	-	-	124,031	(124,031)	2,829,048
Restricted Funds:						
TNA: Resilience in Archives***	-	14,522	(9,139)	-	-	5,383
	-	14,522	(9,139)	-	-	5,383
Unrestricted Funds:						
	56,922	-	-	-	-	56,922
New Pioneers	427	96,650	(358,527)	-	124,031	(137,418)
Revenue reserves	57,349	96,650	(358,527)	-	124,031	(80,496)
	2,886,397	111,172	(367,665)	124,031	-	2,753,935
Total Charitable Funds						

2023 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023
	£	£	£	£
Tangible assets	90,775	-	-	90,775
Fixed asset investments	-	-	1,038,859	1,038,859
Heritage assets	(200,251)	-	1,603,125	1,402,874
Current assets	60,837	5,383	187,064	253,284
Current liabilities	(31,857)	-	-	(31,857)

(80,496)	5,383	2,829,048	2,753,935

17) Charitable Funds (continued)
2022 comparative

	Balance at 1 January 2022	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2022
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	(317,113)	0	2,579,048
	3,146,161	-	-	(317,113)	0	2,829,048
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	(270,038)	56,922
Revenue reserves	(36,622)	96,306	(329,295)	-	270,038	427
	290,338	96,306	(329,295)	-	0	57,349
Total Charitable Funds	3,436,499	96,306	(329,295)	(317,113)	-	2,886,397

2022 Analysis of net assets between funds:

	Unrestricted Funds	Endowment Funds	Total 2022
	£	£	£
Tangible assets	117,488	-	117,488
Fixed asset investments	-	1,341,477	1,341,477
Heritage assets	(76,225)	1,487,571	1,411,346
Current assets	51,674	-	51,674
Current liabilities	(35,588)	-	(35,588)
	57,349	2,829,048	2,886,397

17) Charitable Funds (continued)

*Toad Lane Museum Fund: This is a permanent endowment fund where the assets must be held permanently by the charity. The fund relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

** Co-operative Group Fund: This is an expendable endowment fund invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objects. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes, which is in accordance with the Memorandum of Understanding between The Co-operative Group and the Trust.

The investment gain arising from the Co-operative Group Fund has been transferred to Unrestricted Funds as the interest and gains arising from the fund are used to support the ongoing work of the Trust. The deficit incurred on the Arts Council Project has also been transferred to unrestricted funds.

*** The Resilience Funding was to support backfilling the archivists time to address cataloguing gaps and conservation needs, the funding was specifically to cover the reading room and general enquiries for a day per week.

18) Analysis of cash and cash equivalents

	At 1 January 2023	Cash flows	At 31 December 2023
Cash at bank and in hand	21,114	204,824	225,938
Total cash and cash equivalents	21,114	204,824	225,938

19) Contingent Liabilities and Capital Commitments

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

20) Related Party Transactions

The following are related party transactions, as defined by FRS102, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £nil and £1,101 were payable to and receivable from the College. At 31 December 2023 the balance owed to the College was £nil and owed from the College was £nil.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The amount receivable from The Co-operative Group for services provided was £457. The amount outstanding at year end was £nil. The Co-operative Group also provided donations of £15,000.

c. Co-operatives UK

Co-operatives UK is one of the founding members of The Co-operative Heritage Trust. The amount receivable from Co-operatives UK in the year was £nil.

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services and HR services. The amounts payable in the year relating to these services was £37,014. The amount outstanding at year end was £4,378.

d. Trustees

The trustees received no remuneration in the performance of their duties. No trustees received any expenses. There were no related party transactions with the Trustees during the year.

21) Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Land and buildings		
Within one year	24,944	27,723
Between one and five years	-	21,951
	<u>24,944</u>	<u>49,674</u>

The amounts above include VAT as this cannot be recovered by the Trust.

CHT CIO Annual Report and Accounts to 31 December 2023 v5 with accounts

Final Audit Report

2024-05-18

Created:	2024-05-17
By:	Emma Willder (emma@beyondprofituk.co.uk) Signed
Status:	CBJCHBCAABAA8XlyJnBQbMDumjJXt72hTtgq_FpJCpfb
Transaction ID:	

"CHT CIO Annual Report and Accounts to 31 December 2023 v5 with accounts" History

-  Document created by Emma Willder (emma@beyondprofituk.co.uk)
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Accounts

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**

**Annual Report and Accounts for the period ended 31 December
2022**

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: 1 Angel Square
Manchester
M60 1AG

Operating Addresses:	National Co-operative Archive	Rochdale Pioneers Museum
	Holyoake House	Toad Lane
	Hanover Street Manchester	Rochdale
	M60 0AS	OL12 0NU

Trustees:	Heather Roberts (Chair from 18 May 2022)	
	Mervyn Wilson (Chair until 18 May 2022)	Resigned 18 May 2022
	Laura Bailey	Resigned 30 November 2022
	Wendy Carter	Resigned 7 April 2022
	Christopher Jardine	Appointed 1 July 2022
	Nina Valvi	Resigned 30 June 2022
	Alessandro Bucci	Appointed 18 May 2022
	Katherine Lynch	Resigned 18 May 2022
	Tanya Noon (Vice Chair)	
	Paul Gerrard	
	Ed Powell	
	John Boyle	Appointed 1 July 2022
	Claire Dalton	Appointed 14 December 2022
	Ian Adderley	Appointed 18 May 2022
	Anthony Webster	

Secretary:	Edward Powell (until 18 May 2022) Helen Ashley Taylor (from 18 May 2022) c/o Rochdale Pioneers Museum Toad Lane Rochdale OL12 0NU
Bankers:	Co-operative Bank Plc Balloon Street Manchester M60 4EP
Investment Managers:	Royal London Asset Management 55 Gracechurch Street London EC3V 0RL
External Auditors:	Beever and Struthers Chartered Accountants and Registered Auditors Suite 9B The Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS

Structure, Governance and Management

Status and Charity Number

The Co-operative Heritage Trust was founded in 2007 and first achieved charitable status on 15th November 2007 as an unincorporated trust governed by a trust deed (charity number 1121610). A new Charitable Incorporated Organisation was successfully registered with the Charity Commission in 2018 (registration date 29 August 2018) and on 12 October 2019, the operations of the unincorporated charity were transferred to the new Charitable Incorporated Organisation (charity number 1179727).

Governing Document

The charity is administered in accordance with the constitution dated 29 August 2018.

Trustees and Officers

To the point of the first AGM of the new CIO (20th February 2020), the interim Trustees of the Co-operative Heritage Trust were nominated by the three founder members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group. These nominations (found above) are ratified by the other founders.

From the first AGM onwards, the three founder members, The Co-operative College, The Co-operative Group and Co-operatives UK can nominate up to two Trustees each, bringing the total number of trustees on the board elected by founder members to six. Individual nominations are approved by each other respective founder. Further, up to five independent trustees may be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes.

Appointments are ratified by founders.

One third (or the number nearest to one third) of Trustees retire from office at each AGM in accordance with the CIO Constitution and the Trustee Appointments and Terms of Office Policy. An annual review of the skills matrix is carried out in advance of each AGM to identify any skills gaps or imbalances in diversity of background and experience. Any areas identified are communicated to founder members to enable informed nominations to be made during the process of nominating candidates to be put forward at the AGM by founder members. The Trustees have renewable fixed terms of office and provide for succession through identifying new Trustees with appropriate skill sets.

Recruitment and Training of Trustees

Vacancies for independent trustees are advertised widely and a formal, rigorous and transparent process is followed in accordance with the Trustee Appointments policy. Appointments are made on merit against objective criteria and after considering the benefits of diversity and inclusion on the Board. Trustees receive a copy of the CIO Constitution and a copy of the latest Annual Report and Accounts immediately upon appointment. Additionally, there is a Trustee handbook that is reviewed each year, containing documentation that includes details of the charitable objects, details about the public benefit

requirement, Co-operative Values and Principles, Nolan Principles of Public Life, NCVO Charity Ethical Principles, along with the charity's Trustee Code of Conduct, a copy of the latest strategic plan along with the scheme of delegation, conflicts of interest policy and various additional finance and governance policies in place within the charity. Several copies of Charity Commission guidance are also supplied to new Trustees including the Charity Commission Trustee Welcome pack, CC3 The Essential Trustee, Charity Commission Safeguarding Guidance and also the Charity Governance Code. Trustees have recently been provided with finance induction training as well as undergoing safeguarding training provided by the NSPCC during the year.

Organisational Management

The day-to-day operational management of the Trust - the Rochdale Pioneers Museum and National Co-operative Archive is delegated to the Trust Manager with line management support from the Chair of Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

The Charitable Incorporated Organisation (CIO) took over the work of the former unincorporated charity on 12 October 2019 and during the period covered by the Covid-19 pandemic, a working group of board representatives was convened in order to continue to meet these aims, holding regular meetings into 2021 in addition to formal quorate and scheduled board meetings.

Chair`s introduction

This report represents another twelve months of strategic change in the delivery of the Co-operative Heritage Trust CIO's charitable aims and objectives. The challenges of the past few years have afforded staff and Trustees a perspective that has become the foundation of our approach going forward. This perspective is that of the Co-operative Heritage Trust as a leader of unique value and skill within the co-operative movement and heritage sector.

By fully acknowledging the rare expertise held within our staff and Trustees, and acknowledging where its limits are, the Trust has implemented actions towards financial sustainability that make the most of our strengths and supplement our areas of inexperience or lack of capacity. Trustees are working independently towards delegated activities supporting diverse income generation suited to their skills and networks, while our staff continue to reassess and adjust ways of service delivery. This has meant an adjustment in the opening hours of the National Co-operative Archive to allow for dedicated time on collections work instead of a full-time reading room supervision. Similarly, by mapping opportunities for service delivery against a decision matrix based on our strategic priorities, staff and Trustees alike are able to better choose those activities and approaches which give the best return on staff investment.

Thus far, these adjustments in perspective and service delivery are proving beneficial. Working with the ambitious vision of the Trust's previous Chair, Mervyn Wilson, and recognising the opportunities for development where they arise, has allowed steady progress towards long-term changes. Negotiations with developers regarding the relocation of the National Co-operative Archive to Rochdale are progressing and increased income generation from the museum space, collections and expertise is beginning to reap dividends.

Whilst focusing on opportunities for income generation and slimming down everyday expenditure where we can, we are still highly vulnerable to the tumultuous environments in which we operate. Most notably, momentum in activity by staff was curbed by the sudden dysfunction of core building appliances at the museum in the last quarter of 2022. The ability to regulate the air conditioning system and have a reliable fire alarm were both stymied by system faults. This meant the closure of the museum whilst this was dealt with. Shortly thereafter, the heating system was put out of commission by sudden and severe drops in temperature which meant that the building was without heat for weeks. This affected the staff's ability to preserve the Trust's heritage items on display including the building itself. At the time of writing, there is a plan developing to rectify this issue. However, it firmly keeps our focus on the absolute necessity of creating a financially sustainable model for the Trust.

This report narrates that journey so far; the decisions made and the rewards reaped, as well as the challenges faced. Whilst this is a report about the Co-operative Heritage Trust CIO as a charitable body, I would like to use this opportunity to remark on the resilience, professionalism and rare talent of the Trust's staff. Without our people, I would be writing an introduction to a much more dismal annual report.

Allow me to say an awed "thank you" to our Co-operative Heritage Trust employees.



Heather Roberts.

Trustee's Annual Report

Review of the year 1st January to 31st December 2022

The following report details the way in which the Trust has operated, in a period which can be considered to be a close to 'business as usual' (in pre-pandemic terms). This reflects the fact that museum and archive services have been able to operate for a full year without restrictions and that groups, schools and to a lesser extent international groups, are able to book tours and delivery.

However; it is recognised that the Trust has been operating under lower staffing and volunteering levels during the period than it was at the outset of the pandemic and this has been reflected by some changes to operations.

The impact of continued uncertainty in global financial markets on the charity's investment portfolio following the outbreak of war in Europe has placed a further level of financial uncertainty on the Trust as a result of rising costs of procurable goods, energy and services in the heritage and wider sectors.

Objects and Activities

Charitable Objectives

The objects of the Charity as defined in the Trust Deed are as follows:

The Trustees shall hold the capital and income of the trust fund upon trust as to the income, and all such part or parts of the capital, as the founder may by notice in writing to the Trustees determine for the following objects:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as Rochdale Pioneers Museum) and any ancillary buildings as shall or may at any time be vested in the charity or in respect of which the charity shall have any interest.
- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of all furniture, pictures, historical records, books, manuscripts, films, photographs, objets d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co- operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the charity or in respect of which the charity shall have any interest.
- The encouragement of the provision of access to and the study of such buildings, land, furniture, pictures, historical records, books, manuscripts and other chattels or items that comprise the National Co-operative Archive and the Rochdale Pioneers Museum by members of the public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founders and the Charity Commission.

The activities of the Trust work towards two key outcomes:

Charitable Objectives:

1. To increase activity and promote understanding of co-operative collections and materials.

The Trust will be expected to re-submit returns in 2023 for the ongoing award of full Museum Accreditation status in 2024. The future strategy for the Trust includes these recommendations made by Arts Council England.

- Development of a fundraising strategy.
- An updated emergency plan from Your Trust (formerly Link4Life Cultural Trust) for external storage solutions in Rochdale.
- Developed strategy for future collecting.
- Communication with users through a wide range of methods.

Collections storage continues to be a primary focus for the Trust, in view of the limitations of storage and expansion of materials at Holyoake House and the restrictions in place to accessing the Fishwick Street Store managed by Your Trust. The strategic approach for the board has been to review the long-term sustainability of operating two geographically separate sites with poor vehicular and out of hours access, given the size of the team and contracted hours.

Following a review of the financial position of the Trust within the period, the board agreed to develop the fundraising strategy to acquire specialist help in obtaining additional unrestricted funds from external sources in order to be able to work towards the Trust's objectives without placing current levels of investment under further strain.

Focusing on existing partnerships within Rochdale and enabling community co-production is a key part of the strategic direction for the Trust, and efforts to develop collections management and audiences around the Rochdale offer will be at the heart of decision making in the next three years.

Outreach in 2022: Museum based events and projects:

2022 was the first year following the pandemic with a full events programme planned in advance aimed at attracting and engaging with a range of demographics. Results were mixed as those which were most successful were aimed at local families and people from diverse cultural backgrounds. Those events which were more costly to the Trust (higher level of creativity or adult learning engagement were those least well attended and therefore not economically viable).

The digital partnership between the Trust, Rochdale Council, Zen Internet and Rochdale Boroughwide Housing to address the digital poverty gap for Rochdale citizens known as 'Co-operative Rochdale Open Wifi' was further extended in the summer of 2022 from the town centre to the Freehold Estate to a further 3000 users.

Engagement with non-traditional audiences was improved through partnership working with local charities to offer block bookings of the Learning Loft on weekdays at favourable rates for the Caring and Sharing Women's Group, local providers of ESOL (English as a second language) and No Worries Digital IT sessions (essential skills for refugees and asylum

seeking residents), hosting of the African Association's festival 'Africa Week' and a well attended Eid community celebration weekend in May.

The outreach project 'Finding Her Feet' based on increasing well-being and friendship for vulnerable women and those new to the Rochdale area (adult learning) led by Cat Jessop was supported by the Co-op Group's local causes funding out of Milnrow's Co-op Store and Member Pioneers from February to September 2022.

During the period the Trust was funded by Rochdale Council to offer Healthy and Fed (HAF) packs to schools and school holiday workshops which were very well attended. Some HAF pack sessions were made in partnership with Rochdale Training Association to engage local young people. School holiday provision was much more heavily attended than those events aimed at other audiences, indicating a greater need for out of school provision of care and reduced circumstances of local families to access free or affordable leisure.

Outreach in 2022: National Co-operative Archive

All CHT staff attended an updated oral history training session in January of 2022 to prepare for a wider level of outreach for the archive in order to capture contemporary memories during public programmes.

The Archive continued to offer outreach bookable talks in Greater Manchester and externally online and participated in the New Lanark Trust's international conference in February in order to showcase the Robert Owen collection. Additional Robert Owen themed events were attended online during the period which has driven an increased level of requests from researchers to access the material.

During the period, there was a gap in staffing to recruit a new Archivist from June to October which had an impact on the amount of delivery from the archive or public engagement with materials until the winter of 2022. Museum – based staff were encouraged to spend additional time working with archival materials for engagement purposes in order to manage a change of weekend shift working patterns at the museum which supported a higher level of social media engagement to take place.

Other opportunities

During the period a part time freelance archivist (Christopher Olive) was recruited to work specifically on the digitisation of Co-operative Group materials according to a brief on the three strategic priorities (Colleagues, Community and Our Planet). The project began in February and completed in June and was summarised in a series of reports to the Co-operative Group's Community and Shared Values Team.

During the period, the Trust worked with representatives of Central England Co-operative to explore a corporate funding partnership project to raise funds for the Trust based on the sale of heritage inspired re-usable shopping bags. As part of the strategy to increase funds based on collections and passive income generation, based on the items being sold at £2.50 per unit across Central England's 260 site trading area - 0.50 per unit will come to the Trust as a corporate donation from Q2 of 2023.

The Trust worked with the Co-operative Bank from January 2022 to celebrate 150 years of trading: Creating resources for an in-house digital presentation for staff and supporters, the Trust went on to deliver a 'roadshow' during the anniversary week (14th -19th November

2022) and celebration event in Manchester based on portable museum and archive displays and interactions with CHT staff. This activity delivered £10,000 income to the charity in the period in saleable services and corporate donations.

The Trust received a corporate donation based on annual surplus from CLIMBS Insurance (Philippines) in the period, to be concluded with a visit of the co-op to the Pioneers Museum in December – postponed to 2023 due to the need to acquire tourist visas.

During the period, it was agreed that from September the Trust, Co-operative College and Co-operative Press would enter into an agreement to share working space in the existing room 117 (Archive Reading Room) based on proportionate rent in order to allow all anchor tenants to retain space at Holyoake House and lower essential costs as part of the New Era agenda.

Future Plans

- Strategic Priorities

1. **Location and long-term collections needs of the Trust:** The board resolved that the business plan and strategy over the next 2-3 years must continue to reflect a change in the way the Trust operates and seek to re-locate the archival services and holdings to Rochdale. The Co-operative Sector is increasingly changing its operating models out of headquarters and central premises and the impact on storage is likely to require a solution at a faster pace than local partners may be able to commit to in the next three years.
2. **Financial sustainability:** As reliance on income from investments represents increased risk, the Trust must continue to limit its fixed costs while working to increase income generated from the sale of goods and services, member-based and corporate income from retail co-operatives and potential legacy donors. The Trust intends to build on local relationships to benefit financially from public grants coming into Rochdale as a result of the Creative People and Places funding over three years from Arts Council England, as well as opportunities to develop tourism offers and bespoke content for visitors. The Trust is committed to using some of its identified funds to acquire specialist consultancy support for major gift / philanthropic fundraising to support investments and the cost of operations.
3. **Audience development:** The Trust must continue to engage with target audiences for engagement and increase opportunities to volunteer, (particularly focusing on Young People and those new to co-operatives). Financial considerations mean that the Trust must find more cost-effective methods of working with audiences local to Rochdale through its events programme and beneficial relationships with partner organisations to meet strategic aims and objectives. The Trust will invest in innovative ways to engage remotely through a new in-house social media strategy and other digital opportunities through partnership working such as New Era Co-operation.

4. **The role of co-operatives in membership:** The Trust is seeking to develop and enrich its supportive relationships with co-operatives and individuals in the UK as overseas in a measurable and sustainable way linked to the financial aims of the future strategy and the future governance of the Trust / representation of staff, volunteers and board.

Our people

Employees

At the commencement and close of the period the staffing ratio was 5.2 FTE

In the period Sophie McCulloch (Archivist) and Rose Bibby (Visitor Experience Officer) left the Trust.

Christopher Olive was a freelance day rate contractor during the period.

The Trust would like to thank former members of staff for their contribution to its work in the period. Existing Staff of the Co-operative Heritage Trust are:

Liz McIvor – Trust Manager (FT)

Jane Donaldson– Archivist (FT)

Clare Hirst – Collections Manager (FT)

Cat Jessop – Education Officer (PT)

Danielle Sherwood – Visitor Experience Officer (PT)

Olivia Smith – Visitor Experience Officer (PT)

Training and development:

During the period Clare Hirst was engaged on a post-graduate MA in Museum Studies at Manchester University, while continuing to work as an employee. This study completed in December.

Clare Hirst was offered a developmental contract by the University on the basis of unpaid (sabbatical) leave from the Trust to begin in January 2023 which was agreed in order for Clare to professionalise her experience and develop her collections practice externally.

All museum based staff were within the training period for first aid and resuscitation and were given a fire evacuation / emergency procedure training update in the period.

Volunteers:

During the period the Trust was only able to use volunteers on a 'one off event' basis, rather than being able to commit to ongoing supervision due to disruptions in staffing at the archive and the need for the new archivist to plan volunteer days. Changes to operations at both sites opened up new opportunities for volunteers with both archive and museum collections advertised in Q4 of the period. The focus on volunteering in 2023 will be on repackaging and rationalising / digitising materials in the archive.

Charity Governance Code

The Trustees have not yet adopted, formally, the Charity Governance Code due to the significant changes that have impacted on the Trust. However, this is something that the Trustees will review and consider in 2023. Nonetheless, the Charity Governance Code is referred to on a regular basis in order to support continuous improvement and the Code's principles are reflected upon regularly when reviewing policy documents, including the policy on Trustee terms of office and when considering matters of best governance practice.

Internal Control

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

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

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Trust.
- Reporting to and review by the Trustees on a regular basis.

Risk Management

The Co-operative Heritage Trust has an active risk register which is reviewed regularly. The key risks have been identified as:

- Finance and Funding: diversification of income sources to ensure that in the long term, the Trust is sustainable with less reliance on our investments.
- The ongoing costs and limitations of maintaining physical assets across two Greater Manchester locations especially in relation to staffing these sites and offering a full public program in the event of pandemic related interruptions.

Related Party Transactions

The Co-operative Heritage Trust has three founder members – The Co-operative Group, Co-operatives UK and The Co-operative College.

The Archive and Museum's services are used by the departments of the Co-operative Group, one of the founders of the Trust. Where major activity is involved, charges are made by the Trust, smaller amounts of activity are included in the general costs and operation of the Archive and Museum.

The Co-operative Heritage Trust rents office and archival space from Co-operatives UK to House the National Co-operative Archive, the Archive Office and the Co-operative Group Archive.

The Co-operative College has a physical presence at Holyoake House in Manchester, although at a reduced capacity since 2020 and is able, as a registered charity to use the charitable rate offered for booking hire space and services for commercial delivery at Rochdale Pioneers Museum.

Conflicts of interest were managed through the Conflict of Interests Policy within the terms of the Co-operative Heritage Trust's Trust Deed during the period. For further details of related party transactions please see Note 21.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Finance Review

2022 has been a challenging year financially for the Trust with the end of government grants that supported the Trust during COVID. The operating result for the year was a loss of £232,990. When coupled with the loss on investments the overall result was a loss of £550,103.

When comparing the operating loss to prior year, and removing all the additional support the Trust received during COVID the 2022 result is on par with this. The Trustees recognise the need to generate additional income and in 2023 will seek external consultancy support to begin to bridge this gap in funding.

Income decreased on the prior year by £47,992 to £96,305. The main reduction was in grant income, this is a direct result of the ending of grants relating to COVID support. In addition there were no legacies received in the year (£10,050 in 2021)

Income from investments also decreased over the prior period to £25,854.

Expenditure increased on the prior year to £329,295. Some of this increase is due to increased governance costs as we now have an external Secretary to the Trustees. The Trust has sought to reduce costs where possible including reducing the space at Holyoake House and sharing office space with both the Co-operative College and Co-op Press

Investment Policy and Performance against Objectives

In the period the policy of investing in a Sustainable Diversified Fund managed by Royal London Asset Management continued. We saw an investment loss of £317,114 which was

mainly as a result of the fall in global markets resulting from the war in Ukraine and global uncertainty.

Investment performance remains crucial to the financial stability of the trust going forward and so the trustees' regular monitoring will continue.

During 2023 the Trustees will be reviewing their investment management to ensure that the Trust received the best return for the balanced risk they are willing to take.

Reserves Policy

The current value of free unrestricted reserves is a negative £60,140 This figure has been calculated as follows:

	£
Unrestricted funds	57,348
Less unrestricted fixed assets	117,488
Free unrestricted reserves	(60,140)

The Trustees will review their Reserves Policy in 2023 taking a more risk-based approach.

The Trust also holds £2,829,047 in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and an expendable endowment funds that is to be invested in order that the interest and gains arising from this is used in the furtherance of the charity's objects.

This expendable endowment is currently held in the form of investments. This investment is used to fund the ongoing operations of the charity.

Heritage Assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which

the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

For further details of the Heritage Assets please see Note 11.

Going Concern

For the period ending 31 December 2022 the Trust has net current assets of £16,086. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity. Therefore, based on an assessment of future budgets and liquidity of assets, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Auditor

Each of the persons who is a Trustee at the date of approval confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

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

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

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

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

Approved by the Trustees on 17 May 2023 and signed on their behalf by:



Heather Roberts

Chair of Trustees

Independent Auditors' Report to the Trustees of the Co-operative Heritage Trust

Opinion

We have audited the financial statements of The Co-operative Heritage Trust "the charity" for the period ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The

financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 17 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees

determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145* of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Obtained an understanding of the nature and sector of the Company along with reviewing the financial performance and reviewing the policies in place such as the bonus calculation agreements
- We communicated the laws and regulations with the audit team to ensure that they were alert of any indications which would highlight any non-compliance during the audit
- Reviewed copies of the board minutes from throughout the year and any that have taken place after the year end
- Matters were also discussed with the Finance Director during the planning process and throughout the audit fieldwork in relation to any cases of fraud or non-compliance of laws and regulations which may have taken place during the year
- Discussed and obtained an understanding in relation to the process for journals being posted into the finance system
- Reviewed a sample of journals posted throughout the year to ensure that management override hadn't taken place.

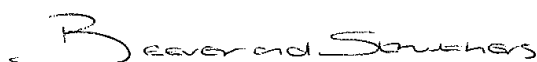
- Discussed the accounting estimates and the calculations behind these such as the depreciation calculation, bad debt provision and bonus calculation.

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

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

Use of our report

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



Suzanne Lomax

Beever and Struthers

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

Beever and Struthers, Chartered Accountants and Registered Auditors

Suite 9B, The Beehive Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS

Date: 17 May 2023

Statement of Financial Activities for the year ended 31 December 2022

	Notes	Unrestricted Funds £	Endowment Funds £	Total Funds December 2022 £	Unrestricted Funds £	Endowment Funds £	Total Funds December 2021 £
Income and endowments from:							
Donations and legacies	2	29,131	-	29,131	40,670	-	40,670
Charitable Activities	3,4	41,321	-	41,321	72,640	-	72,640
Investments	5	25,854	-	25,854	30,987	-	30,987
Total		96,306	-	96,306	144,297	-	144,297
Expenditure on:							
Raising Funds		291	-	291	99	-	99
Charitable Activities	6,7	329,004	-	329,004	319,219	-	319,219
Total		329,295	-	329,295	319,318	-	319,318
(Losses)/Gains on investments		-	(317,113)	(317,113)	-	190,123	190,123
Net (expenditure) / income		(232,989)	(317,113)	(550,102)	(175,021)	190,123	15,102
Transfers between funds		-	-	-	190,123	(190,123)	-
Net movement in funds		(232,989)	(317,113)	(550,102)	15,102	-	15,102
Reconciliation of Funds							
Total funds brought forward		290,338	3,146,161	3,436,499	275,236	3,146,161	3,421,397
Total funds carried forward		57,349	2,829,048	2,886,397	290,338	3,146,161	3,436,499

The results above relate wholly to continuing activities. The notes on pages 23 to 41 form an integral part of these financial statements.

Balance Sheet as at 31 December 2022

	Notes	Total Funds December 2022 £	Total Funds December 2021 £
Fixed Assets			
Tangible assets	10	117,488	143,234
Heritage assets	11	1,411,345	1,419,816
Investments	12	1,341,477	1,858,590
Total Fixed Assets		2,870,310	3,421,640
Current Assets			
Debtors and prepayments	13	24,485	26,035
Stock	14	6,077	5,277
Cash at bank and in hand		21,114	26,965
Total Current Assets		51,676	58,277
Liabilities			
Creditors: amounts falling due within one year	15	35,588	43,418
Net current assets		16,088	14,859
Total assets less current liabilities		2,886,397	3,436,499
Total Net Assets		2,886,397	3,436,499
The funds of the charity			
Endowment funds	18	2,829,048	3,146,161
Unrestricted funds	18	57,349	290,338
Total Charitable Funds		2,886,397	3,436,499

The financial statements on pages 22 to 41 were approved by and authorised for issue by the Board of Trustees on 17 May 2023 and were signed on their behalf by:



Heather Roberts, Trustee

The notes on pages 24 to 41 form an integral part of these financial statements

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

a

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

Based on an assessment of future budgets and liquidity of assets the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

c Income and endowments

All income is recognised when there is an entitlement to the finds, the receipt is probable and the amount can be measured reliably. General donations are recognised when they are received from the donor with the exception of donations given towards specific projects or activities. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of December 2022.

The Trust also sell merchandise through the shop at the Museum. Income from this is recognised at the point of sale along with the relevant cost of obtaining the goods.

d Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment.

Charity expenditure enables the Co-operative Heritage Trust to meet its charitable objective. All expenditure is shown inclusive of VAT.

e Tangible fixed assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Depreciation is calculated in equal monthly amounts based on cost. The following minimum rates are applied:

Plant, fixtures and fittings	6.67% per annum
Information technology equipment	25% per annum

f Heritage assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principle heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of the Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The external access tower is valued at the cost of its construction.

g Stock

Stock is stated at the lower of cost and net realisable value (estimated selling price). Cost is based on cost of purchase on a first in first out basis. Review at the end of each accounting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

h Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a Sustainable Diversified Fund. Investments are stated at market value being the share price.

i Allocation of support and governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit along with an apportionment of the management fee charged to the trust for the management of its day to day operations including financial and HR support.

Governance and support costs relating to charitable activities have been apportioned based on the total expenditure of each activity.

j Pension scheme

The Co-operative Heritage Trust offers an auto enrolment compliant group personal pension scheme, which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4%, with the Heritage Trust paying 8%. After two years' employment employees can opt to increase their contribution to 6%, with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

k Tax and VAT

The Co-operative Heritage Trust is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in The Corporation Taxes Act 2010. The Heritage Trust is not VAT registered and as such all expenditure is shown inclusive of applicable VAT.

l Fund accounting

- i Unrestricted funds: These are funds that can be used in accordance with the Co-operative Heritage Trust's charitable objective at the discretion of the Trustees.
- ii Expendable Endowment Funds: The funds are invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objectives. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity. The fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.
- iv Restricted funds: These are funds received for undertaking an activity specified by the donor.

m Operating Leases

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Rentals paid under operating leases are charged to expenditure as they are incurred.

The National Co-operative Archive leases a room and the archive from Co-operativesUK.

2) Income from Donations and Legacies

	2022	2021
	£	£
Donations	29,131	30,620
Legacies	-	10,050
	<u>29,131</u>	<u>40,670</u>

3) Grants

In the period to 31 December 2022 the following grants were received

	Revenue	Capital	Total 2022	Total 2021
	£	£	£	£
Rochdale Council	5,167	-	5,167	18,335
Manchester City Council	-	-	-	20,364
Heritage Compass	-	-	-	2,500
Museum Development North West	-	-	-	5,500
	<u>5,167</u>	<u>-</u>	<u>5,167</u>	<u>46,699</u>

The grants from Rochdale Council were received in relation to the forced closure of the museum at 31 Toad Lane and delivery of a project.

4) Charitable Income

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2022
	£	£	£	£	£
Event income	3,610	-	12,813	-	16,423
Merchandise and publications	388	1,719	629	-	2,736
Projects Income	-	-	1,956	15,039	16,995
	3,998	1,719	15,398	15,039	36,154

Prior year comparative

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2021
	£	£	£	£	£
Event income	750	-	5,132	-	5,882
Merchandise and publications	-	-	811	-	811
Projects Income	1,552	-	-	-	1,552
Coronavirus Job Retention Scheme	4,981	5,713	8,226	-	18,920
Miscellaneous	(3,302)	150	1,928	-	(1,224)
	3,981	5,863.30	16,097	-	25,941

5) Investment Income

	2022	2021
	£	£
Dividends and interest on fixed asset investments	25,854	30,987
	25,854	30,987

6) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	2022			Basis of apportionment
	Total allocated	Core Activities	Projects	
	£	£	£	
Governance Costs	12,176	11,763	413	Proportion of expenditure
Total	12,176	11,763	413	

Prior year comparative

Cost type	2021			Basis of apportionment
	Total allocated	Core Activities	Projects	
	£	£	£	
Governance Costs	6,571	6,447	124	Proportion of expenditure
Total	6,571	6,447	124	

Governance costs	£
Auditors remuneration	7,980
Trustee Indemnity Insurance	955
Trustee Expenses	43
Secretarial Support	3,198
	12,176

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

Auditor's Remuneration

The auditors remuneration consisted of an audit fee of £7,980 (2021: £7,980). No other services were provided by the auditor

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2022
	£	£	£	£
Core activities	149,172	46,867	121,395	317,434
Projects	3,339	512	7,719	11,570
	152,511	47,379	129,114	329,004

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2021
	£	£	£	£
	158,568	46,050	108,484	313,102
	-	595	5,522	6,117
	158,568	46,645	114,006	319,219

8) Employee costs

The Trust seeks to ensure that all colleagues are fairly rewarded for the work that they undertake. All colleagues are appointed to a role cluster and level that is appropriate to the content of their role. Each role cluster and level have specific salary bands.

No employee of the Trust has an annual salary in excess of £60,000.

The average number of colleagues employed by the Trust was:

	2022	2021
Full time	2.7	5.1
Part time	2.5	1.8
	<u>5.1</u>	<u>6.9</u>
Full time equivalents	<u>5.13</u>	<u>5.63</u>

The costs incurred in respect of these employees were:

	2022	2021
Salaries and wages	131,489	136,175
Social security	6,746	7,583
Pension	11,830	12,793
Other	2,446	2,817
	<u>152,511</u>	<u>159,368</u>

Key Management Personnel

The Trust considers its key management position to be that of the Co-operative Heritage Trust Manager who was appointed in May 2017.

	2022	2021
Salaries and wages	42,945	42,000
Social security	4,929	4,578
Pension	3,436	3,360
	<u>51,310</u>	<u>49,938</u>

9) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £42.61 (2021:£54.20) was incurred in respect of Trustee Expenses.

10) Tangible Fixed Assets

	IT Equipment £	Plant, fixtures and fittings £	Total £
<u>Cost</u>			
01 January 2022	13,909	305,738	319,647
Additions	1,228	2,284	3,512
31 December 2022	15,137	308,022	323,159
<u>Depreciation</u>			
01 January 2022	9,759	166,654	176,413
Charge for the year	2,935	26,323	29,258
31 December 2022	12,694	192,977	205,671
Net book value at 1 January 2022	4,150	139,084	143,234
Net book value at 31 December 2022	2,443	115,045	117,488

11) Heritage Assets

Under FRS 102, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the costs of obtaining a valuation significantly outweigh the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The assets of the Trust consist of a substantial archive collection (National Co-operative Archive) which is home to a wide array of records relating to the history of the worldwide co-operative movement. The collections include rare books, periodicals, manuscripts, films, photographs and oral histories, and provide researchers with an unrivalled resource for the development of the co-operative movement, from the initial ideas of the eighteenth century to the present day. The Archive has been deemed a Designated Collection by Arts Council England. Designation sets out to identify nationally significant cultural assets in museums, libraries and archives and sets out to raise standards across the sector. Designated collections recognised by the Scheme are expected to work towards the provision of high-quality services, which deliver the fullest possible access to their collections.

In 2016 the Robert Owen Collection was put on the UNESCO UK memory of the world register as a significant collection in the history of the UK.

In accordance with FRS102 the Trustees have determined that the 31 Toad Lane Premises of the Rochdale Pioneers Museum are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of The Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over its expected life of 100 years. The external access tower is valued at the cost of its construction.

11) Heritage Assets (continued)

	Buildings: Rochdale Pioneers Museum £	Buildings: External Access Tower £	Artefacts	Total £
Cost				
01 January 2022	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2022	614,456	847,157	1,121	1,462,734
Depreciation				
01 January 2022	-	42,917	-	42,917
Charge for the year	-	8,472	-	8,472
31 December 2022	-	51,389	-	51,389
Net book value at 1 January 2022	614,456	804,240	1,121	1,419,816
Net book value at 31 December 2022	614,456	795,768	1,121	1,411,345

12) Fixed Asset Investments

	£
01 January 2022	1,858,590
Divestments	(200,000)
Investment gain/(loss)	(317,113)
31 December 2022	1,341,477

The investments represent funds placed in a Sustainable Diversified Fund with Royal London Asset Management. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 17 for further details

13) Debtors

	2022	2021
	£	£
Trade debtors	5,280	11,323
Accrued income	5,915	8,413
Other debtors	125	-
Prepayments	13,165	6,299
	<u>24,485</u>	<u>26,035</u>

14) Stock

	2022	2021
	£	£
Goods for resale	6,077	5,277
	<u>6,077</u>	<u>5,277</u>

15) Creditors

	2022	2021
	£	£
Trade creditors	14,975	6,813
Project creditors	5,553	10,992
Accruals	9,452	9,969
Deferred income	-	9,600
HMRC	2,816	2,880
Other creditors	2,792	3,164
	<u>35,588</u>	<u>43,418</u>

16) Deferred Income

Deferred income comprises of income received by the Trust in 2022 for activities taking place in 2023.

	£
Balance at 1 January 2022	9,600
Amounts released to income earned from charitable activities	(9,600)
Amount deferred in period	-
Balance at 31 December 2022	-

17) Charitable Funds

	Balance at 1 January 2022	Income	Expenditure	Gain/(loss) on investments	Transfers Between Funds	Balance at 31 December 2022
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	(317,113)	-	2,579,048
	3,146,161	-	-	(317,113)	-	2,829,048
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	(270,038)	56,922
Revenue reserves	(36,622)	96,306	(329,295)	-	270,038	427
	290,338	96,306	(329,295)	-	-	57,349
Total Charitable Funds	3,436,499	96,306	(329,295)	(317,113)	-	2,886,397

17) Charitable Funds (continued)

2022 Analysis of net assets between funds:

	Unrestricted Funds	Endowment Funds	Total 2022
	£	£	£
Tangible assets	117,488	-	117,488
Fixed asset investments	-	1,341,477	1,341,477
Heritage assets	(76,225)	1,487,570	1,411,345
Current assets	51,676	-	51,676
Current liabilities	(35,588)	-	(35,588)
	57,350	2,829,047	2,886,397

2021 comparative

	Balance at 1 January 2021	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2021
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	190,123	(190,123)	2,896,161
	3,146,161	-	-	190,123	(190,123)	3,146,161
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	- 51,724.00	144,297	(319,318)	-	190,123	(36,622)
	275,236	144,297	(319,318)	-	190,123	290,338
Total Charitable Funds	3,421,397	144,297	(319,318)	190,123	-	3,436,499

17) Charitable Funds (continued)

2021 Analysis of net assets between funds:

	Unrestricted Funds	Endowment Funds	Total 2021
	£	£	£
Tangible assets	143,234	-	143,234
Fixed asset investments	-	1,858,590	1,858,590
Heritage assets	132,245	1,287,571	1,419,816
Current assets	58,277	-	58,277
Current liabilities	(53,018)	-	(53,018)
	280,738	3,146,161	3,426,899

*Toad Lane Museum Fund: This is a permanent endowment fund where the assets must be held permanently by the charity. The fund relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

** Co-operative Group Fund: This is an expendable endowment fund invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objects. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes, which is in accordance with the Memorandum of Understanding between The Co-operative Group and the Trust.

The investment gain arising from the Co-operative Group Fund has been transferred to Unrestricted Funds as the interest and gains arising from the fund are used to support the ongoing work of the Trust. The deficit incurred on the Arts Council Project has also been transferred to unrestricted funds.

18) Analysis of cash and cash equivalents

	At 1 January 2022	Cash flows	At 31 December 2022
Cash at bank and in hand	26,965	(5,851)	21,114
Total cash and cash equivalents	26,965	(5,851)	21,114

19) Contingent Liabilities and Capital Commitments

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

20) Related Party Transactions

The following are related party transactions, as defined by FRS102, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £126 and £445 were payable to and receivable from the College. At 31 December 2022 the balance owed to the College was £nil and owed from the College was £nil.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The amount receivable from The Co-operative Group for services provided was £nil. The amount outstanding at year end was £nil. The Co-operative Group also provided donations of £15,000.

c. Co-operatives UK

Co-operatives UK is one of the founding members of The Co-operative Heritage Trust. The amount receivable from Co-operatives UK in the year was £nil.

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services and HR services. The amounts payable in the year relating to these services was £50,648. The amount outstanding at year end was £6,934.

d. Trustees

The trustees received no remuneration in the performance of their duties. One trustee received expenses of £43. There were no related party transactions with the Trustees during the year.

21) Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Land and buildings		
Within one year	27,723	45,820
Between one and five years	<u>21,951</u>	<u>86,294</u>
	<u>49,674</u>	<u>132,113</u>

The amounts above include VAT as this cannot be recovered by the Trust.

Since the year end date the Trustees have reduced their operating lease commitments and are seeking to reduce these further.

Accounts

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**
**Annual Report and Accounts for the period ended 31 December
2021**

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: 1 Angel Square
Manchester
M60 1AG

Operating Addresses:	National Co-operative Archive	Rochdale Pioneers Museum
	Holyoake House	Toad Lane
	Hanover Street Manchester	Rochdale
	M60 0AS	OL12 0NU

Trustees:	Mervyn Wilson (Chair)	
	Laura Bailey	
	Wendy Carter	Resigned 7 April 2022
	Nicholas Crofts	Resigned 21 May 2021
	Paul Gerrard	
	Edward Powell	Appointed 21 May 2021
	Katherine Lynch	
	Tanya Noon	
	Heather Roberts	
	Cilla Ross	Resigned 21 May 2021
	Nina Valvi	Appointed 21 May 2021
	Nigel Todd	Passed away 26 March 2021
	Anthony Webster	Appointed 21 May 2021

Secretary:	Edward Powell c/o The Co-op 1 Angel Square Manchester M60 1AG
Bankers:	Co-operative Bank Plc Balloon Street Manchester M60 4EP
Investment Managers:	Royal London Asset Management 55 Gracechurch Street London EC3V 0RL
External Auditors:	Beever and Struthers Chartered Accountants and Registered Auditors Suite 9B The Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS

Structure, Governance and Management

Status and Charity Number

The Co-operative Heritage Trust was founded in 2007 and is registered with the Charity Commission as a Charitable Incorporated Organisation (registration date 29 August 2018).

Governing Document

The charity is administered in accordance with the constitution dated 29 August 2018.

Trustees and Officers

To the point of the first AGM of the new CIO (20th February 2020), the interim Trustees of the Co-operative Heritage Trust were nominated by the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group. These nominations (found above) are ratified by the other founders.

All interim trustees resigned from their interim roles on 20th February 2020 and new trustees were appointed. Under the CIO the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group can nominate up to two trustees each. Nominations are ratified by the other founders. Further, up to five independent trustees may be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes.

Appointments are ratified by founders.

Recruitment and Training of Trustees

Trustees are appointed based on their expertise in co-operative heritage and charitable organisations. The Trustees have received an appropriate induction and ongoing training support is kept under review by the Trustees.

The Trustees have renewable fixed terms of office and provide for succession through identifying new Trustees with appropriate skill sets.

Organisational Management

The day-to-day operational management of the Trust - the Rochdale Pioneers Museum and National Co-operative Archive is delegated to the Trust Manager with line management support from the Chair of Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

The Charitable Incorporated Organisation (CIO) took over the work of the former unincorporated charity on 12 October 2019 and during the period covered by the Covid-19 pandemic, a working group of board representatives was convened in order to continue to meet these aims, holding regular meetings into 2021 in addition to formal quorate and scheduled board meetings.

Chair`s introduction

This report of the Co-operative Heritage Trust Charitable Incorporated Organisation; for the period from 1st January to 31st December 2021, covers another challenging year with the Trust having to respond to the ongoing impact of the Covid-19 pandemic. The experience gained in the previous year enabled the Trust to respond more effectively, with a clear focus on safeguarding the heritage assets and financial stability in order that it could rebuild visitor numbers and its engagement through outreach work as soon as conditions permitted.

Throughout the period Trustees met regularly with a small team comprising the Trust Manager, Secretary Chair and Vice Chair operating with delegated responsibility to enable the Trust to respond to the rapidly changing environment. With in-person visits to the Museum and Archive rendered impossible for much of the year, the opportunity was taken to build digital resources to take the Trust collections and core message to beneficiaries through digital channels.

Trustees started to plan for life beyond the pandemic, with a clear focus on widening the range of beneficiaries and securing long term sustainability. Central to this will be developing partnerships in the heritage and co-operative sectors and establishing a more diverse range of income streams. Significant progress was made in these areas in the second half of the year with other exciting ideas under active consideration.

Despite the inevitable loss of income from visitors the income generated from its investments has been sufficient to cover operational losses. Building on the partnerships and new income streams is now essential so that the value of the investments is not slowly eroded - remaining a key strength of the Trust.

The report that follows illustrates how the Trust has responded to the many challenges of the last year and continued to safeguard and provide access to its collections. That effective response has only been possible with the support of the founders, colleagues, volunteers and fellow Trustees. My special thanks are recorded to Liz McIvor, Trust Manager who has been at the forefront of these many challenges, Ed Powell who has continued to serve as Secretary to the Trust whilst new arrangements are explored, and Emma Willder from Beyond Profit who continues to provide financial support and advice.

This is the final time I will personally write the introduction to the report as I will be standing down as a Trustee at the AGM. It has been a privilege to serve as a Trustee since the foundation in 2007 and to witness the achievements and progress in the years that followed. I am confident that CHT will continue to grow and prosper and wish it every success for the future.

Mervyn Wilson

18 May 2022.

Trustee's Annual Report

Review of the period 1st January to 31st December 2021

The following report details the way in which the Trust has operated, reflecting the continued impact of the Covid-19 pandemic on all strategic and operational considerations in the period under review including the return to normal operations in the third quarter of 2021.

The board recognises that the period has been marked by continued disruptions and a level of uncertainty affecting the heritage sector, from ways in which staff can carry out their day to day activities to the business plan and long term financial sustainability of the charity.

Objects and Activities

Charitable Objectives

The objects of the Charity as defined in the Trust Deed are as follows:

The Trustees shall hold the capital and income of the trust fund upon trust as to the income, and all such part or parts of the capital, as the founder may by notice in writing to the Trustees determine for the following objects:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as Rochdale Pioneers Museum) and any ancillary buildings as shall or may at any time be vested in the charity or in respect of which the charity shall have any interest.
- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of all furniture, pictures, historical records, books, manuscripts, films, photographs, objets d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co- operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the charity or in respect of which the charity shall have any interest.
- The encouragement of the provision of access to and the study of such buildings, land, furniture, pictures, historical records, books, manuscripts and other chattels or items that comprise the National Co-operative Archive and the Rochdale Pioneers Museum by members of the public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founders and the Charity Commission.

The activities of the Trust work towards two key outcomes:

The Trust in the Covid-19 Pandemic

It was recognised that a return to normal operations in January of 2021 would not be possible due to a third National Lockdown announced at the close of 2020. At this time, Greater Manchester was already under Tier 3 restrictions which prevented the museum and archive from being open to the general public (although some staff were permitted to perform necessary work on site).

Preparations were initially put in place to re-open Rochdale Pioneers Museum in May of 2021 but stringent public health measures, the extension of the Coronavirus Job Retention Scheme at a higher level of support as well as a reduction in public confidence to return to leisure venues, forced the board to delay the re-opening of both museum and archive to the public until June. Staff remained in flexible furlough - gradually increasing to regular contracted patterns in July. The museum re-opened fully on Saturday 3rd of July, although visitor numbers and income generating activities were slow to recover and further hampered by the emergence of new variants of concern in the Spring and Autumn of that year.

During the continued disruption to business as usual it has been necessary to continue to protect the assets of the Trust to ensure long term sustainability by using the business contingency plan written in 2020. The Trust Board continued to meet digitally and rely on a smaller working group to respond quickly to changes in government policy, address immediate operational needs, make adjustments to the risk register and protect the well-being of staff and users.

By working in this way, the Trust has remained agile and flexible in facing the challenges of safeguarding the unique collections in a fast-changing external environment to minimise losses and identify opportunities to protect investments such as the Government guaranteed 'Bounce Back' loan through the Co-operative Bank at a low rate of interest (repaid in full at the close of the year). Financial support was available through HMRC, grants based on rateable relief status from Rochdale Borough and Manchester City Councils and from public body heritage funders.

During the period, the Archive reading room was subject to a short-term rent reduction to reflect an inability to use public space from April to the end of the CJRS on 30th September and the Board have requested a future rent review from landlords Co-operatives UK in light of ongoing financial constraints and perceived needs for the future use of space.

Charitable Objectives:

1. To increase activity and promote understanding of co-operative collections and materials.

Following the award of full Museum Accreditation status in March of 2020; recommendations made for the four-year period prior to re-submission.

- Development of a fundraising strategy.
- An updated emergency plan from Your Trust (formerly Link4Life Cultural Trust) for external storage solutions.
- Developed strategy for future collecting.
- Communication with users through a wide range of methods.

In order to develop a strategy for future archival collecting, it is recognised that there are severe limitations on the future use of Holyoake House in terms of archival storage as the working environment has changed and the building may no longer be able to operate according to the current business model for the long term. Scoping work carried out in 2021 and 2022 will lead the strategy for the building and during the period, the Trust began to review options for a combined approach to collections storage in partnership with organisations in Rochdale. In order to prepare for potential changes, improve the visibility of collections within the movement and for a wider audience as well as be able to expand holdings through active collecting; storage will continue to be a primary focus for the Trust in the coming years.

During the period, access to external stores in Rochdale was severely limited due to the working patterns of YourTrust staff (formerly Link4Life) as well as the capacity of the trust's reduced staff team. Although the Trust Manager was able to attend both archive and museum sites as a keyholder for essential maintenance as well as to provide digital services, external stores could not be accessed which has delayed progress on collections management as well as preparations for upgrading of storage facilities.

The Trust has had to adapt plans and targets for engagement in light of the ways in which societal norms have been affected by the pandemic and to consider what this means for the future work of the Trust. Throughout the period, resources and delivery has been adapted to be delivered online and across social media platforms as well as expanding the education and outreach offer. Divisions and inequalities in the UK and across the world have been exacerbated by the pandemic and the heritage sector has responded to calls to change the ways in which it represents and interprets people who have traditionally been marginalised as a result of protected characteristics such as colour, race, identity, gender or disability. The Trust committed to examining unconscious bias in interpretation of our heritage which formed part of re-development of spaces at Rochdale Pioneers Museum as well as working to ensure that staffing and governance can be more representative in the future through changes to operational policy and procedures.

Developing community co- production in the heritage sector which must be at the core of the Trust's strategic development going forward and will be programmed into work with collections. The Trust recognises that the use of digital tools in a blended approach to audience development will be significant in widening the range of beneficiaries of the Trust and remaining relevant in the years to come.

2. Creating opportunities to present and interpret our heritage

Outreach in the period: Museum based events and projects:

For the majority of the period, public events and activities in person have been curtailed or delivered through digital or blended engagement.

In order to encourage visitors back to the Pioneers Museum, provision was made to increase fresh air ventilation and enhance cleaning regimes, one-way routes and provision of new guidance for visiting groups and schools. A bequest made from a long-term supporter (who wished to remain anonymous) which enabled the Trust to invest in new furniture for the Museum's Learning Loft in time for the summer re-opening which can be more easily

cleaned and sanitised in order to continue to attract hire and group bookings for events for the generation of supportive income.

Funding to assist re-interpretation was made available through Museums Development North West's '*Healthcheck*' programme based on an audit of museums ability to adapt and prepare for audiences to return to safe and inclusive visiting. This funding enabled the museum to invest in new portable display units for community programming and engagement with collections as well as a family friendly 'play shop' and seating area. The additions were made from recycled materials and packing crates on the museum's second floor in the former temporary exhibition space to encourage dwell time and facilities for a variety of ages and backgrounds to learn about contemporary co-ops as well as retail societies. In addition, the museum is a designated, badged 'safe space' in Rochdale where vulnerable adults can come to ask for assistance from trained staff.

Formal education for adults and young people was delivered through a mix of pre-recorded video content, delivery on site in schools and community venues and a new offer of bespoke in-school workshops. In addition, object loan boxes are now available as an introduction tool for local schools and those further afield through the Co-operative Academies Trust Network for Primary and Secondary Schools. Despite some cancellations of planned activity due to Covid-19, the period has been a successful one for education and the Trust has engaged with 1,544 individual learners.

During the period, as staffing hours were increased, the Trust carefully monitored levels of risk and staff were encouraged to work in smaller groups and remotely in order to avoid disruption. Temporary installation of protective screens and hand sanitiser stations were made permanent in the period in order to enable safer team working for the long term.

Levels of deprivation in the Borough of Rochdale continued to rise during the period of the pandemic. Widening inequalities – particularly in digital access, led to some further partnership work with Rochdale Borough Council to address food and digital poverty affecting residents in the immediate area. Despite reviewing the option to re-instate the Pioneer Pantry food membership scheme which ceased to operate in 2020; this could not be safely re-instated with existing staff - and in the wake of new pantry schemes being set up across the borough, the focus for inclusion was switched to a digital approach with the implementation of a *Mesh* Network. This pilot project uses the Pioneers Museum as a hub from which to beam high speed free broadband signal to local residents within two kilometres for a minimum of three years. The project is a funded co-operative partnership between the Trust, Rochdale Boroughwide Housing, Rochdale Council, Co-operatives UK and Zen Internet which went 'live' for the first users in the College Bank '*Seven Sisters*' tower blocks in December of 2021. The ward benefitting from the project is the most deprived in the borough and recorded as the most deprived ward of Greater Manchester according to the LSOA (Lower-layer Super Output Area statistics. The impact of the digital poverty gap is already being felt in other areas of the UK, and other local authorities are planning to use the results of this pilot in order to implement similar schemes in 2022 and 2023.

Outreach in 2021: National Co-operative Archive

During the period, the ability to use archival sources and images not only to answer traditional research enquiries but to provide services and events online has shown the capacity and future benefit of digitising materials.

Several online presentations have taken place during the year, including those with a larger audience for the *Co-operative Congress 2021* (held as a hybrid event in June at Stretford Public Hall, Manchester) and for the *ICA's Research Conference and International Congress* held in Seoul, Republic of Korea in November. Both events were focused on rebuilding from Covid based on *deepening co-operative identity for the future*.

The Trust has continued to provide a research and enquiries service; blog and article content and produce project content for corporate partners despite the periods of disruption and reduced working hours for staff, including specific education around corporate priorities relating to Black History Month, Member Pioneer inductions and Member content videos in December of 2021 for The Co-operative Group. During the period, remote volunteer transcription on the Holyoake Collection continued until participants were able to return to regular work or study and digital sessions 'Live from Toad Lane' continued to be booked by co-op societies and co-operative party members from the regions. The Archive continues to support a research network for early career co-operators (CORNET) and contribute to a number of other shared programmes from research bids to collaborations with other archives, libraries and interest groups to interpret collections and thematic anniversaries including that of Robert Owen's 250th birthday in May.

Other opportunities

During the period; the Trust explored additional funding opportunities following support gained during restrictions and approached several smaller independent retail societies in order to develop a closer relationship, not just based on supportive funding, but to encourage consideration of data retention and deposit of future records as well as look for ways to engage member audiences. Previous policy had been to encourage local records to be deposited in local record offices. While this may continue to be the case; public sector capacity is reducing and increasingly unable to offer a home to all business records – particularly those subject to mergers outside of geographical borders. Offers of supportive funding were received during the quarter three of the period from Central England Co-operative; Midcounties Co-operative, Chelmsford Star Co-operative, Tamworth Co-operative Society, Heart of England Co-operative and Allendale Co-operative. These were followed by an offer of a percentage of annual surplus from CLIMBS (Co-operative Life and General Insurance of the Philippines) in December of 2021; due to be transferred in 2022.

A proposal was put forward under the New Era agenda to the Co-operative Group by the members (Co-operatives UK, Co-operative College, Co-operative Press and the Co-operative Heritage Trust) based on establishing shared digital platforms and services. This proposal was not approved; although the Trust was then approached by the Communities Team in order to perform a funded scoping exercise on the existing Group – owned collections (deposited 2016) based on corporate priorities for 2022. Funding provided will cover freelance support and essential digitisation equipment to bring existing archival

equipment up to accepted technical standards to take place during the second quarter of 2022.

During the period of closure of the museum and archive sites, a virtual tour was created and filmed as an alternative to a visit for international groups and other users. The content is hosted on demand on the VIMEO platform <https://vimeo.com/ondemand/virtualpioneers2021> covering the early days of the movement and its growth in the UK and is presented by a young British Asian in order to appeal to younger audiences as well as those who cannot travel due to the ongoing impact of the pandemic and to reduce the impact of travel for climate change. During the period, the Trust's business plan included ways in which the charity could minimise its own impact on climate and commit to finding greener ways to source goods and services which will continue to be a feature of strategic and operational planning.

Future Plans

- A strategy session was held in Rochdale in October 2021 based on pre-work done by the board to determine which elements of the current business model must change to improve the position of the Trust over the short and longer term. This would affect Trust policy as well as the review of existing relationships with other organisations, schedule of essential maintenance and the management and roles of staff and volunteers in order to meet our objectives.

An outline was given of the impacts on the sector of Covid-19, losses of income and increased levels of risk as well as the general trends in the behaviour of audiences, the usage of town and city centre spaces, the lack of regional investment resulting in a slower recovery in the Northwest and the impacts of climate change. Trustees were asked to examine former focus of the business plan regarding key assumptions for a period of recovery and rebuilding based on the following areas.

- Strategic Priorities
 1. **Location and long-term collections needs for the Trust:** The board resolved that due to financial limitation and inability to expand holdings, the business plan and strategy over the next 2-3 years must reflect a change in the way the Trust operates. Increased digitisation will be a target of the plan, as will reduction in liability and risk around dual locations, the future of Holyoake House, staffing and the cost of storage. The board resolved to explore partnership opportunities for re-locating stored collections and archival services to Rochdale while prioritising the digitisation of larger bodies of material which might support the business strategy by 2024.
 2. **Financial sustainability:** As reliance on income from investments represents increased risk, the Trust must limit its fixed costs while working to increase income

generated from the sale of goods and services, as member-based income from retail co-operatives and potential legacy donors. The Trust intends to build on local relationships in order to benefit financially from public grants coming into Rochdale as a result of the Creative People and Places funding over three years from Arts Council England, as well as opportunities to develop tourism offers and bespoke content for visitors. The Trust is not able to become a national portfolio organisation for the Arts Council (due to the outputs which would divert from the aims and objectives of the charity), and so should concentrate on commercial partnerships with regional co-operatives develop heritage branded products which can support the Trust. The Board is aware that even if all the targets of the business plan are met, the nature of the charity's operations in the heritage sector means that revenue is unlikely to exceed expenditure.

The ongoing financial liability of operating two geographically separate sites and the operational considerations of staff both sites adequately is an ongoing concern for financial reasons.

3. **Audience development:** The Trust must rebuild local audiences following the pandemic through its events and community programme as well as opportunities to volunteer, while seeking to extend its reach to UK and global co-operative audiences (particularly Young People and those new to co-operatives). Offering a closer digital relationship as well as the opportunity to work in a regional context with partners will add to audience figures which can be calculated differently and extend reach to monetise collections and expertise in order to support the financial strategy. A target for the life of the business plan continues to be to engage with and represent minority audiences and involve them in making changes to the way collections and heritage assets are used in the future. This includes the approach to staffing and the constitution of the Trust board in order to be more representative on People of Colour, Disabled and LGBTQ+.
4. **The role of co-operatives in membership:** The Trust is seeking to develop and enrich its supportive relationships with co-operatives in the UK as well as seek to extend its reach with international co-operatives through digital channels. The Trust has been granted the rights to use 'Rochdale Equitable Pioneers Society' as a trading arm should it choose to do so in the future. Trading as a membership society might be supportive of the Trusts aims and objectives in the future but would rely on the ability to manage membership and provide on-going returns in addition to the reporting of the charity. No resolution was made on how this might be used within the lifespan of the current strategy or business plan although an agreement in principle was made to retain the rights for future use.

Our people

Employees

At the commencement of the year the staffing ratio was 6.4 FTE and at the end of the period had adjusted to 5.9 FTE as a result of changing operational needs as well as changes in personnel's circumstance after returning from furlough leave.

Kate Woodward (Visitor Experience and Operations Co-ordinator FT) resigned in June. The role was amended to be equivalent to existing role of Visitor Experience Officer (PT).

Catherine Jessop (Education and Outreach Officer) returned part time for 21 hours (equivalent to three days per week).

Danielle Sherwood (Visitor Experience Officer) began part time fixed contract employment with the Trust in June.

Rose Bibby (Visitor Experience Officer) began part time fixed contract employment with the Trust in July, replacing James Whittaker.

The Trust would like to thank former members of staff for their contribution to its work in the period. Existing Staff of the Co-operative Heritage Trust are:

Liz McIvor – Trust Manager

Sophie McCulloch – Archivist

Clare Hirst – Collections Manager

Training and development:

During the period Clare Hirst (Collections Manager) has continued to study Museums and Heritage at MA level with Manchester University and has used periods of furlough leave as well as periodically reduced her working hours through annual leave in order to complete the qualification in 2022.

Sophie McCulloch (Archivist) continued to participate in the *Peer Mentoring Programme* with the National Archives requiring one day per month of digital engagement during the period.

The Trust Manager completed the *Heritage Compass Museums Networking Programme* of which time was funded to £2500. The programme is designed to help cultural organisations review financial risk and develop new business plans as well as reduce financial risk - funded by Business Development England and the Heritage Fund, delivered by Cause4.

Volunteers:

During the period, the Trust was unable to commit to long term volunteering opportunities – particularly during periods of closure and recommendations to limit numbers of people working face to face. At some points of the year, numbers of young people were able to offer short term volunteering to assist with preparations to re-open the museum building, such as repainting and gardening maintenance on Toad Lane in partnership with Rochdale Training Association. The Trust is also grateful for the support of local Co-op Group 'Member Pioneers' who gave their time to volunteer to support events and activities from school holiday programmes to celebrating the anniversary of the Rochdale Pioneers on the 21st of December.

The Trust intends to expand its volunteer base in 2022 in documentation of and engagement with collections and is hopeful that it will be able to return to supporting and supervising student placements from Archival and Heritage training cohorts.

We would like to thank remote, in-person volunteers and local partners who have made a vital contribution to the work of the Trust during the period.

Charity Governance Code

The Trustees have not yet adopted the Charity Governance Code due to the significant changes that have impacted on the Trust. However, this is something that the Trustees will review and consider in 2022.

Internal Control

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

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

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Trust.
- Reporting to and review by the Trustees on a regular basis.

Risk Management

The Co-operative Heritage Trust has an active risk register which is reviewed regularly. The key risks have been identified as:

- Finance and Funding: diversification of income sources to ensure that in the long term, the Trust is sustainable with less reliance on our investments.
- COVID-19: how this will continue to impact on the re-opening of both the Rochdale Pioneers Museum and the National Co-operative Archive.
- The ongoing costs and limitations of maintaining physical assets across two Greater Manchester locations especially in relation to staffing these sites and offering a full public program in the event of pandemic related interruptions.

Related Party Transactions

The Co-operative Heritage Trust has three founder members – The Co-operative Group, Co-operatives UK and The Co-operative College.

The Archive and Museum's services are used by the departments of the Co-operative Group, one of the founders of the Trust. Where major activity is involved, charges are made by the Trust, smaller amounts of activity are included in the general costs and operation of the Archive and Museum.

The Co-operative Heritage Trust rents office and archival space from Co-operatives UK to House the National Co-operative Archive, the Archive Office and the Co-operative Group Archive.

The Co-operative College has a physical presence at Holyoake House in Manchester, although at a reduced capacity since 2020 and is able, as a registered charity to use the charitable rate offered for booking hire space and services for commercial delivery at Rochdale Pioneers Museum.

Conflicts of interest were managed through the Conflict of Interests Policy within the terms of the Co-operative Heritage Trust's Trust Deed during the period. For further details of related party transactions please see Note 21.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Finance Review

During 2021 the COVID-19 pandemic continued to have an impact on the operations of the charity. However, thanks to some government grants, the furlough scheme and an unexpected legacy the overall result for the year was a positive one with overall funds increasing to £3,436,499

Whilst overall income decreased against the prior period, we increased income from donations and legacies by £17,756 to £40,670. Of this increase £10,050 related to a legacy.

Income from investments also increased over the prior period to £30,987. As expected, there was a decrease in Charitable Activity expenditure.

Expenditure decreased by 27% to £319,218. This was a combination of reduce staff costs due to revised opening hours at the museum and non-replacement of posts coupled with a decrease in other support costs and some rent reductions from our landlord.

During the period we also saw a gain on our investments of £190,123 bringing the overall result for the year to a surplus of £15,102 (prior period a loss of £50,805).

There has been a decrease in the investments held since the end of the financial year, further details of this can be found in note 22.

Investment Policy and Performance against Objectives

In the period the policy of investing in a Sustainable Diversified Fund managed by Royal London Asset Management continued. We saw an investment gain of £190,123.

Investment performance remains crucial to the financial stability of the trust going forward and so the trustees' regular monitoring will continue.

Reserves Policy

The current value of free unrestricted reserves is £147,104. This figure has been calculated as follows:

	£
Unrestricted funds	290,338
Less unrestricted fixed assets	143,234
Free unrestricted reserves	147,104

The Trustees will review their Reserves Policy in 2022 taking a more risk-based approach.

The Trust also holds £3,146,161 in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and an expendable endowment funds that is to be invested in order that the interest and gains arising from this is used in the furtherance of the charity's objects.

This expendable endowment is currently held in the form of investments. This investment is used to fund the ongoing operations of the charity.

Heritage Assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation.

However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The Trustees

have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we do not have the date of valuation, method used nor the firm that carried out the valuation.

For further details of the Heritage Assets please see Note 11.

Going Concern

For the period ending 31 December 2021 the Trust has net current assets of £24,459. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity. Therefore, based on an assessment of future budgets and liquidity of assets, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Auditor

Each of the persons who is a Trustee at the date of approval confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

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

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

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

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

Approved by the Trustees on 18 May 2022 and signed on their behalf by:



M Wilson

Chair of Trustees

Independent Auditors' Report to the Trustees of the Co-operative Heritage Trust

Opinion

We have audited the financial statements of The Co-operative Heritage Trust "the charity" for the period ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The

financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 21 the trustees are responsible for the preparation of the financial statements and for being

satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145* of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Obtained an understanding of the nature and sector of the Company along with reviewing the financial performance and reviewing the policies in place such as the bonus calculation agreements
- We communicated the laws and regulations with the audit team to ensure that they were alert of any indications which would highlight any non-compliance during the audit
- Reviewed copies of the board minutes from throughout the year and any that have taken place after the year end
- Matters were also discussed with the Finance Director during the planning process and throughout the audit fieldwork in relation to any cases of fraud or non-compliance of laws and regulations which may have taken place during the year
- Discussed and obtained an understanding in relation to the process for journals being posted into the finance system
- Reviewed a sample of journals posted throughout the year to ensure that management override hadn't taken place.

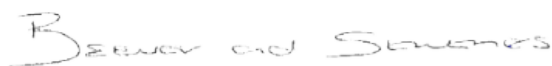
- Discussed the accounting estimates and the calculations behind these such as the depreciation calculation, bad debt provision and bonus calculation.

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

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

Use of our report

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



Suzanne Lomax

Beever and Struthers

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

Beever and Struthers, Chartered Accountants and Registered Auditors

Suite 9B, The Beehive Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS

Date: 18 May 2022

Statement of Financial Activities for the year ended 31 December 2021

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2021	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2020
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	40,670	-	-	40,670	22,914	-	-	22,914
Charitable Activities	3,4	72,640	-	-	72,640	98,214	24,305	-	122,519
Investments	5	30,987	-	-	30,987	25,524	-	-	25,524
Total		144,297	-	-	144,297	146,652	24,305	-	170,957
Expenditure on:									
Raising Funds		99	-	-	99	45	-	-	45
Charitable Activities	6,7	319,219	-	-	319,219	412,473	24,305	-	436,778
Total		319,318	-	-	319,318	412,518	24,305	-	436,823
Gains/(Losses) on investments		-	-	190,123	190,123	-	-	215,061	215,061
Net income / (expenditure)		(175,021)	-	190,123	15,102	(265,866)	0	215,061	(50,805)
Transfers between funds		190,123	-	(190,123)	-	214,142	919	(215,061)	-
Net movement in funds		15,102	-	-	15,102	(51,724)	919	-	(50,805)
Reconciliation of Funds									
Total funds brought forward		275,236	-	3,146,161	3,421,397	326,960	(919)	3,146,161	3,472,202
Total funds carried forward		290,338	-	3,146,161	3,436,499	275,236	-	3,146,161	3,421,397

The results above relate wholly to continuing activities. The notes on pages 27 to 45 form an integral part of these financial statements.

Balance Sheet as at 31 December 2021

	Notes	Total Funds December 2021 £	Total Funds December 2020 £
Fixed Assets			
Tangible assets	10	143,234	159,160
Heritage assets	11	1,419,816	1,428,289
Investments	12	1,858,590	1,843,467
Total Fixed Assets		3,421,640	3,430,916
Current Assets			
Debtors and prepayments	13	26,035	16,984
Stock	14	5,277	10,047
Cash at bank and in hand		26,965	41,820
Total Current Assets		58,277	68,852
Liabilities			
Creditors: amounts falling due within one year	15	43,418	46,021
Net current assets		14,859	22,831
Total assets less current liabilities		3,436,499	3,453,747
Creditors: amounts falling due after more than one year	17	-	32,350
Total Net Assets		3,436,499	3,421,397
The funds of the charity			
Endowment funds	18	3,146,161	3,146,161
Unrestricted funds	18	290,338	275,236
Total Charitable Funds		3,436,499	3,421,397

The financial statements on pages 25 to 45 were approved by and authorised for issue by the Board of Trustees on 18 May 2022 and were signed on their behalf by:



Mervyn Wilson, Trustee

The notes on pages 27 to 45 form an integral part of these financial statements

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

a

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

Based on an assessment of future budgets and liquidity of assets the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

c Income and endowments

All income is recognised when there is an entitlement to the funds, the receipt is probable and the amount can be measured reliably. General donations are recognised when they are received from the donor with the exception of donations given towards specific projects or activities. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of December 2021.

The Trust also sell merchandise through the shop at the Museum. Income from this is recognised at the point of sale along with the relevant cost of obtaining the goods.

d Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment.

Charity expenditure enables the Co-operative Heritage Trust to meet its charitable objective. All expenditure is shown inclusive of VAT.

e Tangible fixed assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Depreciation is calculated in equal monthly amounts based on cost. The following minimum rates are applied:

Plant, fixtures and fittings	6.67% per annum
Information technology equipment	25% per annum

f Heritage assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principle heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of the Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The external access tower is valued at the cost of its construction.

g Stock

Stock is stated at the lower of cost and net realisable value (estimated selling price). Cost is based on cost of purchase on a first in first out basis. Review at the end of each accounting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

h Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a Sustainable Diversified Fund. Investments are stated at market value being the share price.

i Allocation of support and governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit along with an apportionment of the management fee charged to the trust for the management of its day to day operations including financial and HR support.

Governance and support costs relating to charitable activities have been apportioned based on the total expenditure of each activity.

j Pension scheme

The Co-operative Heritage Trust offers an auto enrolment compliant group personal pension scheme, which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4%, with the Heritage Trust paying 8%. After two years' employment employees can opt to increase their contribution to 6%, with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

k Tax and VAT

The Co-operative Heritage Trust is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in The Corporation Taxes Act 2010. The Heritage Trust is not VAT registered and as such all expenditure is shown inclusive of applicable VAT.

l Fund accounting

- i Unrestricted funds: These are funds that can be used in accordance with the Co-operative Heritage Trust's charitable objective at the discretion of the Trustees.
- ii Expendable Endowment Funds: The funds are invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objectives. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity. The fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.
- iv Restricted funds: These are funds received for undertaking an activity specified by the donor.

m Operating Leases

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Rentals paid under operating leases are charged to expenditure as they are incurred.

The National Co-operative Archive leases a room and the archive from Co-operativesUK.

2) Income from Donations and Legacies

	2021	2020
	£	£
Donations	30,620	22,914
Legacies	10,050	-
	<u>40,670</u>	<u>22,914</u>

3) Grants

In the year to 31 December 2021 the following grants were received

	Revenue	Capital	Total 2021	Total 2020
	£	£	£	£
Rochdale Council	18,335	-	18,335	12,668
Amount deferred in year	20,364	-	20,364	6,000
Heritage Compass	2,500	-	2,500	-
Museum Development North West	5,500	-	5,500	-
Young Roots	-	-	-	18,171
AIM	-	-	-	6,134
	<u>46,699</u>	<u>-</u>	<u>46,699</u>	<u>42,973</u>

The grants from Rochdale Council were received in relation to the forced closure of the museum at 31 Toad Lane.

The grant from Manchester City Council were received in relation to the closure of the National Co-operative Archive.

4) Charitable Income

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2021
	£		£	£	£
Event income	750	-	5,132	-	5,882
Merchandise and publications	-	-	811	-	811
Projects Income	1,552	-	-	-	1,552
Coronavirus Job Retention Scheme	4,981	5,713	8,226	-	18,920
Miscellaneous	(3,302)	150	1,928	-	(1,224)
	3,981	5,863	16,097	0	25,941

Prior year comparative

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2020
	£	£	£	£	£
Event income	10	-	4,483	-	4,493
Merchandise and publications	-	-	6,559	-	6,559
Projects Income	-	-	-	15,974	15,974
Coronavirus Job Retention Scheme	43,147	-	-	-	43,147
Miscellaneous	9,373	-	-	-	9,373
	52,530	-	11,042	15,974	79,546

5) Investment Income

	2021	2020
	£	£
Dividends and interest on fixed asset investments	30,987	25,524
	<u>30,987</u>	<u>25,524</u>

6) Allocation of governance and support costs

In the year to 31 December 2021 the following grants were received

	2021			
Cost type	Total allocated	Core Activities	Projects	Basis of apportionment
	£	£	£	
Governance Costs	6,571	6,447	124	Proportion of expenditure
Amount deferred in year	6,571	6,447	124	

Proir year comparative

	2020			
Cost type	Total allocated	Core Activities	Projects	Basis of apportionment
	£	£	£	
Governance Costs	9,749	9,534	215	Proportion of expenditure
Total	9,749	9,534	215	

Governance costs	£
Auditors remuneration	7,980
Trustee Indemnity Insurance	359
Trustee Expenses	54
	8,393

Governance and support costs are allocated to each charitable activity stream in proportion to its level of direct expenditure. There was a release of an audit fee accrual from a prior period.

Auditor's Remuneration

The auditors remuneration consisted of an audit fee of £7,980 (2020: £8,646). No other services were provided by the auditor.

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2021
	£	£	£	£
Core activities	158,568	46,050	108,484	313,102
Projects	0	595	5,522	6,117
	158,568	46,645	114,006	319,219

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2020
	£	£	£	£
	220,052	53,134	153,749	426,935
	9,624	219	0	9,843
	229,676	53,353	153,749	436,778

8) Employee costs

In the year to 31 December 2021 the following grants were received

No employee of the Trust has an annual salary in excess of £60,000.

The average number of colleagues employed by the Trust was:

Amount deferred in year

	2021	2020
Full time	5.1	5.3
Part time	1.8	1.8
	<u>6.9</u>	<u>7.1</u>
Full time equivalents	<u>5.63</u>	<u>6.77</u>

The costs incurred in respect of these employees were:

	2021	2020
Salaries and wages	136,175	195,405
Social security	7,583	16,301
Pension	12,793	17,199
Other	2,817	792
	<u>159,368</u>	<u>229,697</u>

Key Management Personnel

The Trust considers its key management position to be that of the Co-operative Heritage Trust Manager who was appointed in May 2017. The comparative year figures are from 12 Oct 2019 to 31 Dec 2020.

	2021	2020
Salaries and wages	42,000	50,912
Social security	4,578	5,521
Pension	3,360	3,950
	<u>49,938</u>	<u>60,384</u>

During the period in question the Trust made use of the government backed Coronavirus Job Retention Scheme.

9) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £54.20 (2020:£111.51) was incurred in respect of Trustee Expenses.

10) Tangible Fixed Assets

	IT Equipment £	Plant, fixtures and fittings £	Total £
<u>Cost</u>			
01 January 2021	13,909	293,505	307,414
Additions	-	12,233	12,233
31 December 2021	13,909	305,738	319,647
<u>Depreciation</u>			
01 January 2021	6,348	141,906	148,254
Charge for the year	3,411	24,748	28,159
31 December 2021	9,759	166,654	176,413
Net book value at 1 January 2021	7,561	151,599	159,160
Net book value at 31 December 2021	4,150	139,084	143,234

11) Heritage Assets

Under FRS 102, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the costs of obtaining a valuation significantly outweigh the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The assets of the Trust consist of a substantial archive collection (National Co-operative Archive) which is home to a wide array of records relating to the history of the worldwide co-operative movement. The collections include rare books, periodicals, manuscripts, films, photographs and oral histories, and provide researchers with an unrivalled resource for the development of the co-operative movement, from the initial ideas of the eighteenth century to the present day. The Archive has been deemed a Designated Collection by Arts Council England. Designation sets out to identify nationally significant cultural assets in museums, libraries and archives and sets out to raise standards across the sector. Designated collections recognised by the Scheme are expected to work towards the provision of high-quality services, which deliver the fullest possible access to their collections.

In 2016 the Robert Owen Collection was put on the UNESCO UK memory of the world register as a significant collection in the history of the UK.

In accordance with FRS102 the Trustees have determined that the 31 Toad Lane Premises of the Rochdale Pioneers Museum are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of The Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012. The Museum was donated to the Trust by Co-operatives UK in 2008. Co-operatives UK obtained the valuation of the building which the Trust was not party to therefore we donor have the date of valuation, method used nor the firm that carried out the valuation.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over its expected life of 100 years. The external access tower is valued at the cost of its construction.

11) Heritage Assets (continued)

	Buildings: Rochdale Pioneers Museum £	Buildings: External Access Tower £	Artefacts	Total £
Cost				
01 January 2021	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2021	614,456	847,157	1,121	1,462,734
Depreciation				
01 January 2021	-	34,446	-	34,446
Charge for the year	-	8,472	-	8,472
31 December 2021	-	42,918	-	42,918
Net book value at 1 January 2021	614,456	812,711	1,121	1,428,288
Net book value at 31 December 2021	614,456	804,239	1,121	1,419,816

12) Fixed Asset Investments

	£
01 January 2021	1,843,467
Divestments	(175,000)
Investment gain/(loss)	190,123
31 December 2021	1,858,590

The investments represent funds placed in a Sustainable Diversified Fund with Royal London Asset Management. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 18 for further details

13) Debtors

	2021	2020
	£	£
Trade debtors	11,323	2,750
Accrued income	8,413	11,504
Other debtors	-	70
Prepayments	6,299	2,661
	<u>26,035</u>	<u>16,984</u>

14) Stock

	2021	2020
	£	£
Goods for resale	5,277	10,047
	<u>5,277</u>	<u>10,047</u>

15) Creditors

	2021	2020
	£	£
Trade creditors	6,813	13,805
Project creditors	10,992	12,544
Accruals	9,969	11,264
Amount deferred in year	9,600	1,327
HMRC	2,880	2,928
Other creditors	3,164	1,003
Loan repayment due in less than 1 year	-	3,150
	<u>43,418</u>	<u>46,021</u>

16) Deferred Income

Deferred income comprises of income received by the Trust in 2021 for activities taking place in 2022.

	£
Balance at 01 January 2021	1,327
Amounts released to income earned from charitable activities	(1,327)
Amount deferred in period	9,600
Balance at 31 December 2021	<u>9,600</u>

17) Creditors: Amounts falling due after more than one year

During the 2020 a Bounce Back Loan was taken out under the government scheme. The terms of the scheme are as follows:

Repayment Terms: 72 months from the drawdown date

Interest rate: 2.5% per annum (fixed for the period of the loan)

Amount deferred in year

	2021 £	2020 £
Co-operative Bank Bounce Back Loan	<u>-</u>	<u>35,500</u>
	<u>-</u>	<u>35,500</u>
Amounts falling due in less than 1 year	-	3,150
Amount falling due after more than 1 year	-	32,350

The loan was repaid in full during the current year.

18) Charitable Funds

	Balance at 1 January 2021	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2021
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	190,123	(190,123)	2,896,161
	3,146,161	-	-	190,123	(190,123)	3,146,161
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	(51,724)	144,297	(319,318)	-	190,123	(36,622)
	275,236	144,297	(319,318)	-	190,123	290,338
Total Charitable Funds	3,421,397	144,297	(319,318)	190,123	-	3,436,499

2021 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021
	£	£	£	£
Tangible assets	143,234	-	-	143,234
Fixed asset investments	-	-	1,858,590	1,858,590
Heritage assets	132,245	-	1,287,571	1,419,816
Current assets	58,277	-	-	58,277
Current liabilities	(53,018)	-	-	(53,018)
	280,738	-	3,146,161	3,426,899

18) Charitable Funds (continued)

2020 comparative

	Balance at 12 October 2019	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2020
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	215,061	(215,061)	2,896,161
	3,146,161	-	-	215,061	(215,061)	3,146,161
Restricted Funds:						
Arts Council (Resilience)	(919)	-	-	-	919	-
HLF Young Roots		18,171	(18,171)	-	-	-
AIM		6,134	(6,134)	-	-	-
	(919)	24,305	(24,305)	-	919	-
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	-	146,652	(412,518)	-	214,142	(51,724)
	326,960	146,652	(412,518)	-	214,142	275,236
Total Charitable Funds	3,472,202	170,957	(436,823)	215,061	-	3,421,397

2020 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
	£	£	£	£
Tangible assets	159,160	-	-	159,160
Fixed asset investments	-	-	1,843,467	1,843,467
Heritage assets	125,595	-	1,302,694	1,428,289
Current assets	68,852	-	-	68,852
Current liabilities	(46,021)	-	-	(46,021)
Non-current liabilities	(32,350)	-	-	(32,350)
	275,236	-	3,146,161	3,421,397

18) Charitable Funds (continued)

*Toad Lane Museum Fund: This is a permanent endowment fund where the assets must be held permanently by the charity. The fund relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

** Co-operative Group Fund: This is an expendable endowment fund invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objects. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes, which is in accordance with the Memorandum of Understanding between The Co-operative Group and the Trust.

The investment gain arising from the Co-operative Group Fund has been transferred to Unrestricted Funds as the interest and gains arising from the fund are used to support the ongoing work of the Trust. The deficit incurred on the Arts Council Project has also been transferred to unrestricted funds.

19) Analysis of cash and cash equivalents

	At 01 January 2021	Cash flows	At 31 December 2021
Cash at bank and in hand	41,820	(14,856)	26,965
Total cash and cash equivalents	41,820	(14,856)	26,965

20) Contingent Liabilities and Capital Commitments

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

21) Related Party Transactions

The following are related party transactions, as defined by FRS102, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £9,450 and £750 were payable to and receivable from the College. At 31 December 2020 the balance owed to the College was £nil and owed from the College was £750.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The amount receivable from The Co-operative Group for services provided was £nil. The amount outstanding at year end was £9,600. The Co-operative Group also provided donations of £15,000.

c. Co-operatives UK

Co-operatives UK is one of the founding members of The Co-operative Heritage Trust. The amount receivable from Co-operatives UK in the year was £nil.

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services, Finance services and HR services. The amounts payable in the year relating to these services was £43,705. The amount outstanding at year end was £3,362.

d. Trustees

The trustees received no remuneration in the performance of their duties. One trustee received expenses of £54. There were no related party transactions with the Trustees during the year.

22) Post Balance Sheet Event

In February 2022 Russia invaded Ukraine. This had an impact on global markets and has led to a fall in our investments of 11% at 30 April 2022, with investments at the same date valued at £1,562,898. Due to the volatility in the markets, the Trustees are looking at ways of reducing costs without directly impacting operational delivery.

In addition, the Trustees are also seeking engagement and funding from the wider Co-operative movement to help protect the vital assets held by the Trust.

23) Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £
Land and buildings	
Within one year	45,820
Between one and five years	86,294
	<u>132,114</u>

The amounts above include VAT as this cannot be recovered by the Trust.

Since the year end date the Trustees are looking to reduce their operating lease commitments.

Accounts

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**

**Annual Report and Accounts for the period ended 31 December
2020**

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: 1 Angel Square
Manchester
M60 1AG

Operating Addresses: National Co-operative Archive Rochdale Pioneers Museum
Holyoake House Toad Lane
Hanover Street Rochdale
Manchester OL12 0NU
M60 0AS

Interim Trustees:	Mervyn Wilson (Chair)	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Linda Barlow	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Keith Vernon	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Nicholas Crofts	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Paul Gerrard	Appointed 29 Aug 2018, resigned 20 Feb 2020

Trustees:	Laura Bailey	Appointed 20 February 2020
	Wendy Carter	Appointed 15 December 2020
	Nicholas Crofts	Appointed 20 February 2020
	Paul Gerrard	Appointed 20 February 2020
	Katherine Lynch	Appointed 20 February 2020
	Heather Roberts	Appointed 20 February 2020
	Cilla Ross	Appointed 20 February 2020
	David Stanbury	Appointed 20 February 2020
	Nigel Todd*	Appointed 20 February 2020
	Anthony Webster	Appointed 20 February 2020
	Mervyn Wilson (Chair)	Appointed 20 February 2020

Secretary:

Ed Powell
c/o The Co-op
1 Angel Square
Manchester
M60 1AG

Bankers:	Co-operative Bank Plc Balloon Street Manchester M60 4EP
Investment Managers:	Royal London Asset Management 55 Gracechurch Street London EC3V 0RL
External Auditors:	Beever and Struthers Chartered Accountants and Registered Auditors St George's House 215 – 219 Chester Road Manchester M15 4JE

*Nigel Todd joined the board as a nominee of the Co-operative College CIO and Board Member and passed away unexpectedly on 26th March 2021. During his time on the board of the Co-operative Heritage Trust CIO he was incredibly supportive of the new entity and worked to achieve a positive and renewed relationship between the two charities. The Board of the Trust recognises the commitment Nigel provided to the charity during his time as a Trustee and is thankful for his contributions to the co-operative movement over the past 40 years.

Structure, Governance and Management

Status and Charity Number

The Co-operative Heritage Trust was founded in 2007 and is registered with the Charity Commission as a Charitable Incorporated Organisation (registration date 29 August 2018).

Governing Document

The charity is administered in accordance with the constitution dated 29 August 2018.

Trustees and Officers

To the point of the first AGM of the new CIO (20th February 2020), the interim Trustees of the Co-operative Heritage Trust were nominated by the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group. These nominations (found above) are ratified by the other founders.

All interim trustees resigned from their interim roles on 20th February and new trustees were appointed. Under the CIO the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group can nominate up to two trustees each. Nominations are ratified by the other founders. Further to that, up to five independent trustees could be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes. Appointments are ratified by founders.

Recruitment and Training of Trustees

Trustees are appointed based on their expertise in co-operative heritage and charitable organisations. The Trustees have received an appropriate induction and ongoing training support is kept under review by the Trustees.

The Trustees have renewable fixed terms of office and provide for succession through identifying new Trustees with appropriate skill sets.

Organisational Management

The day-to-day operational management of the Trust - the Rochdale Pioneers Museum and National Co-operative Archive is delegated to the Trust Manager with line management support from the Chair of Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

The Charitable Incorporated Organisation (CIO) took over the work of the former unincorporated charity on 12 October 2019. In the period between registration as a CIO and taking over the work of the former unincorporated charity, the CIO Trustees held six meetings to plan ahead for taking over the work of the former unincorporated charity and advancing the work further for the public benefit. In this reporting period, running 11th October 2019 to 31st December 2019, the CIO trustees held seven meetings to advance the work of the Trust for public benefit.

Chair`s introduction

This report; covering the period from 12th October 2019 to 31st December 2020, is the first report of the Co-operative Heritage Trust Charitable Incorporated Organisation, number 1179727, which was established to succeed the Co-operative Heritage Trust unincorporated charity number 11216110. Trustees of the former unincorporated charity had identified the risks associated with the structure and worked with the founders, Co-operatives UK, the Co-operative Group and the Co-operative College to transfer to a CIO structure, and thanks are recorded to outstanding support we received from Helen Ashley Taylor, an independent charity specialist consultant, for her assistance throughout the process.

Trustees from the former unincorporated trust served as Trustees of the new body until the AGM when founders nominated and appointed six Trustees alongside the appointment of five independent Trustee, who bring extensive heritage and charity sector expertise to complement the co-operative expertise of the Founder organisation appointees. Thanks are recorded to all Trustees for their support in a particularly challenging year.

The newly appointed Trustees had met for the first time shortly before the lockdown in response to the Covid 19 pandemic was announced. The measures introduced by the Government in its efforts to control the pandemic rendered the plans for the Trust irrelevant to the new situation and, save for a very brief period in August, the combination of national and regional restrictions required the closure of the Rochdale Pioneers Museum, which we expect to last at least until Easter 2021, with continued limitations on response to archive enquiries.

Trustees continued to meet regularly online throughout the period and delegated the day-to-day response to the fast changing situation to the Trust Manager, Secretary and Chair. With no group or individual visitors possible the Trust sought to conserve its financial resources, making extensive use of the furlough scheme, bounce back loan and local authority support measures as well as applying to funding streams designed to support heritage organisations. To date most applications have been unsuccessful as funder's priorities have been directed at organisations in financial peril. The trust investments mean it is not considered to be such a position. Whilst these challenges prevented physical visits to the Museum and Archive, new digital programmes were devised and delivered for schools and other groups and the Trust was an active partner in online programmes organised by the International Co-operative Alliance and the Co-operative College to celebrate the 25th Anniversary of the Statement on the Co-operative Identity.

This report demonstrates how the Trust has responded to this unprecedented situation and ensured that its unique collections have been safeguarded as well as how it has provided new ways of enabling beneficiaries to access them. Whilst the future of many heritage organisations may be in doubt, we remain confident of survival and are now focussed on the horizon beyond the pandemic and building resilience.

Trustees understand the challenge of rebuilding visitor numbers when the restrictions are no longer required. Our priorities for the coming period will therefore be our ability to deliver workshop sessions on line and strengthening our financial position.

Our sincere thanks are recorded to the founders, colleagues and volunteers who have supported us in this particularly difficult year and, as Chair, my special thanks to Liz McIvor,

Trust Manager, who for much of the year has been working alone with other colleagues furloughed, Ed Powell from the Co-operative Group who serves as Trust Secretary and Emma Willder, who has provided financial support and advice throughout.

Mervyn Wilson
January 2021

Trustee's report

Review of the period October 12th 2019 to 31st December 2020

The period incorporates the first full year of the Trust's operation as an incorporated body under a newly constituted board of Trustees. The following report details the way in which the Trust has operated reflecting the impact of the Covid-19 pandemic which affected all strategic and operational considerations from March of 2020.

Objects and Activities

Charitable Objectives

The objects of the Charity as defined in the Trust Deed are as follows:

The Trustees shall hold the capital and income of the trust fund upon trust as to the income, and all such part or parts of the capital, as the founder may by notice in writing to the Trustees determine for the following objects:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as Rochdale Pioneers Museum) and any ancillary buildings as shall or may at any time be vested in the charity or in respect of which the charity shall have any interest.
- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of all furniture, pictures, historical records, books, manuscripts, films, photographs, objets d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co-operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the charity or in respect of which the charity shall have any interest.
- The encouragement of the provision of access to and the study of such buildings, land, furniture, pictures, historical records, books, manuscripts and other chattels or items that comprise the National Co-operative Archive and the Rochdale Pioneers Museum by members of the public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founders and the Charity Commission.

The activities of the Trust work towards two key outcomes:

1. To increase activity and promote understanding of co-operative collections and materials.

In the period we had planned to increase Museum visitor numbers to between 13,500 and 15,000 based on the planned programme of events and group bookings and hires anticipated. These plans were soon derailed as the restrictions put in place by the UK Government as a result of the global Covid pandemic took effect. Following the announcement of a UK wide lockdown on the 23rd of March, the museum and archive premises were closed to the public and staff were instructed to work from home wherever this was possible.

The museum briefly re-opened for a trial period using an advance booking system with test and trace capacity from 31st August to 21st September under the 'Good to Go' Marque awarded through Visit England. However, rising rates of infection in the region led to higher tier restrictions being imposed on Greater Manchester requiring cultural venues to close a short time later. This was followed by a second period of national lockdown which forced the museum to remain closed throughout the winter. At the time of writing this report the earliest possible date for the Museum to be permitted to re-open is mid-May 2021.

During the period of extensive disruption to business as usual it has been necessary to protect the assets of the Trust to ensure long term sustainability. The Trust Board has met digitally and nominated a working group to respond quickly to changes in government policy to address immediate operational needs. With the majority of Trust staff furloughed under the Job Retention Scheme, by working in this way, the Trust has remained agile and flexible in facing the challenges of safeguarding the unique collections in a fast-changing external environment. The working group focussed on minimising losses and identifying and accessing opportunities such as the Government guaranteed 'Bounce Back' loans, financial support through HMRC and through rateable relief from Rochdale Borough and Manchester City Councils.

Museum full accreditation status was awarded to the Trust in March of 2020 with recognition that areas of focus for the following four-year period should be

- Development of fundraising Strategy
- An updated emergency plan from Link4Life external storage solutions
- Developed strategy for future collecting
- Communication with users through a range of methods

Risk registers have been updated to reduce and take account of new risks and audit procedures have been compiled with remotely. The Board of Trustees have used this period to review ongoing costs and options to reduce liabilities and streamline procedures. The Trust took advantage of a short-term rent deferral and has formally requested a rent review and reduction from Co-operatives UK in light of financial challenges faced and the reductions in commercial rentals resulting from the fundamental changes to city centre premises now taking place.

Throughout the periods of closure, the Trust Manager regularly accessed both museum and archive premises to undertake essential maintenance checks as well as to provide digital services. During the first lockdown period staff worked remotely to provide access to the heritage of the movement by creating resources aimed at schools and families. These resources were designed to assist with at home learning during periods of school closures as well as digital content for the Trust's website and Social Media platforms.

Live digital tour sessions for groups and schools were offered to replace traditional tours as well as bespoke learning packages for interest groups. This offered an opportunity for the Trust to create new digital and blended services such as online exhibitions and events in addition to upgrading the in-person interpretation to engage with users who may not be able to travel in the near future. In addition, a jointly supported podcast 'More than a shop' was produced and released in co-ops fortnight 2020 at the height of the pandemic and achieved 3000 streams. It is scheduled for re-release in 2021. Support was given to the International Co-operative Alliance in arranging webinars to celebrate the 25th anniversary of the adoption of the Statement on the Co-operative Identity at its centennial Congress held in Manchester in September 1995.

Following the initial project work in 2019 to assess and sift the Co-op Group materials stored at CIS Tower, Miller Street, Manchester, primary records on the insurance business up to 1950 were identified for retention. These were transferred to the National Co-operative Archive at the outset of the pandemic in order that cataloguing could begin once suitable levels of staffing and volunteer resource became available. Additional basement level space was rented to accommodate records as well as ephemera. The Trust plans to transfer the ephemera to off-site collections storage in 2021. The materials were placed in official custodianship of the Trust in the summer of 2020 with an agreement in place to generate reports to Co-operative Group Legal Team regularly once cataloguing is underway.

The period has been one of adjustment for the Trust and has prompted a review of business models and key skills necessary to respond to changes in demand as well as the ways in which beneficial relationships with supporters can be strengthened.

The Trust has had to adapt future plans and targets for engagement in light of the ways in which societal norms have been affected by the pandemic and to consider what this means for the future work of the Trust. Divisions and inequalities in the UK and across the world have been exacerbated by the pandemic and have prompted an active response to examining unconscious bias and developing community co-production in the heritage sector which must be at the core of the Trust's strategic development going forward. The Trust recognises that the use of digital tools in a blended approach to audience development will be significant in widening the range of beneficiaries of the Trust and remaining relevant in the years to come.

2. Creating opportunities to present and interpret our heritage

Outreach in the period: Museum based projects:

During periods of closure, all projects and community facing work from planned events, sessions and workshops including The Co-ops Festival in Rochdale (June 2020) and training opportunities based out of the building have had to be cancelled or transferred to digital engagement. Despite this, staff have been able to review and begin to implement changes in the way we present the story of the co-operative movement and closure has presented opportunities to make changes to the permanent offer at both Museum and Archive. This includes greater emphasis on co-producing content based on collections as part of re-opening.

Provision has been made to facilitate Covid-19 safe visiting at the Pioneers Museum once the restrictions are lifted.

Levels of deprivation in the Borough of Rochdale continued to rise during the period. The impact of digital poverty through limited access to broadband services and devices in the coming years will be a significant factor in partnership initiatives to re-build connections with community audiences.

Outreach in 2020: National Co-operative Archive

During the period, the ability to use archival sources and images not only to answer traditional research enquiries but to provide services and events online has shown the capacity and future benefit of digitising materials.

Although ticketed workshops and talks in person have had to be cancelled; the uptake of digital versions has been encouraging and these services will be more effectively managed in the future and offered to a wider audience.

The Trust has continued to provide articles for Evergreen Magazine for retired Co-op Group employees. Collaboration has been maintained with the Co-operative College to run public lectures and evidence-based workshops using archival resources as well as bespoke content for co-operative organisations.

Other opportunities

During the period, the Trust was unsuccessful in applying for several Covid public funding recovery schemes due to the level of reserves held. However, it has been successful in applying for an audience development 'Museums Health Check' grant from Museums Development North West to implement the second phase of previously planned work to improve facilities at Rochdale Pioneers Museum. The proposal to create a welcoming space for local families and young people was the result of consultation with young people on the Pioneer Places project 2019 (supported by Heritage Fund) and evidence suggests that cultural

engagement in Rochdale will be key to community recovery post pandemic. Establishing a 'stay and play' facility which local and particularly younger audiences can access freely will be part of the Trust's strategy towards personal engagement with collections and participation / co-production.

On return from adoption leave, Cat Jessop, Education and Outreach Officer, has been working to develop partnership working with Rochdale Schools. This includes working with Link4Life Touchstones to share access to digital recording space and equipment to create new materials to support the digital classroom learning offer in 2021. This will reduce the cost of providing a standalone digital offer to one off editing. These sessions are being produced in consultation with local teachers who participated in the Historic England 'Heritage Schools' programme in 2019. When completed, the materials will be offered to co-operative schools as well as those within the Greater Manchester catchment.

The Trust developed and promoted a 'Live from Toad Lane' product bookable through the website to help replace the loss of visitors. In order to offer a service to international interest groups the Trust has been developing a fully automated digital tour experience. Discussions are underway with the Co-operative College with a view to them undertaking the work. This project would use local BAME actors in Rochdale to help present the finished product in a way which reflects the modern population of the Borough.

Website appeals and donations: Individual giving via the Trust's website has increased during the pandemic and the one-off amounts being donated are greater than those previously deposited in person at our premises. The largest donations being received from members of the public have been made in relation to a remote enquiries being answered by staff working remotely.

The Trust recognises that underpinning income through corporate or supporter donations will ensure that the Trust's finances are more robust and sustainable, and this approach will be a major part of the Trust's financial strategy in 2021.

Black Lives Matter: The Trust has agreed to publish a statement of intent in order to address the increasing calls to reverse the exclusionary trends of public and charitable institutions in decolonialising collections and narratives in presentation as well as finding pathways to co-produce content which is attractive to BAME audiences. The Trust is committed to developing more inclusive pathways to volunteering and working for the Trust in order to be more representative of the audiences it wishes to engage with.

Future Plans

- The Continued use of the HMRC Job retention scheme in 2021 to safeguard posts wherever possible: The scheme has been extended several times during the period and at the time of writing may be further extended beyond May 17th 2021 to

industries not permitted to return to normal operating. The Trust intends to balance the considerations of providing adequate staffing with the wellbeing of those staff currently furloughed

- The formulation of a Post Covid recovery plan – with phased re-opening of facilities and external operations when permitted. Trustees propose to hold a strategy session in Rochdale, in the Spring of 2021 to determine which elements of the current business model must change to reflect the financial position of the Trust over the short and longer term. The outcome of forward planning will require the re-drafting and approval of some policy documents as well as the review of existing relationships with other organisations, schedule of essential maintenance and the management and roles of staff and volunteers in order to meet our objectives.
- A Strategic review and planning as part of accreditation requirements – to focus on building financial resilience, including by appeal to the Cooperative sector. This includes;
 1. Long term premises needs: It is recognised that the Trust has had to commit to increased floorspace for storage in recent years and that this will continue to be a requirement for the Trust in collecting. One consideration the Trust must review is the capacity to collect contemporary materials which may be increasingly digital and require the development of policy as well as suitable digital storage. Trustees must consider potential benefits as well as short and long term costs of re-locating archive and museum collections storage according to accreditation standards and how these may be resourced by the team.
 2. Key partnerships: Review within and external to the co-operative movement due to the impact of the pandemic and the ways in which other agencies have restructured or adapted their working practices and business plans may provide future development opportunities and reduce risk.
- Audience development – The Trust has a requirement to revisit its audience development plan and focus on diversity and community engagement in person as well as through other means. There will be a need to rebuild meaningful relationships with traditional archive and museum users as well as respond to those audiences who's visiting or access preferences may have changed. Increased digital opportunities may provide an opportunity to work more closely with audiences not traditionally part of the user demographic and previously considered 'hard to reach'. Part of the ongoing strategy will be to measure digital engagement, particularly for underrepresented groups relating to work with collections.

Continued staff and volunteer / Trustee development – From formal training and network building through involvement in the Heritage Compass network, to reviewing and filling skills gaps in development and recruitment. Some of the skills and experience required to safeguard the Trust may have changed and be prioritised

differently. Trustees will review and update employment policies to ensure that unconscious bias and the ways in which the Trust recruits do not present a barrier to the ways BAME, Younger, Disabled and LGBTQ+ people approach or engage with the Trust.

Our people

Employees

James Hinchcliffe (Temporary Archival Project Officer) resigned from the CIS-Group project in January of 2020 having secured a permanent position elsewhere. The role was not replaced for the remaining months of the contract (to June) due to the impact of the Covid-19 pandemic.

Catherine Jessop (Education and Outreach Officer) was on adoption leave from March to December. The post is part time with hours equivalent to three days per week focusing on the formal and informal educational offer for the Trust in 2021.

Jordan Diggle (Visitor Experience Officer) resigned from the Trust in September 2020 while on the JRS Scheme (furlough leave) in order to take up a full-time position in the hospitality industry.

Existing Staff of the Co-operative Heritage Trust:

Liz McIvor – Trust Manager

Sophie McCulloch – Archivist

Clare Hirst – Collections Manager

Catherine Jessop – Education Officer PT

Kate Woodward – Visitor and Operations Co-ordinator

James Whittaker – Visitor Experience Officer PT

The Coronavirus Jobs Retention Scheme (J.R.S) through HMRC

With the Museum required to close under the Covid legislation and the limited ability of most posts to work from home, Trustees have made extensive use of Coronavirus Job Retention Scheme.

The scheme (known as 'Furlough') was initially used for those roles which were primarily customer facing. At a later stage all staff members except the Trust Manager were placed in the scheme and this was adapted to be used flexibly in the summer of 2020 in order to prepare staff to return to the workplace on a phased basis to prepare staff for full time working.

Regionally high rates of infection quickly led to the application of regional Tier restrictions, followed by a third national lockdown. In response the Trust returned some staff to full time furlough in order to protect roles for as long as possible. Throughout the use of the scheme, the Trust Manager has communicated with staff to inform them of changes and offer support for wellbeing in what we acknowledge has been a very uncertain and difficult time.

Training and development:

During the period Clare Hirst (Collections Manager) was granted a place on a professional training course to study Museums and Heritage at MA level with Manchester University following her attendance on the 2019 *Museums and Resilient Leadership Programme*, funded by the Arts Council England and the Black Country Living Museum.

Clare will reduce her full-time working hours to accommodate this study on return from furlough leave in 2021.

Sophie McCulloch (Archivist) began a *Peer Mentoring Programme* with the National Archives at the end of 2020 which will require one day per month of digital engagement in 2021.

The Trust successfully applied for a place on the *Heritage Compass Museums Networking Programme* in December 2020 which was approved in February 2021. The Trust Manager is expected to attend six full sessions in 2021 and one named Trustee (Heather Roberts) may also attend. The course is funded to £2500 to backfill staff time spent on the course. The programme is designed to help cultural organisations develop new business plans as well as supportive networks and is funded by Business Development England and the Heritage Fund.

Volunteers:

Although the Trust has not been able to reinstate community-based volunteers at the Museum; it has recruited 12 digital archival volunteers who have been transcribing letters from the George Jacob Holyoake Collection. The Trust intends to make further digital opportunities available in 2021 to increase engagement from target groups in order to guide future development and make increasing amounts of material digitally available to users as part of its future development plans.

The Trust has not been able to return to working with former museum- based volunteers in 2020 whose work supported the *Pioneer Pantry* and *Get up and Grow* gardening Co-op initiatives. Although some contact has been maintained over the period, it has not been to supervise these volunteers safely. The Trust hopes to be able to re-engage local volunteers with suitable supportive roles when it can return to regular operations.

We would like to thank all those volunteers who have made a vital contribution to the work of the Trust during the period. The Trustees recognise that whether temporary or providing a longer-term commitment and according to best practice; volunteers are auxiliary to staff and are able to provide a service which enhances the experiences of both CHT staff and users particularly when staffing resources have been limited.

Charity Governance Code

The Trustees have not yet adopted the Charity Governance Code due the significant changes that have impacted on the Trust. However, this is something that the Trustees will review and consider in 2021.

Internal Control

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

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

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Trust.
- Reporting to and review by the Trustees on a regular basis.

Risk Management

The Co-operative Heritage Trust has an active risk register which is reviewed regularly. The key risks have been identified as:

- Finance and Funding: in particular diversification of income sources to ensure that in the long term the Trust is sustainable with less reliance on our investments.
- COVID-19: in particular how this will impact on the re-opening of both the Rochdale Pioneers Museum and the National Co-operative Archive.

Related Party Transactions

The Co-operative Heritage Trust has three founder members – The Co-operative Group, Co-operatives UK and The Co-operative College.

The Archive and Museum's services are used by the departments of the Co-operative Group, one of the founders of the Trust. Where major activity is involved, charges are made by the Trust, smaller amounts of activity are included in the general costs and operation of the Archive and Museum.

The Co-operative Heritage Trust rents office and archival space from Co-operatives UK to House the National Co-operative Archive, the Archive Office and the Co-operative Group Archive.

Conflicts of interest were managed through the Conflict of Interests Policy within the terms of the Co-operative Heritage Trust's Trust Deed during the period. For further details of related party transactions please see Note 21.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Finance Review

The period in question was one of change for the Co-operative Heritage Trust having transferred all assets and liabilities to the new CIO on 12 October 2019. In March 2020 COVID-19 hit and both the museum and the archive closed with colleagues being put on furlough. This led to a loss of income in some areas of our operations. However, due to the Coronavirus Job Retention Scheme and various government grants available the Trust finished the period with a deficit of £50,805.

Income had increased from the prior period by £50,045 with expenditure increasing by £87,160. However, it is difficult to compare these two periods as they are for differing lengths of time (financial period ending 11 October 2019 being 284 days and the financial period ending 31 December 2020 being 446 days).

Investment Policy and Performance against Objectives

In the period the policy of investing in a Sustainable Diversified Fund managed by Royal London Asset Management continued. As stated, we saw an investment gain of £215,061.

Investment performance remains crucial to the financial stability of the trust going forward and so the trustees' regular monitoring will continue.

Reserves Policy

The current level of unrestricted reserves is £275,236. However after deducting the fixed assets and heritage assets (artefacts) of the charity the underlying free reserves are £114,996. It is intended that the reserves policy be reviewed by the Trustees of the

new charitable incorporated organisation in 2021 and will be taking a more risk-based approach.

The Trust also holds £3,146,161 in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and an expendable endowment funds that is to be invested in order that the interest and gains arising from this is used in the furtherance of the charities objects.

This expendable endowment is currently held in the form of investments. This investment is used to fund the ongoing operations of the charity. At the current time the fund is decreasing by more than the combined interest and gains each year. Again, this will be reviewed by the Trustees of the new CIO.

Heritage Assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principle heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years.

For further details of the Heritage Assets please see Note 11.

Going Concern

For the period ending 31 December 2020 the Trust has net current assets of £44,766. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity. Therefore, based on an assessment of future budgets and liquidity of assets, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Auditor

Each of the persons who is a Trustee at the date of approval confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

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

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

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

Approved by the trustees on 21 May 2021 and signed on their behalf by:



M Wilson
Chair of Trustee

Independent Auditors' Report to the Trustees of the Co-operative Heritage Trust

Opinion

We have audited the financial statements of The Co-operative Heritage Trust “the charity” for the period ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 21 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145* of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

Use of our report

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



Sue Hutchinson
Beever and Struthers

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

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

Date: 4 June 2021

Statement of Financial Activities for the period from 12 October 2019 to 31 December 2020

						Restated			
	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds December 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 11 Oct 2019 £
Income and endowments from:									
Donations and legacies	2	22,914	-	-	22,914	17,318	-	-	17,318
Charitable Activities	3,4	98,214	24,305	-	122,519	71,075	-	-	71,075
Investments	5	25,524	-	-	25,524	32,519	-	-	32,519
Total		146,652	24,305	-	170,957	120,912	-	-	120,912
Expenditure on:									
Raising Funds		45	-	-	45	-	-	-	-
Charitable Activities	6,7	412,473	24,305	-	436,778	348,317	1,346	-	349,663
Total		412,518	24,305	-	436,823	348,317	1,346.00	-	349,663
Gains/(Losses) on investments		-	-	215,061	215,061	-	-	334,027	334,027
Net income / (expenditure)		(265,866)	0	215,061	(50,805)	(227,405)	(1,346)	334,027	105,276
Transfers between funds		214,142	919	(215,061)	-	76,240	-	(76,240)	-
Net movement in funds		(51,724)	919	-	(50,805)	(151,165)	(1,346)	257,787	105,276
Reconciliation of Funds									
Total funds brought forward		326,960	(919)	3,146,161	3,472,202	478,125	427	2,888,374	3,366,926
Total funds carried forward		275,236	-	3,146,161	3,421,397	326,960.00	(919)	3,146,161	3,472,202

The results above related wholly to continuing activities. The notes on pages 28 to 42 form an integral part of these financial statements.

Balance Sheet as at 31 December 2020

	Notes	Total Funds December 2020 £	Total Funds 11 Oct 2019 £
Fixed Assets			
Tangible assets	10	159,160	185,212
Heritage assets	11	1,428,289	1,439,436
Investments	12	1,843,467	1,843,406
Total Fixed Assets		3,430,916	3,468,054
Current Assets			
Debtors and prepayments	13	16,984	15,438
Stock	14	10,047	10,562
Cash at bank and in hand		41,820	25,803
Total Current Assets		68,852	51,803
Liabilities			
Creditors: amounts falling due within one year	15	46,021	47,655
Net current assets		22,831	4,148
Total assets less current liabilities		3,453,747	3,472,202
Creditors: amounts falling due after more than one year	17	32,350	-
Total Net Assets		3,421,397	3,472,202
The funds of the charity			
Endowment funds	18	3,146,161	3,146,161
Restricted funds	18	-	(919)
Unrestricted funds	18	275,236	326,960.00
Total Charitable Funds		3,421,397	3,472,202

The financial statements on pages on pages 26 to 42 were approved and authorised for issue by the Board of Trustees on 21 May 2021 and were signed on its behalf by:



Mervyn Wilson
Trustee

The notes on pages 28 to 42 form an integral part of these financial statements.

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

- a** The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

There has been a prior period adjustment in relation to the New Pioneers Funds being reclassified from restricted to unrestricted funds. Further details of this can be found in note 23.

For the period ending 31 December 2020 the Trust has net current assets of £44,766. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity

Based on an assessment of future budgets and liquidity of assets the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

c Income and endowments

All income is recognised when there is an entitlement to the funds, the receipt is probable and the amount can be measured reliably. General donations are recognised when they are received from the donor with the exception of donations given towards specific projects or activities. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of December 2020.

The Trust also sell merchandise through the shop at the Museum. Income from this is recognised at the point of sale along with the relevant cost of obtaining the goods.

d Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment.

Charity expenditure enables the Co-operative Heritage Trust to meet its charitable objective. All expenditure is shown inclusive of VAT.

e Tangible fixed assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Depreciation is calculated in equal monthly amounts based on cost. The following minimum rates are applied:

Plant, fixtures and fittings	6.67% per annum
Information technology equipment	25% per annum

f Heritage assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principle heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of the Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The external access tower is valued at the cost of its construction.

g Stock

Stock is stated at the lower of cost and net realisable value (estimated selling price). Cost is based on cost of purchase on a first in first out basis. Review at the end of each accounting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

h Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a Sustainable Diversified Fund. Investments are stated at market value being the share price.

i Allocation of support and governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit along with an apportionment of the management fee charged to the trust for the management of its day to day operations including financial and HR support.

Governance and support costs relating to charitable activities have been apportioned based on the total expenditure of each activity.

j Pension scheme

The Co-operative Heritage Trust offers an auto enrolment compliant group personal pension scheme, which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4%, with the Heritage Trust paying 8%. After two years' employment employees can opt to increase their contribution to 6%, with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

k Tax and VAT

The Co-operative Heritage Trust is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in The Corporation Taxes Act 2010. The Heritage Trust is not VAT registered and as such all expenditure is shown inclusive of applicable VAT.

l Fund accounting

- i Unrestricted funds: These are funds that can be used in accordance with the Co-operative Heritage Trust's charitable objective at the discretion of the Trustees.
- ii Expendable Endowment Funds: The funds are invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objectives. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity. The fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.
- iv Restricted funds: These are funds received for undertaking an activity specified by the donor.

2) Income from Donations and Legacies

	2020	2019
	£	£
Donations	22,914	17,318
	<u>22,914</u>	<u>17,318</u>

3) Grants

In the period to 31 December 2020 the following grants were received

	Revenue	Capital	Total 2020	Total 2019
	£	£	£	£
Rochdale Council	12,668	-	12,668	-
Manchester City Council	6,000	-	6,000	-
Young Roots	18,171	-	18,171	-
AIM	6,134	0	6,134	-
Heritage Lottery Fund (Working Together Project)	-	-	-	32,699
	42,973	-	42,973	32,699

The grants from Rochdale Council were received in relation to the forced closure of the museum at 31 Toad Lane.

The grant from Manchester City Council were received in relation to the closure of the National Co-operative Archive.

4) Charitable Income

	Core	Rochdale Pioneers Musuem	Projects	Total 2020		Core	Rochdale Pioneers Musuem	Projects	Total 2020
	£	£	£	£		£	£	£	£
Event income	10	4,483	-	4,493		-	7,399	-	7,399
Merchandise and publications	-	6,559	-	6,559		-	3,175	-	3,175
Projects Income	-	-	15,974	15,974		-	-	26,565	26,565
Coronavirus Job Retention Scheme	43,147	-	-	43,147		-	-	-	-
Miscellaneous	9,373	-	-	9,373		1,237	-	-	1,237
	52,530	11,042	15,974	79,546		1,237	10,574	38,376	38,376

5) Investment Income

	2020	2019
	£	£
Dividends and interest on fixed asset investments	25,524	32,519
	25,524	32,519

6) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

	2020			2019			
	Total allocated	Core Activities	Projects	Total allocated	Core Activities	Projects	Basis of apportionment
Cost type	£	£	£	£	£	£	
Management Fee	-	-	-	37,548	27,538	10,010	Proportion of expenditure
Travel	-	-	-	2,973	2,180	793	Proportion of expenditure
Miscellaneous	-	-	-	9	7	2	Proportion of expenditure
Finance Services Fees	-	-	-	-	-	-	Proportion of expenditure
Governance Costs	9,749	9,534	215	5,550	4,070	1,480	Proportion of expenditure
Total	9,749	9,534	215	46,080	33,795	12,285	

Governance costs	£
Auditors remuneration	9,250
Trustee Indemnity	387
Insurance	
Trustee Expenses	112
	9,749

Auditor's Remuneration

The auditors remuneration consisted of an audit fee of £8,646 (2019: £7,528). No other services were provided by the auditor

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2020		Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2019
	£	£	£	£		£	£	£	£
Core activities	220,052	53,134	153,749	426,935		139,949	139,863	4,610	284,422
Projects	9,624	219	0	9,843		32,307	12,697	20,237	65,241
	229,676	53,353	153,749	436,778		172,256	152,560	24,847	349,663

Direct costs for the period ending 31 December 2020 and higher than the previous year as some costs that have previously been identified as support costs have been reallocated as Direct Costs

8) Employee costs

The Trust seeks to ensure that all colleagues are fairly rewarded for the work that they undertake. All colleagues are appointed to a role cluster and level that is appropriate to the content of their role. Each role cluster and level have specific salary bands.

No employee of the Trust has an annual salary in excess of £60,000.

The average number of colleagues employed by the Trust was:

	2020	2019
Full time	5.3	4.8
Part time	1.8	1.1
	<u>7.1</u>	<u>5.9</u>
Full time equivalents	<u>6.77</u>	<u>5.92</u>

The costs incurred in respect of these employees were:

	2020	2019
Salaries and wages	195,405	146,333
Social security	16,301	9,007
Pension	17,199	12,289
Other	792	4,627
	<u>229,697</u>	<u>172,256</u>

During the period in question the Trust made use of the government backed Coronavirus Job Retention Scheme.

Key Management Personnel

The Trust considers its key management personnel to be the Trustees and the Co-operative Heritage Trust Manager who was appointed in May 2017.

	2020	2019
Salaries and wages	50,912	25,617
Social security	5,521	2,649
Pension	3,950	2,049
	<u>60,384</u>	<u>30,315</u>

9) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £111.51 (2019:£nil) was incurred in respect of Trustee Expenses for David Stanbury.

10) Tangible Fixed Assets

	IT Equipment £	Plant, fixtures and fittings £	Total £
Cost			
12 October 2019	11,324	293,505	304,829
Additions	2,585	-	2,585
31 December 2020	13,909	293,505	307,414
Depreciation			
12 October 2019	2,785	116,832	119,617
Charge for the year	3,563	25,074	28,637
31 December 2020	6,348	141,906	148,254
Net book value at 12 October 2019	8,539	176,673	185,212
Net book value at 31 December 2020	7,561	151,599	159,160

11) Heritage Assets

Under FRS 102, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the costs of obtaining a valuation significantly outweigh the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The assets of the Trust consist of a substantial archive collection (National Co-operative Archive) which is home to a wide array of records relating to the history of the worldwide co-operative movement. The collections include rare books, periodicals, manuscripts, films, photographs and oral histories, and provide researchers with an unrivalled resource for the development of the co-operative movement, from the initial ideas of the eighteenth century to the present day. The Archive has been deemed a Designated Collection by Arts Council England. Designation sets out to identify nationally significant cultural assets in museums, libraries and archives and sets out to raise standards across the sector. Designated collections recognised by the Scheme are expected to work towards the provision of high-quality services, which deliver the fullest possible access to their collections.

In 2016 the Robert Owen Collection was put on the UNESCO UK memory of the world register as a significant collection in the history of the UK.

In accordance with FRS102 the Trustees have determined that the 31 Toad Lane Premises of the Rochdale Pioneers Museum are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of The Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over its expected life of 100 years. The external access tower is valued at the cost of its construction.

	Buildings: Rochdale Pioneers Museum £	Buildings: External Access Tower £	Artefacts	Total £
<u>Cost</u>				
12 October 2019	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2020	614,456	847,157	1,121	1,462,734
<u>Depreciation</u>				
12 October 2019	-	23,298	-	23,298
Charge for the year	-	11,148	-	11,148
31 December 2020	-	34,446	-	34,446
 Net book value at 12 October 2019	 614,456	 823,859	 1,121	 1,439,436
Net book value at 31 December 2020	614,456	812,712	1,121	1,428,289

12) Fixed Asset Investments

	£
12 October 2019	1,843,406
Divestments	(215,000)
Investment gain/(loss)	215,061
31 December 2020	<u>1,843,467</u>

The investments represent funds placed in a Sustainable Diversified Fund with Royal London Asset Management. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 17 for further details

13) Debtors

	2020	2019
	£	£
Trade debtors	2,750	360
Accrued Income	11,504	9,373
Other debtors	70	206
Prepayments	2,661	5,499
	<u>16,984</u>	<u>15,438</u>

14) Stock

	2020	2019
	£	£
Goods for resale	10,047	10,562
	<u>10,047</u>	<u>10,562</u>

15) Creditors

	2020	2019
	£	£
Trade creditors	13,805	319
Project creditors	12,544	34,751
Accruals	11,264	7,595
Deferred income	1,327	4,990
Other creditors	3,931	-
Loan repayment due in less than 1 year	3,150	-
	<u>46,021</u>	<u>47,655</u>

16) Deferred Income

Deferred income comprises of income received by the Trust in 2020 for activities taking place in 2021.

	£
Balance at 12 October 2019	4,990
Amounts released to income earned from charitable activities	(4,990)
Amount deferred in period	1,327
Balance at 31 December 2020	<u><u>1,327</u></u>

17) Creditors: Amounts falling due after more than one year

During the year a Bounce Back Loan was taken out under the government scheme. The terms of the scheme are as follows:

Repayment Terms: 72 months from the drawdown date

Interest rate: 2.5% per annum (fixed for the period of the loan)

There are no repayments required during the first 12 months of the agreement.

	2020 £	2019 £
Co-operative Bank Bounce Back Loan	<u>35,500</u>	<u>-</u>
	<u>35,500</u>	<u>-</u>
Amounts falling due in less than 1 year	3,150	
Amount falling due after more than 1 year	32,350	

18) Charitable Funds

	Balance at 12 October 2019 (restated)	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2020
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	215,061	(215,061)	2,896,161
	3,146,161	-	-	215,061	(215,061)	3,146,161
Restricted Funds:						
Arts Council (Resilience)	(919)	-	-	-	919	-
HLF Young Roots	-	18,171	(18,171)	-	-	-
AIM	-	6,134	(6,134)	-	-	-
	(919)	24,305	(24,305)	0	919	0
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	-	146,652	(412,518)	-	214,142	(51,724)
	326,960	146,652	(412,518)	-	214,142	275,236
Total Charitable Funds	3,472,202	170,957	(436,823)	215,061	-	3,421,397

2020 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
	£	£	£	£
Tangible assets	159,160	-	-	159,160
Fixed asset investments	-	-	1,843,467	1,843,467
Heritage assets	125,595	-	1,302,694	1,428,289
Current assets	68,852	-	-	68,852
Current liabilities	(46,021)	-	-	(46,021)
Non-current liabilities	(32,350)	-	-	(32,350)
	275,237	-	3,146,161	3,421,397

2019 comparative restated

	Balance at 1 January 2019	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 11 October 2019
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,638,374	-	-	334,027	(76,240)	2,896,161
	2,888,374	-	-	334,027	(76,240)	3,146,161
Restricted Funds:						
Arts Council (Resilience)	427	-	(1,346)	-	-	(919)
	427	-	(1,346)	-	-	(919)
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	151,165	120,912	(348,317)	-	76,240	-
	478,125	120,912	(348,317)	-	76,240	326,960
Total Charitable Funds	3,366,926	120,912	(349,663)	334,027	-	3,472,202

2019 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019
	£	£	£	£
Tangible assets	185,212	-	-	185,212
Fixed asset investments	-	-	1,843,406	1,843,406
Heritage assets	137,600	(919)	1,302,755	1,439,436
Current assets	51,803	-	-	51,803
Current liabilities	(47,655)	-	-	(47,655)
Non-current liabilities	-	-	-	-
	326,960	(919)	3,146,161	3,472,202

*Toad Lane Museum Fund: This is a permanent endowment fund where the assets must be held permanently by the charity. The fund relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

** Co-operative Group Fund: This is an expendable endowment fund invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objects. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes, which is in accordance with the Memorandum of Understanding between The Co-operative Group and the Trust.

*** Restricted Funds: These are funds received for undertaking an activity specified by the donor.

19) Analysis of cash and cash equivalents

	At 12 October 2019	Cash flows	At 31 December 2020
Cash at bank and in hand	25,804	16,016	41,820
Total cash and cash equivalents	25,804	16,016	41,820

20) Contingent Liabilities and Capital Commitments

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

21) Merger disclosures

The Co-operative Heritage Trust CIO (registered charity number 1179727) merged with the Co-operative Heritage Trust (registered charity number 1121610) on 12 October 2019. The objects of both charities are the same.

Analysis of principal SoFA components for the current reporting period

	Co-operative Heritage Trust CIO (pre- merger)	Co-operative Heritage Trust (pre-merger)	Charity (post merger)	Combined Total
Total income	-	-	170,957	170,957
Total expenditure	-	-	436,823	436,823
Net income/(expenditure)	-	-	(265,866)	(265,866)
Other gains / (losses)	-	-	215,061	215,061
Net movement in funds	-	-	(50,805)	(50,805)

Analysis of principal SoFA components for the previous reporting period

	Co-operative Heritage Trust CIO	Co-operative Heritage Trust	Combined Total
Total income	-	120,912	120,912
Total expenditure	-	349,663	349,663
Other gains / (losses)	-	334,027	334,027
Net income/(expenditure)	-	105,276	105,276
Total funds brought forward	-	3,366,926	3,366,926
Total funds carried forward	-	3,472,202	3,472,202

Analysis of net assets at the date of merger

	Co-operative Heritage Trust CIO	Co-operative Heritage Trust	Combined Total
Net assets	-	3,472,202	3,472,202
<i>Represented by:</i>			
Unrestricted funds	-	326,960	326,960
Restricted funds	- -	919	919
Endowment Funds	-	3,146,161	3,146,161
Total funds	-	3,472,202	3,472,202

22) Related Party Transactions

The following are related party transactions, as defined by FRS102, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £1,670 and £1,666 were payable to and receivable from the College. At 31 December 2020 the balance owed to the College was £nil and owed from the College was £nil.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The amount receivable from The Co-operative Group for services provided was £259. The amount outstanding at year end was £42. The Co-operative Group also provided donations of £15,000.

c. Co-operatives UK

Co-operatives UK is one of the founding members of The Co-operative Heritage Trust. The amount receivable from Co-operatives UK in the year was £nil.

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services, Finance services and HR services. The amounts payable in the year relating to these services was £70,217. The amount outstanding at year end was £3,338.

d. Trustees

The trustees received no remuneration or expenses in the performance of their duties. There were no related party transactions with the Trustees during the year.

23) Prior Period Adjustment

During the period ended 31 December 2020 the following adjustments have been identified which require a restatement of prior period results

	Restricted £	Unrestricted £	Endowment £	Total £
Reserves previously stated at 1 January 2019	327,387	151,165	2,888,374	3,366,926
New Pioneers Fund reclassified from restricted to unrestricted	(326,960)	326,960	-	-
1 January 2019 reserves restated	427	478,125	2,888,374	3,366,926
Surplus/(Deficit) for the period to 11 October 2019 as previously stated	(1,346)	(151,165)	257,787	105,276
11 October 2019 reserves as previously reported	326,041	-	3,146,161	3,472,202
11 October reserves restated	(919)	326,960	3,146,161	3,472,202

New Pioneers Fund

This restatement has been made as during the period the restricted on the New Pioneers Fund was reconsidered. The original appeal letter for this fund stated that the funds raised would be used to support the ongoing running costs of the National Co-operative Archive and the Rochdale Pioneers Museum. These costs are incurred in supporting the charitable object, therefore making the fund unrestricted.

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**

**Annual Report and Accounts for the period ended 31 December
2020**

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: 1 Angel Square
Manchester
M60 1AG

Operating Addresses: National Co-operative Archive Rochdale Pioneers Museum
Holyoake House Toad Lane
Hanover Street Rochdale
Manchester OL12 0NU
M60 0AS

Interim Trustees:	Mervyn Wilson (Chair)	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Linda Barlow	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Keith Vernon	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Nicholas Crofts	Appointed 29 Aug 2018, resigned 20 Feb 2020
	Paul Gerrard	Appointed 29 Aug 2018, resigned 20 Feb 2020

Trustees:	Laura Bailey	Appointed 20 February 2020
	Wendy Carter	Appointed 15 December 2020
	Nicholas Crofts	Appointed 20 February 2020
	Paul Gerrard	Appointed 20 February 2020
	Katherine Lynch	Appointed 20 February 2020
	Heather Roberts	Appointed 20 February 2020
	Cilla Ross	Appointed 20 February 2020
	David Stanbury	Appointed 20 February 2020
	Nigel Todd*	Appointed 20 February 2020
	Anthony Webster	Appointed 20 February 2020
	Mervyn Wilson (Chair)	Appointed 20 February 2020

Secretary:

Ed Powell
c/o The Co-op
1 Angel Square
Manchester
M60 1AG

Bankers:	Co-operative Bank Plc Balloon Street Manchester M60 4EP
Investment Managers:	Royal London Asset Management 55 Gracechurch Street London EC3V 0RL
External Auditors:	Beever and Struthers Chartered Accountants and Registered Auditors St George's House 215 – 219 Chester Road Manchester M15 4JE

*Nigel Todd joined the board as a nominee of the Co-operative College CIO and Board Member and passed away unexpectedly on 26th March 2021. During his time on the board of the Co-operative Heritage Trust CIO he was incredibly supportive of the new entity and worked to achieve a positive and renewed relationship between the two charities. The Board of the Trust recognises the commitment Nigel provided to the charity during his time as a Trustee and is thankful for his contributions to the co-operative movement over the past 40 years.

Structure, Governance and Management

Status and Charity Number

The Co-operative Heritage Trust was founded in 2007 and is registered with the Charity Commission as a Charitable Incorporated Organisation (registration date 29 August 2018).

Governing Document

The charity is administered in accordance with the constitution dated 29 August 2018.

Trustees and Officers

To the point of the first AGM of the new CIO (20th February 2020), the interim Trustees of the Co-operative Heritage Trust were nominated by the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group. These nominations (found above) are ratified by the other founders.

All interim trustees resigned from their interim roles on 20th February and new trustees were appointed. Under the CIO the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group can nominate up to two trustees each. Nominations are ratified by the other founders. Further to that, up to five independent trustees could be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes. Appointments are ratified by founders.

Recruitment and Training of Trustees

Trustees are appointed based on their expertise in co-operative heritage and charitable organisations. The Trustees have received an appropriate induction and ongoing training support is kept under review by the Trustees.

The Trustees have renewable fixed terms of office and provide for succession through identifying new Trustees with appropriate skill sets.

Organisational Management

The day-to-day operational management of the Trust - the Rochdale Pioneers Museum and National Co-operative Archive is delegated to the Trust Manager with line management support from the Chair of Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

The Charitable Incorporated Organisation (CIO) took over the work of the former unincorporated charity on 12 October 2019. In the period between registration as a CIO and taking over the work of the former unincorporated charity, the CIO Trustees held six meetings to plan ahead for taking over the work of the former unincorporated charity and advancing the work further for the public benefit. In this reporting period, running 11th October 2019 to 31st December 2019, the CIO trustees held seven meetings to advance the work of the Trust for public benefit.

Chair`s introduction

This report; covering the period from 12th October 2019 to 31st December 2020, is the first report of the Co-operative Heritage Trust Charitable Incorporated Organisation, number 1179727, which was established to succeed the Co-operative Heritage Trust unincorporated charity number 11216110. Trustees of the former unincorporated charity had identified the risks associated with the structure and worked with the founders, Co-operatives UK, the Co-operative Group and the Co-operative College to transfer to a CIO structure, and thanks are recorded to outstanding support we received from Helen Ashley Taylor, an independent charity specialist consultant, for her assistance throughout the process.

Trustees from the former unincorporated trust served as Trustees of the new body until the AGM when founders nominated and appointed six Trustees alongside the appointment of five independent Trustee, who bring extensive heritage and charity sector expertise to complement the co-operative expertise of the Founder organisation appointees. Thanks are recorded to all Trustees for their support in a particularly challenging year.

The newly appointed Trustees had met for the first time shortly before the lockdown in response to the Covid 19 pandemic was announced. The measures introduced by the Government in its efforts to control the pandemic rendered the plans for the Trust irrelevant to the new situation and, save for a very brief period in August, the combination of national and regional restrictions required the closure of the Rochdale Pioneers Museum, which we expect to last at least until Easter 2021, with continued limitations on response to archive enquiries.

Trustees continued to meet regularly online throughout the period and delegated the day-to-day response to the fast changing situation to the Trust Manager, Secretary and Chair. With no group or individual visitors possible the Trust sought to conserve its financial resources, making extensive use of the furlough scheme, bounce back loan and local authority support measures as well as applying to funding streams designed to support heritage organisations. To date most applications have been unsuccessful as funder's priorities have been directed at organisations in financial peril. The trust investments mean it is not considered to be such a position. Whilst these challenges prevented physical visits to the Museum and Archive, new digital programmes were devised and delivered for schools and other groups and the Trust was an active partner in online programmes organised by the International Co-operative Alliance and the Co-operative College to celebrate the 25th Anniversary of the Statement on the Co-operative Identity.

This report demonstrates how the Trust has responded to this unprecedented situation and ensured that its unique collections have been safeguarded as well as how it has provided new ways of enabling beneficiaries to access them. Whilst the future of many heritage organisations may be in doubt, we remain confident of survival and are now focussed on the horizon beyond the pandemic and building resilience.

Trustees understand the challenge of rebuilding visitor numbers when the restrictions are no longer required. Our priorities for the coming period will therefore be our ability to deliver workshop sessions on line and strengthening our financial position.

Our sincere thanks are recorded to the founders, colleagues and volunteers who have supported us in this particularly difficult year and, as Chair, my special thanks to Liz McIvor,

Trust Manager, who for much of the year has been working alone with other colleagues furloughed, Ed Powell from the Co-operative Group who serves as Trust Secretary and Emma Willder, who has provided financial support and advice throughout.

Mervyn Wilson
January 2021

Trustee's report

Review of the period October 12th 2019 to 31st December 2020

The period incorporates the first full year of the Trust's operation as an incorporated body under a newly constituted board of Trustees. The following report details the way in which the Trust has operated reflecting the impact of the Covid-19 pandemic which affected all strategic and operational considerations from March of 2020.

Objects and Activities

Charitable Objectives

The objects of the Charity as defined in the Trust Deed are as follows:

The Trustees shall hold the capital and income of the trust fund upon trust as to the income, and all such part or parts of the capital, as the founder may by notice in writing to the Trustees determine for the following objects:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as Rochdale Pioneers Museum) and any ancillary buildings as shall or may at any time be vested in the charity or in respect of which the charity shall have any interest.
- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of all furniture, pictures, historical records, books, manuscripts, films, photographs, objets d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co-operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the charity or in respect of which the charity shall have any interest.
- The encouragement of the provision of access to and the study of such buildings, land, furniture, pictures, historical records, books, manuscripts and other chattels or items that comprise the National Co-operative Archive and the Rochdale Pioneers Museum by members of the public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founders and the Charity Commission.

The activities of the Trust work towards two key outcomes:

1. To increase activity and promote understanding of co-operative collections and materials.

In the period we had planned to increase Museum visitor numbers to between 13,500 and 15,000 based on the planned programme of events and group bookings and hires anticipated. These plans were soon derailed as the restrictions put in place by the UK Government as a result of the global Covid pandemic took effect. Following the announcement of a UK wide lockdown on the 23rd of March, the museum and archive premises were closed to the public and staff were instructed to work from home wherever this was possible.

The museum briefly re-opened for a trial period using an advance booking system with test and trace capacity from 31st August to 21st September under the 'Good to Go' Marque awarded through Visit England. However, rising rates of infection in the region led to higher tier restrictions being imposed on Greater Manchester requiring cultural venues to close a short time later. This was followed by a second period of national lockdown which forced the museum to remain closed throughout the winter. At the time of writing this report the earliest possible date for the Museum to be permitted to re-open is mid-May 2021.

During the period of extensive disruption to business as usual it has been necessary to protect the assets of the Trust to ensure long term sustainability. The Trust Board has met digitally and nominated a working group to respond quickly to changes in government policy to address immediate operational needs. With the majority of Trust staff furloughed under the Job Retention Scheme, by working in this way, the Trust has remained agile and flexible in facing the challenges of safeguarding the unique collections in a fast-changing external environment. The working group focussed on minimising losses and identifying and accessing opportunities such as the Government guaranteed 'Bounce Back' loans, financial support through HMRC and through rateable relief from Rochdale Borough and Manchester City Councils.

Museum full accreditation status was awarded to the Trust in March of 2020 with recognition that areas of focus for the following four-year period should be

- Development of fundraising Strategy
- An updated emergency plan from Link4Life external storage solutions
- Developed strategy for future collecting
- Communication with users through a range of methods

Risk registers have been updated to reduce and take account of new risks and audit procedures have been compiled with remotely. The Board of Trustees have used this period to review ongoing costs and options to reduce liabilities and streamline procedures. The Trust took advantage of a short-term rent deferral and has formally requested a rent review and reduction from Co-operatives UK in light of financial challenges faced and the reductions in commercial rentals resulting from the fundamental changes to city centre premises now taking place.

Throughout the periods of closure, the Trust Manager regularly accessed both museum and archive premises to undertake essential maintenance checks as well as to provide digital services. During the first lockdown period staff worked remotely to provide access to the heritage of the movement by creating resources aimed at schools and families. These resources were designed to assist with at home learning during periods of school closures as well as digital content for the Trust's website and Social Media platforms.

Live digital tour sessions for groups and schools were offered to replace traditional tours as well as bespoke learning packages for interest groups. This offered an opportunity for the Trust to create new digital and blended services such as online exhibitions and events in addition to upgrading the in-person interpretation to engage with users who may not be able to travel in the near future. In addition, a jointly supported podcast 'More than a shop' was produced and released in co-ops fortnight 2020 at the height of the pandemic and achieved 3000 streams. It is scheduled for re-release in 2021. Support was given to the International Co-operative Alliance in arranging webinars to celebrate the 25th anniversary of the adoption of the Statement on the Co-operative Identity at its centennial Congress held in Manchester in September 1995.

Following the initial project work in 2019 to assess and sift the Co-op Group materials stored at CIS Tower, Miller Street, Manchester, primary records on the insurance business up to 1950 were identified for retention. These were transferred to the National Co-operative Archive at the outset of the pandemic in order that cataloguing could begin once suitable levels of staffing and volunteer resource became available. Additional basement level space was rented to accommodate records as well as ephemera. The Trust plans to transfer the ephemera to off-site collections storage in 2021. The materials were placed in official custodianship of the Trust in the summer of 2020 with an agreement in place to generate reports to Co-operative Group Legal Team regularly once cataloguing is underway.

The period has been one of adjustment for the Trust and has prompted a review of business models and key skills necessary to respond to changes in demand as well as the ways in which beneficial relationships with supporters can be strengthened.

The Trust has had to adapt future plans and targets for engagement in light of the ways in which societal norms have been affected by the pandemic and to consider what this means for the future work of the Trust. Divisions and inequalities in the UK and across the world have been exacerbated by the pandemic and have prompted an active response to examining unconscious bias and developing community co-production in the heritage sector which must be at the core of the Trust's strategic development going forward. The Trust recognises that the use of digital tools in a blended approach to audience development will be significant in widening the range of beneficiaries of the Trust and remaining relevant in the years to come.

2. Creating opportunities to present and interpret our heritage

Outreach in the period: Museum based projects:

During periods of closure, all projects and community facing work from planned events, sessions and workshops including The Co-ops Festival in Rochdale (June 2020) and training opportunities based out of the building have had to be cancelled or transferred to digital engagement. Despite this, staff have been able to review and begin to implement changes in the way we present the story of the co-operative movement and closure has presented opportunities to make changes to the permanent offer at both Museum and Archive. This includes greater emphasis on co-producing content based on collections as part of re-opening.

Provision has been made to facilitate Covid-19 safe visiting at the Pioneers Museum once the restrictions are lifted.

Levels of deprivation in the Borough of Rochdale continued to rise during the period. The impact of digital poverty through limited access to broadband services and devices in the coming years will be a significant factor in partnership initiatives to re-build connections with community audiences.

Outreach in 2020: National Co-operative Archive

During the period, the ability to use archival sources and images not only to answer traditional research enquiries but to provide services and events online has shown the capacity and future benefit of digitising materials.

Although ticketed workshops and talks in person have had to be cancelled; the uptake of digital versions has been encouraging and these services will be more effectively managed in the future and offered to a wider audience.

The Trust has continued to provide articles for Evergreen Magazine for retired Co-op Group employees. Collaboration has been maintained with the Co-operative College to run public lectures and evidence-based workshops using archival resources as well as bespoke content for co-operative organisations.

Other opportunities

During the period, the Trust was unsuccessful in applying for several Covid public funding recovery schemes due to the level of reserves held. However, it has been successful in applying for an audience development 'Museums Health Check' grant from Museums Development North West to implement the second phase of previously planned work to improve facilities at Rochdale Pioneers Museum. The proposal to create a welcoming space for local families and young people was the result of consultation with young people on the Pioneer Places project 2019 (supported by Heritage Fund) and evidence suggests that cultural

engagement in Rochdale will be key to community recovery post pandemic. Establishing a 'stay and play' facility which local and particularly younger audiences can access freely will be part of the Trust's strategy towards personal engagement with collections and participation / co-production.

On return from adoption leave, Cat Jessop, Education and Outreach Officer, has been working to develop partnership working with Rochdale Schools. This includes working with Link4Life Touchstones to share access to digital recording space and equipment to create new materials to support the digital classroom learning offer in 2021. This will reduce the cost of providing a standalone digital offer to one off editing. These sessions are being produced in consultation with local teachers who participated in the Historic England 'Heritage Schools' programme in 2019. When completed, the materials will be offered to co-operative schools as well as those within the Greater Manchester catchment.

The Trust developed and promoted a 'Live from Toad Lane' product bookable through the website to help replace the loss of visitors. In order to offer a service to international interest groups the Trust has been developing a fully automated digital tour experience. Discussions are underway with the Co-operative College with a view to them undertaking the work. This project would use local BAME actors in Rochdale to help present the finished product in a way which reflects the modern population of the Borough.

Website appeals and donations: Individual giving via the Trust's website has increased during the pandemic and the one-off amounts being donated are greater than those previously deposited in person at our premises. The largest donations being received from members of the public have been made in relation to a remote enquiries being answered by staff working remotely.

The Trust recognises that underpinning income through corporate or supporter donations will ensure that the Trust's finances are more robust and sustainable, and this approach will be a major part of the Trust's financial strategy in 2021.

Black Lives Matter: The Trust has agreed to publish a statement of intent in order to address the increasing calls to reverse the exclusionary trends of public and charitable institutions in decolonialising collections and narratives in presentation as well as finding pathways to co-produce content which is attractive to BAME audiences. The Trust is committed to developing more inclusive pathways to volunteering and working for the Trust in order to be more representative of the audiences it wishes to engage with.

Future Plans

- The Continued use of the HMRC Job retention scheme in 2021 to safeguard posts wherever possible: The scheme has been extended several times during the period and at the time of writing may be further extended beyond May 17th 2021 to

industries not permitted to return to normal operating. The Trust intends to balance the considerations of providing adequate staffing with the wellbeing of those staff currently furloughed

- The formulation of a Post Covid recovery plan – with phased re-opening of facilities and external operations when permitted. Trustees propose to hold a strategy session in Rochdale, in the Spring of 2021 to determine which elements of the current business model must change to reflect the financial position of the Trust over the short and longer term. The outcome of forward planning will require the re-drafting and approval of some policy documents as well as the review of existing relationships with other organisations, schedule of essential maintenance and the management and roles of staff and volunteers in order to meet our objectives.
- A Strategic review and planning as part of accreditation requirements – to focus on building financial resilience, including by appeal to the Cooperative sector. This includes;

1. Long term premises needs: It is recognised that the Trust has had to commit to increased floorspace for storage in recent years and that this will continue to be a requirement for the Trust in collecting. One consideration the Trust must review is the capacity to collect contemporary materials which may be increasingly digital and require the development of policy as well as suitable digital storage. Trustees must consider potential benefits as well as short and long term costs of re-locating archive and museum collections storage according to accreditation standards and how these may be resourced by the team.

2. Key partnerships: Review within and external to the co-operative movement due to the impact of the pandemic and the ways in which other agencies have restructured or adapted their working practices and business plans may provide future development opportunities and reduce risk.

- Audience development – The Trust has a requirement to revisit its audience development plan and focus on diversity and community engagement in person as well as through other means. There will be a need to rebuild meaningful relationships with traditional archive and museum users as well as respond to those audiences who's visiting or access preferences may have changed. Increased digital opportunities may provide an opportunity to work more closely with audiences not traditionally part of the user demographic and previously considered 'hard to reach'. Part of the ongoing strategy will be to measure digital engagement, particularly for underrepresented groups relating to work with collections.

Continued staff and volunteer / Trustee development – From formal training and network building through involvement in the Heritage Compass network, to reviewing and filling skills gaps in development and recruitment. Some of the skills and experience required to safeguard the Trust may have changed and be prioritised

differently. Trustees will review and update employment policies to ensure that unconscious bias and the ways in which the Trust recruits do not present a barrier to the ways BAME, Younger, Disabled and LGBTQ+ people approach or engage with the Trust.

Our people

Employees

James Hinchcliffe (Temporary Archival Project Officer) resigned from the CIS-Group project in January of 2020 having secured a permanent position elsewhere. The role was not replaced for the remaining months of the contract (to June) due to the impact of the Covid-19 pandemic.

Catherine Jessop (Education and Outreach Officer) was on adoption leave from March to December. The post is part time with hours equivalent to three days per week focusing on the formal and informal educational offer for the Trust in 2021.

Jordan Diggle (Visitor Experience Officer) resigned from the Trust in September 2020 while on the JRS Scheme (furlough leave) in order to take up a full-time position in the hospitality industry.

Existing Staff of the Co-operative Heritage Trust:

Liz McIvor – Trust Manager

Sophie McCulloch – Archivist

Clare Hirst – Collections Manager

Catherine Jessop – Education Officer PT

Kate Woodward – Visitor and Operations Co-ordinator

James Whittaker – Visitor Experience Officer PT

The Coronavirus Jobs Retention Scheme (J.R.S) through HMRC

With the Museum required to close under the Covid legislation and the limited ability of most posts to work from home, Trustees have made extensive use of Coronavirus Job Retention Scheme.

The scheme (known as 'Furlough') was initially used for those roles which were primarily customer facing. At a later stage all staff members except the Trust Manager were placed in the scheme and this was adapted to be used flexibly in the summer of 2020 in order to prepare staff to return to the workplace on a phased basis to prepare staff for full time working.

Regionally high rates of infection quickly led to the application of regional Tier restrictions, followed by a third national lockdown. In response the Trust returned some staff to full time furlough in order to protect roles for as long as possible. Throughout the use of the scheme, the Trust Manager has communicated with staff to inform them of changes and offer support for wellbeing in what we acknowledge has been a very uncertain and difficult time.

Training and development:

During the period Clare Hirst (Collections Manager) was granted a place on a professional training course to study Museums and Heritage at MA level with Manchester University following her attendance on the 2019 *Museums and Resilient Leadership Programme*, funded by the Arts Council England and the Black Country Living Museum.

Clare will reduce her full-time working hours to accommodate this study on return from furlough leave in 2021.

Sophie McCulloch (Archivist) began a *Peer Mentoring Programme* with the National Archives at the end of 2020 which will require one day per month of digital engagement in 2021.

The Trust successfully applied for a place on the *Heritage Compass Museums Networking Programme* in December 2020 which was approved in February 2021. The Trust Manager is expected to attend six full sessions in 2021 and one named Trustee (Heather Roberts) may also attend. The course is funded to £2500 to backfill staff time spent on the course. The programme is designed to help cultural organisations develop new business plans as well as supportive networks and is funded by Business Development England and the Heritage Fund.

Volunteers:

Although the Trust has not been able to reinstate community-based volunteers at the Museum; it has recruited 12 digital archival volunteers who have been transcribing letters from the George Jacob Holyoake Collection. The Trust intends to make further digital opportunities available in 2021 to increase engagement from target groups in order to guide future development and make increasing amounts of material digitally available to users as part of its future development plans.

The Trust has not been able to return to working with former museum- based volunteers in 2020 whose work supported the *Pioneer Pantry* and *Get up and Grow* gardening Co-op initiatives. Although some contact has been maintained over the period, it has not been to supervise these volunteers safely. The Trust hopes to be able to re-engage local volunteers with suitable supportive roles when it can return to regular operations.

We would like to thank all those volunteers who have made a vital contribution to the work of the Trust during the period. The Trustees recognise that whether temporary or providing a longer-term commitment and according to best practice; volunteers are auxiliary to staff and are able to provide a service which enhances the experiences of both CHT staff and users particularly when staffing resources have been limited.

Charity Governance Code

The Trustees have not yet adopted the Charity Governance Code due the significant changes that have impacted on the Trust. However, this is something that the Trustees will review and consider in 2021.

Internal Control

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

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

- Clearly defined lines of responsibility and delegation.
- Operation within approved financial regulations.
- Budget setting and approval.
- Regular review of performance and forecasts against the budget approved by the Trust.
- Reporting to and review by the Trustees on a regular basis.

Risk Management

The Co-operative Heritage Trust has an active risk register which is reviewed regularly. The key risks have been identified as:

- Finance and Funding: in particular diversification of income sources to ensure that in the long term the Trust is sustainable with less reliance on our investments.
- COVID-19: in particular how this will impact on the re-opening of both the Rochdale Pioneers Museum and the National Co-operative Archive.

Related Party Transactions

The Co-operative Heritage Trust has three founder members – The Co-operative Group, Co-operatives UK and The Co-operative College.

The Archive and Museum's services are used by the departments of the Co-operative Group, one of the founders of the Trust. Where major activity is involved, charges are made by the Trust, smaller amounts of activity are included in the general costs and operation of the Archive and Museum.

The Co-operative Heritage Trust rents office and archival space from Co-operatives UK to House the National Co-operative Archive, the Archive Office and the Co-operative Group Archive.

Conflicts of interest were managed through the Conflict of Interests Policy within the terms of the Co-operative Heritage Trust's Trust Deed during the period. For further details of related party transactions please see Note 21.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the Charity.

Finance Review

The period in question was one of change for the Co-operative Heritage Trust having transferred all assets and liabilities to the new CIO on 12 October 2019. In March 2020 COVID-19 hit and both the museum and the archive closed with colleagues being put on furlough. This led to a loss of income in some areas of our operations. However, due to the Coronavirus Job Retention Scheme and various government grants available the Trust finished the period with a deficit of £50,805.

Income had increased from the prior period by £50,045 with expenditure increasing by £87,160. However, it is difficult to compare these two periods as they are for differing lengths of time (financial period ending 11 October 2019 being 284 days and the financial period ending 31 December 2020 being 446 days).

Investment Policy and Performance against Objectives

In the period the policy of investing in a Sustainable Diversified Fund managed by Royal London Asset Management continued. As stated, we saw an investment gain of £215,061.

Investment performance remains crucial to the financial stability of the trust going forward and so the trustees' regular monitoring will continue.

Reserves Policy

The current level of unrestricted reserves is £275,236. However after deducting the fixed assets and heritage assets (artefacts) of the charity the underlying free reserves are £114,996. It is intended that the reserves policy be reviewed by the Trustees of the

new charitable incorporated organisation in 2021 and will be taking a more risk-based approach.

The Trust also holds £3,146,161 in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and an expendable endowment funds that is to be invested in order that the interest and gains arising from this is used in the furtherance of the charities objects.

This expendable endowment is currently held in the form of investments. This investment is used to fund the ongoing operations of the charity. At the current time the fund is decreasing by more than the combined interest and gains each year. Again, this will be reviewed by the Trustees of the new CIO.

Heritage Assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principle heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years.

For further details of the Heritage Assets please see Note 11.

Going Concern

For the period ending 31 December 2020 the Trust has net current assets of £44,766. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity. Therefore, based on an assessment of future budgets and liquidity of assets, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Auditor

Each of the persons who is a Trustee at the date of approval confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

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

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

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

Approved by the trustees on 21 May 2021 and signed on their behalf by:



M Wilson
Chair of Trustee

Independent Auditors' Report to the Trustees of the Co-operative Heritage Trust

Opinion

We have audited the financial statements of The Co-operative Heritage Trust “the charity” for the period ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 21 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145* of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

Use of our report

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



Sue Hutchinson
Beever and Struthers

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

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

Date: 4 June 2021

Statement of Financial Activities for the period from 12 October 2019 to 31 December 2020

						Restated			
	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds December 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 11 Oct 2019 £
Income and endowments from:									
Donations and legacies	2	22,914	-	-	22,914	17,318	-	-	17,318
Charitable Activities	3,4	98,214	24,305	-	122,519	71,075	-	-	71,075
Investments	5	25,524	-	-	25,524	32,519	-	-	32,519
Total		146,652	24,305	-	170,957	120,912	-	-	120,912
Expenditure on:									
Raising Funds		45	-	-	45	-	-	-	-
Charitable Activities	6,7	412,473	24,305	-	436,778	348,317	1,346	-	349,663
Total		412,518	24,305	-	436,823	348,317	1,346.00	-	349,663
Gains/(Losses) on investments		-	-	215,061	215,061	-	-	334,027	334,027
Net income / (expenditure)		(265,866)	0	215,061	(50,805)	(227,405)	(1,346)	334,027	105,276
Transfers between funds		214,142	919	(215,061)	-	76,240	-	(76,240)	-
Net movement in funds		(51,724)	919	-	(50,805)	(151,165)	(1,346)	257,787	105,276
Reconciliation of Funds									
Total funds brought forward		326,960	(919)	3,146,161	3,472,202	478,125	427	2,888,374	3,366,926
Total funds carried forward		275,236	-	3,146,161	3,421,397	326,960.00	(919)	3,146,161	3,472,202

The results above related wholly to continuing activities. The notes on pages 28 to 42 form an integral part of these financial statements.

Balance Sheet as at 31 December 2020

	Notes	Total Funds December 2020 £	Total Funds 11 Oct 2019 £
Fixed Assets			
Tangible assets	10	159,160	185,212
Heritage assets	11	1,428,289	1,439,436
Investments	12	1,843,467	1,843,406
Total Fixed Assets		3,430,916	3,468,054
Current Assets			
Debtors and prepayments	13	16,984	15,438
Stock	14	10,047	10,562
Cash at bank and in hand		41,820	25,803
Total Current Assets		68,852	51,803
Liabilities			
Creditors: amounts falling due within one year	15	46,021	47,655
Net current assets		22,831	4,148
Total assets less current liabilities		3,453,747	3,472,202
Creditors: amounts falling due after more than one year	17	32,350	-
Total Net Assets		3,421,397	3,472,202
The funds of the charity			
Endowment funds	18	3,146,161	3,146,161
Restricted funds	18	-	(919)
Unrestricted funds	18	275,236	326,960.00
Total Charitable Funds		3,421,397	3,472,202

The financial statements on pages on pages 26 to 42 were approved and authorised for issue by the Board of Trustees on 21 May 2021 and were signed on its behalf by:



Mervyn Wilson
Trustee

The notes on pages 28 to 42 form an integral part of these financial statements.

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

- a** The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011.

There has been a prior period adjustment in relation to the New Pioneers Funds being reclassified from restricted to unrestricted funds. Further details of this can be found in note 23.

For the period ending 31 December 2020 the Trust has net current assets of £44,766. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

The fixed asset investments represent an expendable endowment This investment is used to fund the ongoing operations of the charity

Based on an assessment of future budgets and liquidity of assets the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

c Income and endowments

All income is recognised when there is an entitlement to the funds, the receipt is probable and the amount can be measured reliably. General donations are recognised when they are received from the donor with the exception of donations given towards specific projects or activities. Grants are recognised when received or in accordance with the conditions set by the funding provider. Project income is recognised on actual work completed to the end of December 2020.

The Trust also sell merchandise through the shop at the Museum. Income from this is recognised at the point of sale along with the relevant cost of obtaining the goods.

d Expenditure

Expenditure is recognised on an accruals basis and is spent in line with the appropriate income, or in the case of core costs (staffing, rent etc.) in line with invoices and contracts of employment.

Charity expenditure enables the Co-operative Heritage Trust to meet its charitable objective. All expenditure is shown inclusive of VAT.

e Tangible fixed assets

Tangible fixed assets are stated at cost less the accumulated depreciation. Depreciation is calculated in equal monthly amounts based on cost. The following minimum rates are applied:

Plant, fixtures and fittings	6.67% per annum
Information technology equipment	25% per annum

f Heritage assets

Under FRS 102, Section 34, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the cost of obtaining a valuation significantly outweighs the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The Archive and Museum assets of the Trust consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale. In accordance with FRS102 the Trustees have determined that these premises, the Rochdale Pioneers Museum, are the principle heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of the Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over the expected life of 100 years. The external access tower is valued at the cost of its construction.

g Stock

Stock is stated at the lower of cost and net realisable value (estimated selling price). Cost is based on cost of purchase on a first in first out basis. Review at the end of each accounting period determines the likely resale value of each stock item and any write down needed should this be lower than the cost of the item.

h Investments

Investment income is recognised on an accruals basis. Fixed Asset investments are managed by Royal London Asset Management and are invested in a Sustainable Diversified Fund. Investments are stated at market value being the share price.

i Allocation of support and governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit along with an apportionment of the management fee charged to the trust for the management of its day to day operations including financial and HR support.

Governance and support costs relating to charitable activities have been apportioned based on the total expenditure of each activity.

j Pension scheme

The Co-operative Heritage Trust offers an auto enrolment compliant group personal pension scheme, which is administered and managed by The Royal London Mutual Insurance Society Limited. New employees are enrolled at an employee contribution rate of 4%, with the Heritage Trust paying 8%. After two years' employment employees can opt to increase their contribution to 6%, with the employer contribution increasing to 12%. Contributions to the scheme are recognised in the period to which they relate.

k Tax and VAT

The Co-operative Heritage Trust is a registered charity and as such is potentially exempt from taxation of its income to the extent that it falls within the charity exemptions as detailed in The Corporation Taxes Act 2010. The Heritage Trust is not VAT registered and as such all expenditure is shown inclusive of applicable VAT.

l Fund accounting

- i Unrestricted funds: These are funds that can be used in accordance with the Co-operative Heritage Trust's charitable objective at the discretion of the Trustees.
- ii Expendable Endowment Funds: The funds are invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objectives. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity. The fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.
- iv Restricted funds: These are funds received for undertaking an activity specified by the donor.

2) Income from Donations and Legacies

	2020	2019
	£	£
Donations	22,914	17,318
	22,914	17,318

3) Grants

In the period to 31 December 2020 the following grants were received

	Revenue	Capital	Total 2020	Total 2019
	£	£	£	£
Rochdale Council	12,668	-	12,668	-
Manchester City Council	6,000	-	6,000	-
Young Roots	18,171	-	18,171	-
AIM	6,134	0	6,134	-
Heritage Lottery Fund (Working Together Project)	-	-	-	32,699
	42,973	-	42,973	32,699

The grants from Rochdale Council were received in relation to the forced closure of the museum at 31 Toad Lane.

The grant from Manchester City Council were received in relation to the closure of the National Co-operative Archive.

4) Charitable Income

	Core	Rochdale Pioneers Musuem	Projects	Total 2020		Core	Rochdale Pioneers Musuem	Projects	Total 2020
	£	£	£	£		£	£	£	£
Event income	10	4,483	-	4,493		-	7,399	-	7,399
Merchandise and publications	-	6,559	-	6,559		-	3,175	-	3,175
Projects Income	-	-	15,974	15,974		-	-	26,565	26,565
Coronavirus Job Retention Scheme	43,147	-	-	43,147		-	-	-	-
Miscellaneous	9,373	-	-	9,373		1,237	-	-	1,237
	52,530	11,042	15,974	79,546		1,237	10,574	38,376	38,376

5) Investment Income

	2020	2019
	£	£
Dividends and interest on fixed asset investments	25,524	32,519
	25,524	32,519

6) Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

	2020			2019			
	Total allocated	Core Activities	Projects	Total allocated	Core Activities	Projects	Basis of apportionment
Cost type	£	£	£	£	£	£	
Management Fee	-	-	-	37,548	27,538	10,010	Proportion of expenditure
Travel	-	-	-	2,973	2,180	793	Proportion of expenditure
Miscellaneous	-	-	-	9	7	2	Proportion of expenditure
Finance Services Fees	-	-	-	-	-	-	Proportion of expenditure
Governance Costs	9,749	9,534	215	5,550	4,070	1,480	Proportion of expenditure
Total	9,749	9,534	215	46,080	33,795	12,285	

Governance costs	£
Auditors remuneration	9,250
Trustee Indemnity	387
Insurance	
Trustee Expenses	112
	9,749

Auditor's Remuneration

The auditors remuneration consisted of an audit fee of £8,646 (2019: £7,528). No other services were provided by the auditor

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2020		Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2019
	£	£	£	£		£	£	£	£
Core activities	220,052	53,134	153,749	426,935		139,949	139,863	4,610	284,422
Projects	9,624	219	0	9,843		32,307	12,697	20,237	65,241
	229,676	53,353	153,749	436,778		172,256	152,560	24,847	349,663

Direct costs for the period ending 31 December 2020 and higher than the previous year as some costs that have previously been identified as support costs have been reallocated as Direct Costs

8) Employee costs

The Trust seeks to ensure that all colleagues are fairly rewarded for the work that they undertake. All colleagues are appointed to a role cluster and level that is appropriate to the content of their role. Each role cluster and level have specific salary bands.

No employee of the Trust has an annual salary in excess of £60,000.

The average number of colleagues employed by the Trust was:

	2020	2019
Full time	5.3	4.8
Part time	1.8	1.1
	<u>7.1</u>	<u>5.9</u>
Full time equivalents	<u>6.77</u>	<u>5.92</u>

The costs incurred in respect of these employees were:

	2020	2019
Salaries and wages	195,405	146,333
Social security	16,301	9,007
Pension	17,199	12,289
Other	792	4,627
	<u>229,697</u>	<u>172,256</u>

During the period in question the Trust made use of the government backed Coronavirus Job Retention Scheme.

Key Management Personnel

The Trust considers its key management personnel to be the Trustees and the Co-operative Heritage Trust Manager who was appointed in May 2017.

	2020	2019
Salaries and wages	50,912	25,617
Social security	5,521	2,649
Pension	3,950	2,049
	<u>60,384</u>	<u>30,315</u>

9) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £111.51 (2019:£nil) was incurred in respect of Trustee Expenses for David Stanbury.

10) Tangible Fixed Assets

	IT Equipment £	Plant, fixtures and fittings £	Total £
Cost			
12 October 2019	11,324	293,505	304,829
Additions	2,585	-	2,585
31 December 2020	13,909	293,505	307,414
Depreciation			
12 October 2019	2,785	116,832	119,617
Charge for the year	3,563	25,074	28,637
31 December 2020	6,348	141,906	148,254
Net book value at 12 October 2019	8,539	176,673	185,212
Net book value at 31 December 2020	7,561	151,599	159,160

11) Heritage Assets

Under FRS 102, Heritage Assets should be valued at cost or valuation. However, such assets can be exempt from capitalisation if the costs of obtaining a valuation significantly outweigh the benefit or there is no reliable cost information available. Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them, but the vast array of archive collections and museum artefacts were donated and have not been valued within these accounts.

The assets of the Trust consist of a substantial archive collection (National Co-operative Archive) which is home to a wide array of records relating to the history of the worldwide co-operative movement. The collections include rare books, periodicals, manuscripts, films, photographs and oral histories, and provide researchers with an unrivalled resource for the development of the co-operative movement, from the initial ideas of the eighteenth century to the present day. The Archive has been deemed a Designated Collection by Arts Council England. Designation sets out to identify nationally significant cultural assets in museums, libraries and archives and sets out to raise standards across the sector. Designated collections recognised by the Scheme are expected to work towards the provision of high-quality services, which deliver the fullest possible access to their collections.

In 2016 the Robert Owen Collection was put on the UNESCO UK memory of the world register as a significant collection in the history of the UK.

In accordance with FRS102 the Trustees have determined that the 31 Toad Lane Premises of the Rochdale Pioneers Museum are the principal heritage asset, being globally recognised as the birthplace of the modern co-operative movement and as such have a significance and unique heritage qualities of indefinite life and are therefore not depreciated. The cost of the Museum comprises the original valuation upon the creation of The Co-operative Heritage Trust together with the cost of renovation and improvement of the premises completed in 2012.

The Trustees have determined that the external access works to the premises completed in 2012 should be depreciated over its expected life of 100 years. The external access tower is valued at the cost of its construction.

	Buildings: Rochdale Pioneers Museum £	Buildings: External Access Tower £	Artefacts	Total £
<u>Cost</u>				
12 October 2019	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2020	614,456	847,157	1,121	1,462,734
<u>Depreciation</u>				
12 October 2019	-	23,298	-	23,298
Charge for the year	-	11,148	-	11,148
31 December 2020	-	34,446	-	34,446
 Net book value at 12 October 2019	 614,456	 823,859	 1,121	 1,439,436
Net book value at 31 December 2020	614,456	812,712	1,121	1,428,289

12) Fixed Asset Investments

	£
12 October 2019	1,843,406
Divestments	(215,000)
Investment gain/(loss)	215,061
31 December 2020	<u>1,843,467</u>

The investments represent funds placed in a Sustainable Diversified Fund with Royal London Asset Management. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 17 for further details

13) Debtors

	2020	2019
	£	£
Trade debtors	2,750	360
Accrued Income	11,504	9,373
Other debtors	70	206
Prepayments	2,661	5,499
	<u>16,984</u>	<u>15,438</u>

14) Stock

	2020	2019
	£	£
Goods for resale	10,047	10,562
	<u>10,047</u>	<u>10,562</u>

15) Creditors

	2020	2019
	£	£
Trade creditors	13,805	319
Project creditors	12,544	34,751
Accruals	11,264	7,595
Deferred income	1,327	4,990
Other creditors	3,931	-
Loan repayment due in less than 1 year	3,150	-
	<u>46,021</u>	<u>47,655</u>

16) Deferred Income

Deferred income comprises of income received by the Trust in 2020 for activities taking place in 2021.

	£
Balance at 12 October 2019	4,990
Amounts released to income earned from charitable activities	(4,990)
Amount deferred in period	1,327
Balance at 31 December 2020	<u><u>1,327</u></u>

17) Creditors: Amounts falling due after more than one year

During the year a Bounce Back Loan was taken out under the government scheme. The terms of the scheme are as follows:

Repayment Terms: 72 months from the drawdown date

Interest rate: 2.5% per annum (fixed for the period of the loan)

There are no repayments required during the first 12 months of the agreement.

	2020 £	2019 £
Co-operative Bank Bounce Back Loan	<u>35,500</u>	<u>-</u>
	<u><u>35,500</u></u>	<u><u>-</u></u>
Amounts falling due in less than 1 year	3,150	
Amount falling due after more than 1 year	32,350	

18) Charitable Funds

	Balance at 12 October 2019 (restated)	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2020
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	215,061	(215,061)	2,896,161
	3,146,161	-	-	215,061	(215,061)	3,146,161
Restricted Funds:						
Arts Council (Resilience)	(919)	-	-	-	919	-
HLF Young Roots	-	18,171	(18,171)	-	-	-
AIM	-	6,134	(6,134)	-	-	-
	(919)	24,305	(24,305)	0	919	0
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	-	146,652	(412,518)	-	214,142	(51,724)
	326,960	146,652	(412,518)	-	214,142	275,236
Total Charitable Funds	3,472,202	170,957	(436,823)	215,061	-	3,421,397

2020 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
	£	£	£	£
Tangible assets	159,160	-	-	159,160
Fixed asset investments	-	-	1,843,467	1,843,467
Heritage assets	125,595	-	1,302,694	1,428,289
Current assets	68,852	-	-	68,852
Current liabilities	(46,021)	-	-	(46,021)
Non-current liabilities	(32,350)	-	-	(32,350)
	275,237	-	3,146,161	3,421,397

2019 comparative restated

	Balance at 1 January 2019	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 11 October 2019
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,638,374	-	-	334,027	(76,240)	2,896,161
	2,888,374	-	-	334,027	(76,240)	3,146,161
Restricted Funds:						
Arts Council (Resilience)	427	-	(1,346)	-	-	(919)
	427	-	(1,346)	-	-	(919)
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	151,165	120,912	(348,317)	-	76,240	-
	478,125	120,912	(348,317)	-	76,240	326,960
Total Charitable Funds	3,366,926	120,912	(349,663)	334,027	-	3,472,202

2019 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019
	£	£	£	£
Tangible assets	185,212	-	-	185,212
Fixed asset investments	-	-	1,843,406	1,843,406
Heritage assets	137,600	(919)	1,302,755	1,439,436
Current assets	51,803	-	-	51,803
Current liabilities	(47,655)	-	-	(47,655)
Non-current liabilities	-	-	-	-
	326,960	(919)	3,146,161	3,472,202

*Toad Lane Museum Fund: This is a permanent endowment fund where the assets must be held permanently by the charity. The fund relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

** Co-operative Group Fund: This is an expendable endowment fund invested in order that the interest and gains arising can be used to support the Heritage Trust in the furtherance of charitable objects. The Trustees reserve the right to release funds from the expendable endowment for strategic purposes, which is in accordance with the Memorandum of Understanding between The Co-operative Group and the Trust.

*** Restricted Funds: These are funds received for undertaking an activity specified by the donor.

19) Analysis of cash and cash equivalents

	At 12 October 2019	Cash flows	At 31 December 2020
Cash at bank and in hand	25,804	16,016	41,820
Total cash and cash equivalents	25,804	16,016	41,820

20) Contingent Liabilities and Capital Commitments

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

21) Merger disclosures

The Co-operative Heritage Trust CIO (registered charity number 1179727) merged with the Co-operative Heritage Trust (registered charity number 1121610) on 12 October 2019. The objects of both charities are the same.

Analysis of principal SoFA components for the current reporting period

	Co-operative Heritage Trust CIO (pre- merger)	Co-operative Heritage Trust (pre-merger)	Charity (post merger)	Combined Total
Total income	-	-	170,957	170,957
Total expenditure	-	-	436,823	436,823
Net income/(expenditure)	-	-	(265,866)	(265,866)
Other gains / (losses)	-	-	215,061	215,061
Net movement in funds	-	-	(50,805)	(50,805)

Analysis of principal SoFA components for the previous reporting period

	Co-operative Heritage Trust CIO	Co-operative Heritage Trust	Combined Total
Total income	-	120,912	120,912
Total expenditure	-	349,663	349,663
Other gains / (losses)	-	334,027	334,027
Net income/(expenditure)	-	105,276	105,276
Total funds brought forward	-	3,366,926	3,366,926
Total funds carried forward	-	3,472,202	3,472,202

Analysis of net assets at the date of merger

	Co-operative Heritage Trust CIO	Co-operative Heritage Trust	Combined Total
Net assets	-	3,472,202	3,472,202
<i>Represented by:</i>			
Unrestricted funds	-	326,960	326,960
Restricted funds	- -	919	919
Endowment Funds	-	3,146,161	3,146,161
Total funds	-	3,472,202	3,472,202

22) Related Party Transactions

The following are related party transactions, as defined by FRS102, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £1,670 and £1,666 were payable to and receivable from the College. At 31 December 2020 the balance owed to the College was £nil and owed from the College was £nil.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The amount receivable from The Co-operative Group for services provided was £259. The amount outstanding at year end was £42. The Co-operative Group also provided donations of £15,000.

c. Co-operatives UK

Co-operatives UK is one of the founding members of The Co-operative Heritage Trust. The amount receivable from Co-operatives UK in the year was £nil.

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services, Finance services and HR services. The amounts payable in the year relating to these services was £70,217. The amount outstanding at year end was £3,338.

d. Trustees

The trustees received no remuneration or expenses in the performance of their duties. There were no related party transactions with the Trustees during the year.

23) Prior Period Adjustment

During the period ended 31 December 2020 the following adjustments have been identified which require a restatement of prior period results

	Restricted £	Unrestricted £	Endowment £	Total £
Reserves previously stated at 1 January 2019	327,387	151,165	2,888,374	3,366,926
New Pioneers Fund reclassified from restricted to unrestricted	(326,960)	326,960	-	-
1 January 2019 reserves restated	427	478,125	2,888,374	3,366,926
Surplus/(Deficit) for the period to 11 October 2019 as previously stated	(1,346)	(151,165)	257,787	105,276
11 October 2019 reserves as previously reported	326,041	-	3,146,161	3,472,202
11 October reserves restated	(919)	326,960	3,146,161	3,472,202

New Pioneers Fund

This restatement has been made as during the period the restricted on the New Pioneers Fund was reconsidered. The original appeal letter for this fund stated that the funds raised would be used to support the ongoing running costs of the National Co-operative Archive and the Rochdale Pioneers Museum. These costs are incurred in supporting the charitable object, therefore making the fund unrestricted.



**CO-OPERATIVE
HERITAGE TRUST**

Audit Management Letter

Co-operative Heritage Trust
Period ending 31 December 2020

[Issued: 14 May 2021]

**BEEVER
AND
STRUTHERS**

CHARITIES



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Introduction

Our audit of the financial statements of the Co-operative Heritage Trust (The Charity) is now substantially complete. The purpose of this letter is to bring to your attention the findings from our audit of the financial statements of the Co-operative Heritage Trust (the charity). We appreciate that you will already be aware of the majority of the matters contained in this letter.

To comply with the provisions of the International Standard on Auditing (ISA) 260 – ‘Communication of Audit Matters with those Charged with Governance’ we report to management on the findings of our audit, with particular reference to:-

- views about the qualitative aspects of the Charity’s accounting practices and financial reporting.
- the letter of representation.
- unadjusted misstatements.
- matters specifically required by other Auditing Standards to be communicated to those charged with governance (such as fraud and error).
- expected modifications to the auditor’s report.
- material weaknesses in the accounting and internal control systems.
- any other relevant and material matters relating to the audit.

We also take this opportunity to confirm our professional integrity, objectivity and independence.

We see effective communication with the Board as being a key part of our audit, and it is important that there is effective two way communication. We welcome any feedback or questions regarding the conduct of the audit process.

This report is not intended to cover every matter which came to our attention during the audit. We do not accept any responsibility for any reliance placed on it by third parties. Our procedures are designed to support our audit opinion and cannot be relied upon to identify any weakness in systems or controls which may exist.

We would like to take this opportunity to formally record our appreciation for the assistance and co-operation provided to us by the Finance Team who assisted us during the course of our audit.

BEEVER AND STRUTHERS

Date:

Key Audit Issues

Audit Issue from Audit Plan	Audit Procedures
Assessment of Fraud Risk ISA 240 “The Auditor’s responsibility to consider fraud” requires us to consider the risk of fraud and the impact that this has on our audit approach. There is a presumed significant risk of fraud in two areas: Revenue Recognition: material misstatements due to fraudulent reporting often result from an overstatement of revenues, for example through premature revenue recognition or recording fictitious revenues. The auditor therefore presumes that there are risks of fraud in revenue recognition and considers which types of revenue may give rise to fraud risks. Management Override: under ISA 240 there is a presumed risk of management override of the system of internal controls. Material misstatements can arise from management overriding the controls which are in place or by manipulating the results to achieve targets and the expectations of the stakeholders.	Our audit is designed to provide reasonable assurance that the accounts are free from material misstatement whether caused by fraud or error. We, in particular, reviewed revenue recognition and management control override. At the audit visit we: - Assessed and tested the controls over grants and other material sources of income; - Assessed and tested the controls over cash and debtors and the segregation of duties in place; - Reviewed and tested manual journals and accounting estimates. - Tested the cut off of income; - Reviewed any journals raised after the management accounts for the period ended 31 December 2020 were produced; and - Considered the manipulation of the financial results through the use of journals and management estimates, such as provisions and accruals. Our work in this area was concluded satisfactorily.
Integrity of non-financial information A number of disclosures included in the statutory financial statements are not derived from the Charity’s financial reporting system All related party transactions, regardless of size, must be disclosed in the financial statements.	We checked Companies House and Charity Commission records. Any business interests identified as part of this work were searched on the accounting system to identify transactions. The related party transactions disclosure note was updated to include details of what was purchased and sold to each of the related parties. The disclosure of the related party transactions with Co-ops UK was updated to include an additional transaction of £3,400. The above identified issues are noted in the adjustments summary on page 8. Our work in this area was concluded satisfactorily.
Valuation of Investments Investments are high value and there have been significant movements in the period; there is therefore a risk of incorrect valuation of investments.	At the audit visit we: - Reviewed fair value measurements and disclosures including the calculation of net gains on investments. - Agreed period end balances and movement in the period to confirmations from third party investment managers. Our work in this area was satisfactory

Key Audit Issues

Audit Issue from Audit Plan	Audit Procedures
Fund accounting There is a risk that income and expenditure may be incorrectly allocated to restricted, endowment and unrestricted funds..	We reviewed a sample of source documentation for the charity's income streams and corroborated the fund allocation within the financial statements. Our work on expenditure considered the type of fund that the sampled expenditure items had been allocated to, ensuring the expenditure in line with any terms attached to the associated funding. The New Pioneers Fund totalling £326,960 was transferred out of restricted funds into unrestricted funds in the draft accounts provided for audit. Discussions with management found that the transfer was due to the original classification as restricted being incorrect. We viewed an original letter sent to prospective donors and confirm that the letters request funds to support the core activities of the charity. As such, we conclude the re-classification to unrestricted funds is correct. As this is the correction of a material error, we confirmed to management that the change should be presented as a prior period adjustment as opposed to a transfer of funds Our sample testing of grant income identified that the HLF Young Roots grant agreement included a series of specific items the monies could be spent on. In the draft accounts presented for audit, these monies were classed as unrestricted. We discussed with management our findings above and agreed that the monies should be classed as restricted in the financial statements. £18,171. Further, our sample testing of grant income identified that the AIM grant of £6,134 was received specifically to fund room configuration changes at the museum as detailed in the grant agreement. In the draft accounts presented for audit, these monies were classed as unrestricted. We discussed with management our findings above and agreed that the monies should be classed as restricted in the financial statements The above identified issues are noted in the adjustments summary on page 8. Our work in this area was concluded satisfactorily.

Key Audit Issues

Audit Issue from Audit Plan	Audit Procedures
Revenue recognition Project income represents a significant proportion of the Charity's income. The charity also receives donations for museum admission and investment income.	Donations income in respect of corporate donations was tested on a sample basis, selecting from the list of annual donors. Core activities income in respect of museum entrance fees and sales was sample tested, selecting from source records e.g. till receipts and agreed to transactions in the accounting system. A sample of grants were selected from initiating records and agreed to transactions in the accounting system. Investment income was sample tested using the Royal London reports and tracing these amounts through to the accounting system. The cut off procedures on a sample of items of income, and procedures for monitoring and reporting on compliance with any conditions/outcomes were reviewed. Our work in this area was concluded satisfactorily.
Going concern The charity has generated a material loss for the current and comparative periods before accounting for investment gains. We will require evidence to support the charity's ability to resource its activities in the foreseeable future.	We require the financial forecasts to complete our work in this area as noted on page 7. Our work in this area is ongoing.
Transfer of unincorporated charity to Community Interest Organisation The transfer has been reviewed by the Accountant and confirmed that the criteria for merger accounting apply. We will check that merger accounting has been applied correctly and that the disclosures required by the Charity SORP have been included in the financial statements.]	Review of the transactions processed in the financial statements found that merger accounting had been correctly applied. The disclosures required by the charity SORP in respect of mergers were made in full and were accurate. Our work in this area was concluded satisfactorily.

Independence

Ethics and Independence

In the UK and Ireland, auditors are subject to the ethical requirements of the Financial Reporting Council's Revised Ethical Standards for Auditors 2019.

International Standard on Auditing (UK and Ireland) 260 *Communication with those Charged with Governance* and good practice require us to confirm the following to those charged with governance:

- Details of all relationships between the auditor and the client.
- Total fees charged for the provision of other services.
- Related safeguards in place to eliminate identified threats to independence.
- Confirmation that the auditor complies with Ethical Standards.

The Trustees should take an active role in considering whether the external auditor's independence might be impaired by the provision of non-audit services.

Non Audit Services

We provided no non audit services to the Charity in relation to the 2019/20 financial period.

Independence Declaration

We confirm that:

- We are not aware of any personal or professional relationships between Beever and Struthers and the Charity.
- We have not undertaken any non-audit services for the Charity in the period.
- We therefore conclude that we comply with Ethical Standards and in our opinion the firm is independent within the meaning of regulatory and professional requirements and the objectivity of the engagement partner and the audit staff is not impaired.

Qualitative aspects of Accounting Practices & Financial Reporting

Accounting Policies

FRS102 requires that entities should review their accounting policies regularly to ensure that they are appropriate to its particular circumstances for the purposes of giving a true and fair view. The Board plays a key role in this process.

We have reviewed the Charity's accounting policies as stated in the financial statements in detail and confirm that we judge them to be appropriate to provide relevant, reliable, comparable and understandable information.

Accounting Estimates

Key accounting estimates in the financial statements concern depreciation rates, the valuation of heritage assets and accrued and deferred income. We confirm that estimates have been made appropriately in line with our knowledge of the Charity and the industry, and are disclosed satisfactorily in the financial statements.

Financial Statement Disclosures

We confirm that we judge the disclosures throughout the financial statements to be neutral, consistent and provide sufficient clarity to the user.

Significant Matters Arising from the Audit

There were no significant matters arising from the audit that were discussed, or subject to correspondence with management, other than matters noted within this report.

Significant Difficulties Encountered During the Audit

There were no significant difficulties encountered during the audit.

Timing of Transactions

Our audit work confirmed that material transactions were recorded in the correct accounting periods. Accruals and prepayments were made for material items.

Going Concern

The financial statements have been prepared on a going concern basis. To undertake our review and form our conclusions in respect of going concern we require Trustees' assessment of the Charity's ability to continue as a going concern, including copies of the financial forecasts for a period of at least 12 months from the date the accounts are signed, as noted on page 7.

Board Report

We reviewed other information in the Trustees' Report within the financial statements. We confirmed that there is no material inconsistency between it and the financial statements.

Management Representation Letter and Audit Opinion

Management representation Letter

In accordance with ISA 580, we obtain written representation from management that they acknowledge their responsibility for preparing the accounts and have made all information available to us.

We will present the management representation letter for signing along with the accounts. The management letter includes the following specific representations:

- All the requisite rules and procedures of the Coronavirus Job Retention Scheme (CRJS) have been adhered to when furloughing staff.
- CJRS claims were not submitted for employees who undertook work during the period to which the claims related.

Audit Opinion

We expect to provide an unqualified audit opinion on the financial statements for the period ending 31 December 2020, subject to satisfactory resolution of the following items:

- Going concern review – we require a 12 month financial forecast, including cashflows to complete our work in this area.
- Updated set of accounts incorporating the amendments fed back via email on 14 May 2021.

At the date of signing the accounts:

- Signed letter of representation.
- Update of post balance sheet events and going concern procedures to date of signing – copies of any post period end Board and Committee minutes, latest available financial information at the point of sign off, along with a 12 month financial forecast (including cashflow) from this date are required to complete this work.

Our audit work is based upon an assessment of materiality to ensure there is no material misstatement contained in the financial statements. In assessing materiality we take into account both the materiality of the class to which the balance belongs and the overall impact of the balance on the income and expenditure account and balance sheet.

ISA 260 requires us to report to management on all uncorrected misstatements identified during the audit, and to include in this report how we have calculated materiality, and any misstatements identified during the audit which have been corrected.

We are not required to report on corrected or uncorrected misstatements we believe are clearly trivial.

Materiality

Our assessment of materiality was based on the first draft accounts received prior to the audit and calculated using a proportion of expenditure, being 3%. This gave a materiality threshold of £13,061. Triviality is set at 5% of materiality, and as such was £651.

Corrected Misstatements

Trustees report

- A reserves policy was added to the Trustees report as a result of our disclosure check of this.

Fund classifications - Further details are provided on page 3, Fund Accounting risk.

- The New Pioneers Fund totalling £326,960 was transferred out of restricted funds into unrestricted funds in the draft accounts provided for audit. As this is the correction of a material error, we confirmed to management that the change should be presented as a prior period adjustment as opposed to a transfer of funds..
- HLF Young Roots grant income of £18,171 was reclassified as restricted funds from unrestricted funds in the financial statements.
- AIM grant income of £6,134 was reclassified as restricted funds from unrestricted funds in the financial statements.

Disclosure amendments

- Related party transactions disclosure note was updated to include details of what was purchased and sold to each of the related parties.
- The disclosure of the related party transactions with Co-ops Uk were updated to include an additional transaction of £3,400.
- The ageing of Bounce Back loan was reflected in the creditors disclosure notes – i.e. balance due in less than one year was disclosed as such.

Uncorrected misstatements

Errors in balances

- Testing of Assets identified a number of assets that had not been depreciated. Approximately £3,350 of depreciation should have been charged to these assets over the 15 months
- Two trade creditors that were paid prior to the year end are included in trade creditors balance - £4,250.
- The Prior year audit accrual has not been released. This amounts to £1,354

The combined impact of the above uncorrected misstatements is below the materiality threshold and as such, do not affect the True and Fair view of the financial statements.

Accounting & Internal Control Systems

We have tested the systems of internal financial control to the extent that we intended to place reliance on them in forming our audit opinion on the accuracy of the figures in the financial statements. Our audit work enabled us to place substantial reliance on the operation of key controls, as planned.

ISA 260 requires that we report to those charged with governance any material weaknesses in internal control that we identify in the course of our audit work. A material weakness is one that could adversely affect the Charity's ability to record, process, summarise, and report financial or other data so as to result in a material misstatement in the financial statements.

- **Payroll reconciliations**

Payroll reconciliations have not been performed since the management agreement with Co-Operative College ceased. We recommend that a payroll reconciliation (Gross to Gross) is prepared and reviewed in advance of the authorisation of the payroll BACs run on a monthly basis.

- **Coronavirus Job retention Scheme (CJRS)**

During the financial period the UK Government has enabled organisations to reclaim certain proportions of employees' wages as long as they were placed on 'furlough' leave for the relevant period through the CJRS scheme.

During the course of Auditing CJRS claims source records needed to be recreated by the management team as underlying records supporting the claims made had not been retained. In the recreated records a total error of £574 was identified, relating to an overclaim in July and an underclaim in September when comparing the recreated records to the amounts claimed from the scheme in those months.

Sample testing of the claims for 4 employees, each in a single month, identified a total error of £64.10.

Due to the above identified errors we recommend that the CJRS claim calculations are reviewed in detail to identify any further issues.

- **Stock**

Review of the Charity's insurance policy identified that stock is under insured by £6461

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**BEEVER
AND
STRUTHERS**

CHARTERED ACCOUNTANTS
AND BUSINESS ADVISORS

