

**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 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 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 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 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
<p>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:</p> <p>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.</p> <p>Management Override: under ISA 240 there is a presumed risk of management override of the system of internal controls.</p> <p>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.</p>	<p>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.</p> <p>At the audit visit we:</p> <ul style="list-style-type: none"> 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. <p>Our work in this area was concluded satisfactorily.</p>
<p>Integrity of non-financial information</p> <p>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.</p>	<p>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.</p> <p>The related party transactions disclosure note was updated to include details of what was purchased and sold to each of the related parties.</p> <p>The disclosure of the related party transactions with Co-ops UK was updated to include an additional transaction of £3,400.</p> <p>The above identified issues are noted in the adjustments summary on page 8.</p> <p>Our work in this area was concluded satisfactorily.</p>
<p>Valuation of Investments</p> <p>Investments are high value and there have been significant movements in the period; there is therefore a risk of incorrect valuation of investments.</p>	<p>At the audit visit we:</p> <ul style="list-style-type: none"> 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. <p>Our work in this area was satisfactory</p>

Key Audit Issues

Audit Issue from Audit Plan	Audit Procedures
<p>Fund accounting</p> <p>There is a risk that income and expenditure may be incorrectly allocated to restricted, endowment and unrestricted funds..</p>	<p>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.</p> <p>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</p> <p>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.</p> <p>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</p> <p>The above identified issues are noted in the adjustments summary on page 8.</p> <p>Our work in this area was concluded satisfactorily.</p>

Key Audit Issues

Audit Issue from Audit Plan	Audit Procedures
<p>Revenue recognition</p> <p>Project income represents a significant proportion of the Charity's income. The charity also receives donations for museum admission and investment income.</p>	<p>Donations income in respect of corporate donations was tested on a sample basis, selecting from the list of annual donors.</p> <p>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.</p> <p>A sample of grants were selected from initiating records and agreed to transactions in the accounting system.</p> <p>Investment income was sample tested using the Royal London reports and tracing these amounts through to the accounting system.</p> <p>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.</p> <p>Our work in this area was concluded satisfactorily.</p>
<p>Going concern</p> <p>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.</p>	<p>We require the financial forecasts to complete our work in this area as noted on page 7.</p> <p>Our work in this area is ongoing.</p>
<p>Transfer of unincorporated charity to Community Interest Organisation</p> <p>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.]</p>	<p>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.</p> <p>Our work in this area was concluded satisfactorily.</p>

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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CHARTERED ACCOUNTANTS
AND BUSINESS ADVISORS

