

**The Co-operative Heritage Trust Charitable Incorporated
Organisation**
**Annual Report and Accounts for the period ended 31 December
2022**

Registered Charity Number 1179727

Contents

| | |
|--|----|
| Legal and Administrative Details | 3 |
| Structure, Governance and Management | 5 |
| Chair`s introduction..... | 7 |
| Trustee's Annual Report | 8 |
| Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements | 17 |
| Independent Auditors' Report to the Trustees of the Co-operative Heritage Trust..... | 18 |
| Statement of Financial Activities for the year ended 31 December 2022..... | 22 |
| Balance Sheet as at 31 December 2022..... | 23 |
| Notes to the accounts | 24 |

Legal and Administrative Details

Name: The Co-operative Heritage Trust

Charity Number: 1179727

Registered Office: 1 Angel Square
Manchester
M60 1AG

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

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

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

Structure, Governance and Management

Status and Charity Number

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

Governing Document

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

Trustees and Officers

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

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

Appointments are ratified by founders.

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

Recruitment and Training of Trustees

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

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

Organisational Management

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

Public Benefit

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

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

Chair`s introduction

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

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

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

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

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

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



Heather Roberts.

Trustee's Annual Report

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

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

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

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

Objects and Activities

Charitable Objectives

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

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

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

The activities of the Trust work towards two key outcomes:

Charitable Objectives:

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

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

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

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

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

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

Outreach in 2022: Museum based events and projects:

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

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

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

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

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

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

Outreach in 2022: National Co-operative Archive

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

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

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

Other opportunities

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

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

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

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

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

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

Future Plans

- Strategic Priorities

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

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

Our people

Employees

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

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

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

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

Liz McIvor – Trust Manager (FT)

Jane Donaldson– Archivist (FT)

Clare Hirst – Collections Manager (FT)

Cat Jessop – Education Officer (PT)

Danielle Sherwood – Visitor Experience Officer (PT)

Olivia Smith – Visitor Experience Officer (PT)

Training and development:

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

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

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

Volunteers:

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

Charity Governance Code

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

Internal Control

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

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

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

Risk Management

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

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

Related Party Transactions

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

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

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

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

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

Public Benefit

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

Finance Review

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

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

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

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

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

Investment Policy and Performance against Objectives

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

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

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

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

Reserves Policy

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

| | £ |
|-----------------------------------|------------------------|
| Unrestricted funds | 57,348 |
| Less unrestricted fixed assets | 117,488 |
| Free unrestricted reserves | <u>(60,140)</u> |

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

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

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

Heritage Assets

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

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

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

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

Going Concern

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

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

Auditor

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

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

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

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

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

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

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

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



Heather Roberts

Chair of Trustees

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

Opinion

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

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

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

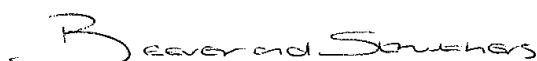
- Discussed the accounting estimates and the calculations behind these such as the depreciation calculation, bad debt provision and bonus calculation.

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

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

Use of our report

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



Suzanne Lomax

Beever and Struthers

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

Beever and Struthers, Chartered Accountants and Registered Auditors

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

Date: 17 May 2023

Statement of Financial Activities for the year ended 31 December 2022

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

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

Balance Sheet as at 31 December 2022

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

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



Heather Roberts, Trustee

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

Notes to the accounts

1) Accounting Policies

Basis of preparation and assessment of going concern

a

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

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

b Critical accounting judgements and key sources of estimation uncertainty

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

c Income and endowments

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

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

d Expenditure

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

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

e Tangible fixed assets

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

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

f Heritage assets

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

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

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

g Stock

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

h Investments

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

i Allocation of support and governance costs

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

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

j Pension scheme

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

k Tax and VAT

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

l Fund accounting

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

m Operating Leases

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

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

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

2) Income from Donations and Legacies

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

3) Grants

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

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

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

4) Charitable Income

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

Prior year comparative

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

5) Investment Income

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

6) Allocation of governance and support costs

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

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

Prior year comparative

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

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

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

Auditor's Remuneration

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

7) Charitable expenditure

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

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

8) Employee costs

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

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

The average number of colleagues employed by the Trust was:

| | 2022 | 2021 |
|-----------------------|------|------|
| Full time | 2.7 | 5.1 |
| Part time | 2.5 | 1.8 |
| | 5.1 | 6.9 |
| Full time equivalents | 5.13 | 5.63 |

The costs incurred in respect of these employees were:

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

Key Management Personnel

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

| | 2022 | 2021 |
|--------------------|--------|--------|
| Salaries and wages | 42,945 | 42,000 |
| Social security | 4,929 | 4,578 |
| Pension | 3,436 | 3,360 |
| | 51,310 | 49,938 |

9) Trustee Remuneration

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

10) Tangible Fixed Assets

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

11) Heritage Assets

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

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

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

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

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

11) Heritage Assets (continued)

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

12) Fixed Asset Investments

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

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

13) Debtors

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

14) Stock

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

15) Creditors

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

16) Deferred Income

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

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

17) Charitable Funds

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

17) Charitable Funds (continued)

2022 Analysis of net assets between funds:

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

2021 comparative

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

17) Charitable Funds (continued)

2021 Analysis of net assets between funds:

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

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

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

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

18) Analysis of cash and cash equivalents

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

19) Contigent Liabilities and Capital Commitments

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

20) Related Party Transactions

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

a. The Co-operative College

The Co-operative College is one of the founding members of the Co-operative Heritage Trust. Amounts of £126 and £445 were payable to and receivable from the College. At 31 December 2022 the balance owed to the College was £nil and owed from the College was £nil.

b. The Co-operative Group

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

c. Co-operatives UK

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

The Co-operative Heritage Trust receives various services from Co-operatives UK including rental of office space and archival space, IT services and HR services. The amounts payable in the year relating to these services was £50,648. The amount outstanding at year end was £6,934.

d. Trustees

The trustees received no remuneration in the performance of their duties. One trustee received expenses of £43. There were no related party transactions with the Trustees during the year.

21) Operating Lease Commitments

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

| | 2022 | 2021 |
|----------------------------|----------------------|-----------------------|
| | £ | £ |
| Land and buildings | | |
| Within one year | 27,723 | 45,820 |
| Between one and five years | 21,951 | 86,294 |
| | <u>49,674</u> | <u>132,113</u> |

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

Since the year end date the Trustees have reduced their operating lease commitments and are seeking to reduce these further.