

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**
**Annual Report and Accounts for the period ended 31 December
2021**

Registered Charity Number 1179727

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Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: 1 Angel Square
Manchester
M60 1AG

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

Trustees:	Mervyn Wilson (Chair)	
	Laura Bailey	
	Wendy Carter	Resigned 7 April 2022
	Nicholas Crofts	Resigned 21 May 2021
	Paul Gerrard	
	Edward Powell	Appointed 21 May 2021
	Katherine Lynch	
	Tanya Noon	
	Heather Roberts	
	Cilla Ross	Resigned 21 May 2021
	Nina Valvi	Appointed 21 May 2021
	Nigel Todd	Passed away 26 March 2021
	Anthony Webster	Appointed 21 May 2021

Secretary:	Edward Powell c/o The Co-op 1 Angel Square Manchester M60 1AG
Bankers:	Co-operative Bank Plc Balloon Street Manchester M60 4EP
Investment Managers:	Royal London Asset Management 55 Gracechurch Street London EC3V 0RL
External Auditors:	Beever and Struthers Chartered Accountants and Registered Auditors Suite 9B The Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS

Structure, Governance and Management

Status and Charity Number

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

Governing Document

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

Trustees and Officers

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

All interim trustees resigned from their interim roles on 20th February 2020 and new trustees were appointed. Under the CIO the three members of the charitable incorporated organisation, being the Co-operative College, Co-operatives UK and the Co-operative Group can nominate up to two trustees each. Nominations are ratified by the other founders. Further, up to five independent trustees may be appointed through recruitment to strengthen the knowledge, skills and experience of the Trust Board, in line with its purposes.

Appointments are ratified by founders.

Recruitment and Training of Trustees

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

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

Organisational Management

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

Public Benefit

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

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

Chair`s introduction

This report of the Co-operative Heritage Trust Charitable Incorporated Organisation; for the period from 1st January to 31st December 2021, covers another challenging year with the Trust having to respond to the ongoing impact of the Covid-19 pandemic. The experience gained in the previous year enabled the Trust to respond more effectively, with a clear focus on safeguarding the heritage assets and financial stability in order that it could rebuild visitor numbers and its engagement through outreach work as soon as conditions permitted.

Throughout the period Trustees met regularly with a small team comprising the Trust Manager, Secretary Chair and Vice Chair operating with delegated responsibility to enable the Trust to respond to the rapidly changing environment. With in-person visits to the Museum and Archive rendered impossible for much of the year, the opportunity was taken to build digital resources to take the Trust collections and core message to beneficiaries through digital channels.

Trustees started to plan for life beyond the pandemic, with a clear focus on widening the range of beneficiaries and securing long term sustainability. Central to this will be developing partnerships in the heritage and co-operative sectors and establishing a more diverse range of income streams. Significant progress was made in these areas in the second half of the year with other exciting ideas under active consideration.

Despite the inevitable loss of income from visitors the income generated from its investments has been sufficient to cover operational losses. Building on the partnerships and new income streams is now essential so that the value of the investments is not slowly eroded - remaining a key strength of the Trust.

The report that follows illustrates how the Trust has responded to the many challenges of the last year and continued to safeguard and provide access to its collections. That effective response has only been possible with the support of the founders, colleagues, volunteers and fellow Trustees. My special thanks are recorded to Liz McIvor, Trust Manager who has been at the forefront of these many challenges, Ed Powell who has continued to serve as Secretary to the Trust whilst new arrangements are explored, and Emma Willder from Beyond Profit who continues to provide financial support and advice.

This is the final time I will personally write the introduction to the report as I will be standing down as a Trustee at the AGM. It has been a privilege to serve as a Trustee since the foundation in 2007 and to witness the achievements and progress in the years that followed. I am confident that CHT will continue to grow and prosper and wish it every success for the future.

Mervyn Wilson

18 May 2022.

Trustee's Annual Report

Review of the period 1st January to 31st December 2021

The following report details the way in which the Trust has operated, reflecting the continued impact of the Covid-19 pandemic on all strategic and operational considerations in the period under review including the return to normal operations in the third quarter of 2021.

The board recognises that the period has been marked by continued disruptions and a level of uncertainty affecting the heritage sector, from ways in which staff can carry out their day to day activities to the business plan and long term financial sustainability of the charity.

Objects and Activities

Charitable Objectives

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

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

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

The activities of the Trust work towards two key outcomes:

The Trust in the Covid-19 Pandemic

It was recognised that a return to normal operations in January of 2021 would not be possible due to a third National Lockdown announced at the close of 2020. At this time, Greater Manchester was already under Tier 3 restrictions which prevented the museum and archive from being open to the general public (although some staff were permitted to perform necessary work on site).

Preparations were initially put in place to re-open Rochdale Pioneers Museum in May of 2021 but stringent public health measures, the extension of the Coronavirus Job Retention Scheme at a higher level of support as well as a reduction in public confidence to return to leisure venues, forced the board to delay the re-opening of both museum and archive to the public until June. Staff remained in flexible furlough - gradually increasing to regular contracted patterns in July. The museum re-opened fully on Saturday 3rd of July, although visitor numbers and income generating activities were slow to recover and further hampered by the emergence of new variants of concern in the Spring and Autumn of that year.

During the continued disruption to business as usual it has been necessary to continue to protect the assets of the Trust to ensure long term sustainability by using the business contingency plan written in 2020. The Trust Board continued to meet digitally and rely on a smaller working group to respond quickly to changes in government policy, address immediate operational needs, make adjustments to the risk register and protect the well-being of staff and users.

By working in this way, the Trust has remained agile and flexible in facing the challenges of safeguarding the unique collections in a fast-changing external environment to minimise losses and identify opportunities to protect investments such as the Government guaranteed 'Bounce Back' loan through the Co-operative Bank at a low rate of interest (repaid in full at the close of the year). Financial support was available through HMRC, grants based on rateable relief status from Rochdale Borough and Manchester City Councils and from public body heritage funders.

During the period, the Archive reading room was subject to a short-term rent reduction to reflect an inability to use public space from April to the end of the CJRS on 30th September and the Board have requested a future rent review from landlords Co-operatives UK in light of ongoing financial constraints and perceived needs for the future use of space.

Charitable Objectives:

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

Following the award of full Museum Accreditation status in March of 2020; recommendations made for the four-year period prior to re-submission.

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

In order to develop a strategy for future archival collecting, it is recognised that there are severe limitations on the future use of Holyoake House in terms of archival storage as the working environment has changed and the building may no longer be able to operate according to the current business model for the long term. Scoping work carried out in 2021 and 2022 will lead the strategy for the building and during the period, the Trust began to review options for a combined approach to collections storage in partnership with organisations in Rochdale. In order to prepare for potential changes, improve the visibility of collections within the movement and for a wider audience as well as be able to expand holdings through active collecting; storage will continue to be a primary focus for the Trust in the coming years.

During the period, access to external stores in Rochdale was severely limited due to the working patterns of YourTrust staff (formerly Link4Life) as well as the capacity of the trust's reduced staff team. Although the Trust Manager was able to attend both archive and museum sites as a keyholder for essential maintenance as well as to provide digital services, external stores could not be accessed which has delayed progress on collections management as well as preparations for upgrading of storage facilities.

The Trust has had to adapt plans and targets for engagement in light of the ways in which societal norms have been affected by the pandemic and to consider what this means for the future work of the Trust. Throughout the period, resources and delivery has been adapted to be delivered online and across social media platforms as well as expanding the education and outreach offer. Divisions and inequalities in the UK and across the world have been exacerbated by the pandemic and the heritage sector has responded to calls to change the ways in which it represents and interprets people who have traditionally been marginalised as a result of protected characteristics such as colour, race, identity, gender or disability. The Trust committed to examining unconscious bias in interpretation of our heritage which formed part of re-development of spaces at Rochdale Pioneers Museum as well as working to ensure that staffing and governance can be more representative in the future through changes to operational policy and procedures.

Developing community co- production in the heritage sector which must be at the core of the Trust's strategic development going forward and will be programmed into work with collections. The Trust recognises that the use of digital tools in a blended approach to audience development will be significant in widening the range of beneficiaries of the Trust and remaining relevant in the years to come.

2. Creating opportunities to present and interpret our heritage

Outreach in the period: Museum based events and projects:

For the majority of the period, public events and activities in person have been curtailed or delivered through digital or blended engagement.

In order to encourage visitors back to the Pioneers Museum, provision was made to increase fresh air ventilation and enhance cleaning regimes, one-way routes and provision of new guidance for visiting groups and schools. A bequest made from a long-term supporter (who wished to remain anonymous) which enabled the Trust to invest in new furniture for the Museum's Learning Loft in time for the summer re-opening which can be more easily

cleaned and sanitised in order to continue to attract hire and group bookings for events for the generation of supportive income.

Funding to assist re-interpretation was made available through Museums Development North West's '*Healthcheck*' programme based on an audit of museums ability to adapt and prepare for audiences to return to safe and inclusive visiting. This funding enabled the museum to invest in new portable display units for community programming and engagement with collections as well as a family friendly 'play shop' and seating area. The additions were made from recycled materials and packing crates on the museum's second floor in the former temporary exhibition space to encourage dwell time and facilities for a variety of ages and backgrounds to learn about contemporary co-ops as well as retail societies. In addition, the museum is a designated, badged 'safe space' in Rochdale where vulnerable adults can come to ask for assistance from trained staff.

Formal education for adults and young people was delivered through a mix of pre-recorded video content, delivery on site in schools and community venues and a new offer of bespoke in-school workshops. In addition, object loan boxes are now available as an introduction tool for local schools and those further afield through the Co-operative Academies Trust Network for Primary and Secondary Schools. Despite some cancellations of planned activity due to Covid-19, the period has been a successful one for education and the Trust has engaged with 1,544 individual learners.

During the period, as staffing hours were increased, the Trust carefully monitored levels of risk and staff were encouraged to work in smaller groups and remotely in order to avoid disruption. Temporary installation of protective screens and hand sanitiser stations were made permanent in the period in order to enable safer team working for the long term.

Levels of deprivation in the Borough of Rochdale continued to rise during the period of the pandemic. Widening inequalities – particularly in digital access, led to some further partnership work with Rochdale Borough Council to address food and digital poverty affecting residents in the immediate area. Despite reviewing the option to re-instate the Pioneer Pantry food membership scheme which ceased to operate in 2020; this could not be safely re-instated with existing staff - and in the wake of new pantry schemes being set up across the borough, the focus for inclusion was switched to a digital approach with the implementation of a *Mesh* Network. This pilot project uses the Pioneers Museum as a hub from which to beam high speed free broadband signal to local residents within two kilometres for a minimum of three years. The project is a funded co-operative partnership between the Trust, Rochdale Boroughwide Housing, Rochdale Council, Co-operatives UK and Zen Internet which went 'live' for the first users in the College Bank '*Seven Sisters*' tower blocks in December of 2021. The ward benefitting from the project is the most deprived in the borough and recorded as the most deprived ward of Greater Manchester according to the LSOA (Lower-layer Super Output Area statistics. The impact of the digital poverty gap is already being felt in other areas of the UK, and other local authorities are planning to use the results of this pilot in order to implement similar schemes in 2022 and 2023.

Outreach in 2021: National Co-operative Archive

During the period, the ability to use archival sources and images not only to answer traditional research enquiries but to provide services and events online has shown the capacity and future benefit of digitising materials.

Several online presentations have taken place during the year, including those with a larger audience for the *Co-operative Congress 2021* (held as a hybrid event in June at Stretford Public Hall, Manchester) and for the *ICA's Research Conference and International Congress* held in Seoul, Republic of Korea in November. Both events were focused on rebuilding from Covid based on *deepening co-operative identity for the future*.

The Trust has continued to provide a research and enquiries service; blog and article content and produce project content for corporate partners despite the periods of disruption and reduced working hours for staff, including specific education around corporate priorities relating to Black History Month, Member Pioneer inductions and Member content videos in December of 2021 for The Co-operative Group. During the period, remote volunteer transcription on the Holyoake Collection continued until participants were able to return to regular work or study and digital sessions 'Live from Toad Lane' continued to be booked by co-op societies and co-operative party members from the regions. The Archive continues to support a research network for early career co-operators (CORNET) and contribute to a number of other shared programmes from research bids to collaborations with other archives, libraries and interest groups to interpret collections and thematic anniversaries including that of Robert Owen's 250th birthday in May.

Other opportunities

During the period; the Trust explored additional funding opportunities following support gained during restrictions and approached several smaller independent retail societies in order to develop a closer relationship, not just based on supportive funding, but to encourage consideration of data retention and deposit of future records as well as look for ways to engage member audiences. Previous policy had been to encourage local records to be deposited in local record offices. While this may continue to be the case; public sector capacity is reducing and increasingly unable to offer a home to all business records – particularly those subject to mergers outside of geographical borders. Offers of supportive funding were received during the quarter three of the period from Central England Co-operative; Midcounties Co-operative, Chelmsford Star Co-operative, Tamworth Co-operative Society, Heart of England Co-operative and Allendale Co-operative. These were followed by an offer of a percentage of annual surplus from CLIMBS (Co-operative Life and General Insurance of the Philippines) in December of 2021; due to be transferred in 2022.

A proposal was put forward under the New Era agenda to the Co-operative Group by the members (Co-operatives UK, Co-operative College, Co-operative Press and the Co-operative Heritage Trust) based on establishing shared digital platforms and services. This proposal was not approved; although the Trust was then approached by the Communities Team in order to perform a funded scoping exercise on the existing Group – owned collections (deposited 2016) based on corporate priorities for 2022. Funding provided will cover freelance support and essential digitisation equipment to bring existing archival

equipment up to accepted technical standards to take place during the second quarter of 2022.

During the period of closure of the museum and archive sites, a virtual tour was created and filmed as an alternative to a visit for international groups and other users. The content is hosted on demand on the VIMEO platform <https://vimeo.com/ondemand/virtualpioneers2021> covering the early days of the movement and its growth in the UK and is presented by a young British Asian in order to appeal to younger audiences as well as those who cannot travel due to the ongoing impact of the pandemic and to reduce the impact of travel for climate change. During the period, the Trust's business plan included ways in which the charity could minimise its own impact on climate and commit to finding greener ways to source goods and services which will continue to be a feature of strategic and operational planning.

Future Plans

- A strategy session was held in Rochdale in October 2021 based on pre-work done by the board to determine which elements of the current business model must change to improve the position of the Trust over the short and longer term. This would affect Trust policy as well as the review of existing relationships with other organisations, schedule of essential maintenance and the management and roles of staff and volunteers in order to meet our objectives.

An outline was given of the impacts on the sector of Covid-19, losses of income and increased levels of risk as well as the general trends in the behaviour of audiences, the usage of town and city centre spaces, the lack of regional investment resulting in a slower recovery in the Northwest and the impacts of climate change. Trustees were asked to examine former focus of the business plan regarding key assumptions for a period of recovery and rebuilding based on the following areas.

- Strategic Priorities
 1. **Location and long-term collections needs for the Trust:** The board resolved that due to financial limitation and inability to expand holdings, the business plan and strategy over the next 2-3 years must reflect a change in the way the Trust operates. Increased digitisation will be a target of the plan, as will reduction in liability and risk around dual locations, the future of Holyoake House, staffing and the cost of storage. The board resolved to explore partnership opportunities for re-locating stored collections and archival services to Rochdale while prioritising the digitisation of larger bodies of material which might support the business strategy by 2024.
 2. **Financial sustainability:** As reliance on income from investments represents increased risk, the Trust must limit its fixed costs while working to increase income

generated from the sale of goods and services, as member-based income from retail co-operatives and potential legacy donors. The Trust intends to build on local relationships in order to benefit financially from public grants coming into Rochdale as a result of the Creative People and Places funding over three years from Arts Council England, as well as opportunities to develop tourism offers and bespoke content for visitors. The Trust is not able to become a national portfolio organisation for the Arts Council (due to the outputs which would divert from the aims and objectives of the charity), and so should concentrate on commercial partnerships with regional co-operatives develop heritage branded products which can support the Trust. The Board is aware that even if all the targets of the business plan are met, the nature of the charity's operations in the heritage sector means that revenue is unlikely to exceed expenditure.

The ongoing financial liability of operating two geographically separate sites and the operational considerations of staff both sites adequately is an ongoing concern for financial reasons.

3. **Audience development:** The Trust must rebuild local audiences following the pandemic through its events and community programme as well as opportunities to volunteer, while seeking to extend its reach to UK and global co-operative audiences (particularly Young People and those new to co-operatives). Offering a closer digital relationship as well as the opportunity to work in a regional context with partners will add to audience figures which can be calculated differently and extend reach to monetise collections and expertise in order to support the financial strategy. A target for the life of the business plan continues to be to engage with and represent minority audiences and involve them in making changes to the way collections and heritage assets are used in the future. This includes the approach to staffing and the constitution of the Trust board in order to be more representative on People of Colour, Disabled and LGBTQ+.
4. **The role of co-operatives in membership:** The Trust is seeking to develop and enrich its supportive relationships with co-operatives in the UK as well as seek to extend its reach with international co-operatives through digital channels. The Trust has been granted the rights to use 'Rochdale Equitable Pioneers Society' as a trading arm should it choose to do so in the future. Trading as a membership society might be supportive of the Trusts aims and objectives in the future but would rely on the ability to manage membership and provide on-going returns in addition to the reporting of the charity. No resolution was made on how this might be used within the lifespan of the current strategy or business plan although an agreement in principle was made to retain the rights for future use.

Our people

Employees

At the commencement of the year the staffing ratio was 6.4 FTE and at the end of the period had adjusted to 5.9 FTE as a result of changing operational needs as well as changes in personnel's circumstance after returning from furlough leave.

Kate Woodward (Visitor Experience and Operations Co-ordinator FT) resigned in June. The role was amended to be equivalent to existing role of Visitor Experience Officer (PT).

Catherine Jessop (Education and Outreach Officer) returned part time for 21 hours (equivalent to three days per week).

Danielle Sherwood (Visitor Experience Officer) began part time fixed contract employment with the Trust in June.

Rose Bibby (Visitor Experience Officer) began part time fixed contract employment with the Trust in July, replacing James Whittaker.

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

Liz McIvor – Trust Manager

Sophie McCulloch – Archivist

Clare Hirst – Collections Manager

Training and development:

During the period Clare Hirst (Collections Manager) has continued to study Museums and Heritage at MA level with Manchester University and has used periods of furlough leave as well as periodically reduced her working hours through annual leave in order to complete the qualification in 2022.

Sophie McCulloch (Archivist) continued to participate in the *Peer Mentoring Programme* with the National Archives requiring one day per month of digital engagement during the period.

The Trust Manager completed the *Heritage Compass Museums Networking Programme* of which time was funded to £2500. The programme is designed to help cultural organisations review financial risk and develop new business plans as well as reduce financial risk - funded by Business Development England and the Heritage Fund, delivered by Cause4.

Volunteers:

During the period, the Trust was unable to commit to long term volunteering opportunities – particularly during periods of closure and recommendations to limit numbers of people working face to face. At some points of the year, numbers of young people were able to offer short term volunteering to assist with preparations to re-open the museum building, such as repainting and gardening maintenance on Toad Lane in partnership with Rochdale Training Association. The Trust is also grateful for the support of local Co-op Group 'Member Pioneers' who gave their time to volunteer to support events and activities from school holiday programmes to celebrating the anniversary of the Rochdale Pioneers on the 21st of December.

The Trust intends to expand its volunteer base in 2022 in documentation of and engagement with collections and is hopeful that it will be able to return to supporting and supervising student placements from Archival and Heritage training cohorts.

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

Charity Governance Code

The Trustees have not yet adopted the Charity Governance Code due to the significant changes that have impacted on the Trust. However, this is something that the Trustees will review and consider in 2022.

Internal Control

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

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

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

Risk Management

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

- Finance and Funding: diversification of income sources to ensure that in the long term, the Trust is sustainable with less reliance on our investments.
- COVID-19: how this will continue to impact on the re-opening of both the Rochdale Pioneers Museum and the National Co-operative Archive.
- The ongoing costs and limitations of maintaining physical assets across two Greater Manchester locations especially in relation to staffing these sites and offering a full public program in the event of pandemic related interruptions.

Related Party Transactions

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

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

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

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

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

Public Benefit

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

Finance Review

During 2021 the COVID-19 pandemic continued to have an impact on the operations of the charity. However, thanks to some government grants, the furlough scheme and an unexpected legacy the overall result for the year was a positive one with overall funds increasing to £3,436,499

Whilst overall income decreased against the prior period, we increased income from donations and legacies by £17,756 to £40,670. Of this increase £10,050 related to a legacy.

Income from investments also increased over the prior period to £30,987. As expected, there was a decrease in Charitable Activity expenditure.

Expenditure decreased by 27% to £319,218. This was a combination of reduce staff costs due to revised opening hours at the museum and non-replacement of posts coupled with a decrease in other support costs and some rent reductions from our landlord.

During the period we also saw a gain on our investments of £190,123 bringing the overall result for the year to a surplus of £15,102 (prior period a loss of £50,805).

There has been a decrease in the investments held since the end of the financial year, further details of this can be found in note 22.

Investment Policy and Performance against Objectives

In the period the policy of investing in a Sustainable Diversified Fund managed by Royal London Asset Management continued. We saw an investment gain of £190,123.

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

Reserves Policy

The current value of free unrestricted reserves is £147,104. This figure has been calculated as follows:

	£
Unrestricted funds	290,338
Less unrestricted fixed assets	143,234
Free unrestricted reserves	147,104

The Trustees will review their Reserves Policy in 2022 taking a more risk-based approach.

The Trust also holds £3,146,161 in endowment funds. The endowment funds held relates to the Rochdale Pioneers Museum premises at 31 Toad Lane, Rochdale and an expendable endowment funds that is to be invested in order that the interest and gains arising from this is used in the furtherance of the charity's objects.

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

Heritage Assets

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

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

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

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

Going Concern

For the period ending 31 December 2021 the Trust has net current assets of £24,459. Fixed asset investments are liquid enabling the Trust to convert these to cash quickly.

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

Auditor

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

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

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

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

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

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

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

Approved by the Trustees on 18 May 2022 and signed on their behalf by:



M Wilson

Chair of Trustees

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

Opinion

We have audited the financial statements of The Co-operative Heritage Trust "the charity" for the period ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes. The

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

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 21 the trustees are responsible for the preparation of the financial statements and for being

satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

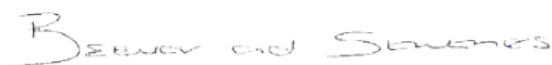
- Discussed the accounting estimates and the calculations behind these such as the depreciation calculation, bad debt provision and bonus calculation.

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

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

Use of our report

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



Suzanne Lomax

Beever and Struthers

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

Beever and Struthers, Chartered Accountants and Registered Auditors

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

Date: 18 May 2022

Statement of Financial Activities for the year ended 31 December 2021

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2021	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2020
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	40,670	-	-	40,670	22,914	-	-	22,914
Charitable Activities	3,4	72,640	-	-	72,640	98,214	24,305	-	122,519
Investments	5	30,987	-	-	30,987	25,524	-	-	25,524
Total		144,297	-	-	144,297	146,652	24,305	-	170,957
Expenditure on:									
Raising Funds		99	-	-	99	45	-	-	45
Charitable Activities	6,7	319,219	-	-	319,219	412,473	24,305	-	436,778
Total		319,318	-	-	319,318	412,518	24,305	-	436,823
Gains/(Losses) on investments		-	-	190,123	190,123	-	-	215,061	215,061
Net income / (expenditure)		(175,021)	-	190,123	15,102	(265,866)	0	215,061	(50,805)
Transfers between funds		190,123	-	(190,123)	-	214,142	919	(215,061)	-
Net movement in funds		15,102	-	-	15,102	(51,724)	919	-	(50,805)
Reconciliation of Funds									
Total funds brought forward		275,236	-	3,146,161	3,421,397	326,960	(919)	3,146,161	3,472,202
Total funds carried forward		290,338	-	3,146,161	3,436,499	275,236	-	3,146,161	3,421,397

The results above relate wholly to continuing activities. The notes on pages 27 to 45 form an integral part of these financial statements.

Balance Sheet as at 31 December 2021

	Notes	Total Funds December 2021 £	Total Funds December 2020 £
Fixed Assets			
Tangible assets	10	143,234	159,160
Heritage assets	11	1,419,816	1,428,289
Investments	12	1,858,590	1,843,467
Total Fixed Assets		3,421,640	3,430,916
Current Assets			
Debtors and prepayments	13	26,035	16,984
Stock	14	5,277	10,047
Cash at bank and in hand		26,965	41,820
Total Current Assets		58,277	68,852
Liabilities			
Creditors: amounts falling due within one year	15	43,418	46,021
Net current assets		14,859	22,831
Total assets less current liabilities		3,436,499	3,453,747
Creditors: amounts falling due after more than one year	17	-	32,350
Total Net Assets		3,436,499	3,421,397
The funds of the charity			
Endowment funds	18	3,146,161	3,146,161
Unrestricted funds	18	290,338	275,236
Total Charitable Funds		3,436,499	3,421,397

The financial statements on pages 25 to 45 were approved by and authorised for issue by the Board of Trustees on 18 May 2022 and were signed on their behalf by:



Mervyn Wilson, Trustee

The notes on pages 27 to 45 form an integral part of these financial statements

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

a

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

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

b Critical accounting judgements and key sources of estimation uncertainty

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

c Income and endowments

All income is recognised when there is an entitlement to the 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 2021.

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

d Expenditure

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

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

e Tangible fixed assets

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

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

f Heritage assets

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

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

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

g Stock

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

h Investments

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

i Allocation of support and governance costs

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

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

j Pension scheme

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

k Tax and VAT

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

l Fund accounting

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

m Operating Leases

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

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

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

2) Income from Donations and Legacies

	2021	2020
	£	£
Donations	30,620	22,914
Legacies	10,050	-
	<u>40,670</u>	<u>22,914</u>

3) Grants

In the year to 31 December 2021 the following grants were received

	Revenue	Capital	Total 2021	Total 2020
	£	£	£	£
Rochdale Council	18,335	-	18,335	12,668
Amount deferred in year	20,364	-	20,364	6,000
Heritage Compass	2,500	-	2,500	-
Museum Development North West	5,500	-	5,500	-
Young Roots	-	-	-	18,171
AIM	-	-	-	6,134
	<u>46,699</u>	<u>-</u>	<u>46,699</u>	<u>42,973</u>

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

The grant from Manchester City Council were received in relation to the closure of the National Co-operative Archive.

4) Charitable Income

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2021
	£		£	£	£
Event income	750	-	5,132	-	5,882
Merchandise and publications	-	-	811	-	811
Projects Income	1,552	-	-	-	1,552
Coronavirus Job Retention Scheme	4,981	5,713	8,226	-	18,920
Miscellaneous	(3,302)	150	1,928	-	(1,224)
	3,981	5,863	16,097	0	25,941

Prior year comparative

	Core	National Co-operative Archive	Rochdale Pioneers Museum	Projects	Total 2020
	£	£	£	£	£
Event income	10	-	4,483	-	4,493
Merchandise and publications	-	-	6,559	-	6,559
Projects Income	-	-	-	15,974	15,974
Coronavirus Job Retention Scheme	43,147	-	-	-	43,147
Miscellaneous	9,373	-	-	-	9,373
	52,530	-	11,042	15,974	79,546

5) Investment Income

	2021	2020
	£	£
Dividends and interest on fixed asset investments	30,987	25,524
	<u>30,987</u>	<u>25,524</u>

6) Allocation of governance and support costs

In the year to 31 December 2021 the following grants were received

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

Proir year comparative

	2020			
Cost type	Total allocated	Core Activities	Projects	Basis of apportionment
	£	£	£	
Governance Costs	9,749	9,534	215	Proportion of expenditure
Total	9,749	9,534	215	

Governance costs	£
Auditors remuneration	7,980
Trustee Indemnity Insurance	359
Trustee Expenses	54
	8,393

Governance and support costs are allocated to each charitable activity stream in proportion to its level of direct expenditure. There was a release of an audit fee accrual from a prior period.

Auditor's Remuneration

The auditors remuneration consisted of an audit fee of £7,980 (2020: £8,646). No other services were provided by the auditor.

7) Charitable expenditure

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2021
	£	£	£	£
Core activities	158,568	46,050	108,484	313,102
Projects	0	595	5,522	6,117
	158,568	46,645	114,006	319,219

	Staff Cost	Governance & Support Costs	Other Direct Costs	Total 2020
	£	£	£	£
	220,052	53,134	153,749	426,935
	9,624	219	0	9,843
	229,676	53,353	153,749	436,778

8) Employee costs

In the year to 31 December 2021 the following grants were received

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

The average number of colleagues employed by the Trust was:

Amount deferred in year

	2021	2020
Full time	5.1	5.3
Part time	1.8	1.8
	<u>6.9</u>	<u>7.1</u>
Full time equivalents	<u>5.63</u>	<u>6.77</u>

The costs incurred in respect of these employees were:

	2021	2020
Salaries and wages	136,175	195,405
Social security	7,583	16,301
Pension	12,793	17,199
Other	2,817	792
	<u>159,368</u>	<u>229,697</u>

Key Management Personnel

The Trust considers its key management position to be that of the Co-operative Heritage Trust Manager who was appointed in May 2017. The comparative year figures are from 12 Oct 2019 to 31 Dec 2020.

	2021	2020
Salaries and wages	42,000	50,912
Social security	4,578	5,521
Pension	3,360	3,950
	<u>49,938</u>	<u>60,384</u>

During the period in question the Trust made use of the government backed Coronavirus Job Retention Scheme.

9) Trustee Remuneration

The trustees received no remuneration for the performance of their duties. During the year £54.20 (2020:£111.51) was incurred in respect of Trustee Expenses.

10) Tangible Fixed Assets

	IT Equipment £	Plant, fixtures and fittings £	Total £
<u>Cost</u>			
01 January 2021	13,909	293,505	307,414
Additions	-	12,233	12,233
31 December 2021	13,909	305,738	319,647
<u>Depreciation</u>			
01 January 2021	6,348	141,906	148,254
Charge for the year	3,411	24,748	28,159
31 December 2021	9,759	166,654	176,413
Net book value at 1 January 2021	7,561	151,599	159,160
Net book value at 31 December 2021	4,150	139,084	143,234

11) Heritage Assets

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

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

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

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

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

11) Heritage Assets (continued)

	Buildings: Rochdale Pioneers Museum £	Buildings: External Access Tower £	Artefacts	Total £
<u>Cost</u>				
01 January 2021	614,456	847,157	1,121	1,462,734
Additions	-	-	-	-
31 December 2021	614,456	847,157	1,121	1,462,734
<u>Depreciation</u>				
01 January 2021	-	34,446	-	34,446
Charge for the year	-	8,472	-	8,472
31 December 2021	-	42,918	-	42,918
Net book value at 1 January 2021	614,456	812,711	1,121	1,428,288
Net book value at 31 December 2021	614,456	804,239	1,121	1,419,816

12) Fixed Asset Investments

	£
01 January 2021	1,843,467
Divestments	(175,000)
Investment gain/(loss)	190,123
31 December 2021	1,858,590

The investments represent funds placed in a Sustainable Diversified Fund with Royal London Asset Management. Funds were divested during the year for cashflow purposes and to fund the day to day costs of running the services of the National Co-operative Archive and Rochdale Pioneers Museum. These investments form part of the expendable endowment received from The Co-operative Group - see note 18 for further details

13) Debtors

	2021	2020
	£	£
Trade debtors	11,323	2,750
Accrued Income	8,413	11,504
Other debtors	-	70
Prepayments	6,299	2,661
	<u>26,035</u>	<u>16,984</u>

14) Stock

	2021	2020
	£	£
Goods for resale	5,277	10,047
	<u>5,277</u>	<u>10,047</u>

15) Creditors

	2021	2020
	£	£
Trade creditors	6,813	13,805
Project creditors	10,992	12,544
Accruals	9,969	11,264
Amount deferred in year	9,600	1,327
HMRC	2,880	2,928
Other creditors	3,164	1,003
Loan repayment due in less than 1 year	-	3,150
	<u>43,418</u>	<u>46,021</u>

16) Deferred Income

Deferred income comprises of income received by the Trust in 2021 for activities taking place in 2022.

	£
Balance at 01 January 2021	1,327
Amounts released to income earned from charitable activities	(1,327)
Amount deferred in period	9,600
Balance at 31 December 2021	<u>9,600</u>

17) Creditors: Amounts falling due after more than one year

During the 2020 a Bounce Back Loan was taken out under the government scheme. The terms of the scheme are as follows:

Repayment Terms: 72 months from the drawdown date

Interest rate: 2.5% per annum (fixed for the period of the loan)

Amount deferred in year

	2021 £	2020 £
Co-operative Bank Bounce Back Loan	<u>-</u>	<u>35,500</u>
	<u>-</u>	<u>35,500</u>
Amounts falling due in less than 1 year	-	3,150
Amount falling due after more than 1 year	-	32,350

The loan was repaid in full during the current year.

18) Charitable Funds

	Balance at 1 January 2021	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2021
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	190,123	(190,123)	2,896,161
	3,146,161	-	-	190,123	(190,123)	3,146,161
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	(51,724)	144,297	(319,318)	-	190,123	(36,622)
	275,236	144,297	(319,318)	-	190,123	290,338
Total Charitable Funds	3,421,397	144,297	(319,318)	190,123	-	3,436,499

2021 Analysis of net assets between funds:

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

18) Charitable Funds (continued)

2020 comparative

	Balance at 12 October 2019	Income	Expenditure	Gain on investments	Transfers Between Funds	Balance at 31 December 2020
	£	£	£	£	£	£
Endowment Funds:						
Toad Lane Museum*	250,000	-	-	-	-	250,000
Co-operative Group**	2,896,161	-	-	215,061	(215,061)	2,896,161
	3,146,161	-	-	215,061	(215,061)	3,146,161
Restricted Funds:						
Arts Council (Resilience)	(919)	-	-	-	919	-
HLF Young Roots		18,171	(18,171)	-	-	-
AIM		6,134	(6,134)	-	-	-
	(919)	24,305	(24,305)	-	919	-
Unrestricted Funds:						
New Pioneers	326,960	-	-	-	-	326,960
Revenue reserves	-	146,652	(412,518)	-	214,142	(51,724)
	326,960	146,652	(412,518)	-	214,142	275,236
Total Charitable Funds	3,472,202	170,957	(436,823)	215,061	-	3,421,397

2020 Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
	£	£	£	£
Tangible assets	159,160	-	-	159,160
Fixed asset investments	-	-	1,843,467	1,843,467
Heritage assets	125,595	-	1,302,694	1,428,289
Current assets	68,852	-	-	68,852
Current liabilities	(46,021)	-	-	(46,021)
Non-current liabilities	(32,350)	-	-	(32,350)
	275,236	-	3,146,161	3,421,397

18) Charitable Funds (continued)

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

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

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

19) Analysis of cash and cash equivalents

	At 01 January 2021	Cash flows	At 31 December 2021
Cash at bank and in hand	41,820	(14,856)	26,965
Total cash and cash equivalents	41,820	(14,856)	26,965

20) Contingent Liabilities and Capital Commitments

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

21) Related Party Transactions

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

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £9,450 and £750 were payable to and receivable from the College. At 31 December 2020 the balance owed to the College was £nil and owed from the College was £750.

b. The Co-operative Group

The Co-operative Group is one of the founding members of The Co-operative Heritage Trust. The amount receivable from The Co-operative Group for services provided was £nil. The amount outstanding at year end was £9,600. The Co-operative Group also provided donations of £15,000.

c. Co-operatives UK

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

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services, Finance services and HR services. The amounts payable in the year relating to these services was £43,705. The amount outstanding at year end was £3,362.

d. Trustees

The trustees received no remuneration in the performance of their duties. One trustee received expenses of £54. There were no related party transactions with the Trustees during the year.

22) Post Balance Sheet Event

In February 2022 Russia invaded Ukraine. This had an impact on global markets and has led to a fall in our investments of 11% at 30 April 2022, with investments at the same date valued at £1,562,898. Due to the volatility in the markets, the Trustees are looking at ways of reducing costs without directly impacting operational delivery.

In addition, the Trustees are also seeking engagement and funding from the wider Co-operative movement to help protect the vital assets held by the Trust.

23) Operating Lease Commitments

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

	2021 £
Land and buildings	
Within one year	45,820
Between one and five years	86,294
	<u>132,114</u>

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

Since the year end date the Trustees are looking to reduce their operating lease commitments.