

Co-operative Heritage Trust

Annual Report and Accounts for the year ending 31 December 2015

Registered Charity Number: 1121610

Reference and Administrative Information

The Co-operative Heritage Trust was founded in 2007 and was registered with the Charity Commission under charity number 1121610 in September of that year.

Legal and administrative details

Registered charity number: 1121610

Registered Offices:

Co-operative Heritage Trust Governance 1 Angel Square Manchester M60 0AG

The Trustees, Officers and Advisors

Trustees:

Professor Stephen Yeo (Chair) (to December 2015)

Ms Karen Froggatt (to September 2015)

Dame Pauline Green

Mr Ian Snaith (Chair from December 2015)

Mr Robin Stewart

Mr Mervyn Wilson

Dr Keith Vernon (from July 2015)

The day to day responsibility for operations of the Trust is delegated to the Co-operative College via a Management Agreement.

Heritage Advisory Committee

Prof Tony Webster Chair

Dr Nick Mansfield

Dr Nicole Robertson

Dr Joan Allen
Dr Jeanette Martin
Adam Shaw (from June 2015)
Karen Froggatt (to October 2015)
Kevin Bolton (to February 2015)

Secretary:

Clare Oakley
Co-operative Heritage Trust
Governance
1 Angel Square
Manchester
M60 0AG

Principal Advisors

Bankers:

Co-operative Bank Plc
Balloon Street
Manchester
M60 4EP

Auditor:

KPMG LLP
Chartered Accountants
Registered Auditor
1 St Peter's Square
Manchester
M2 3AE

Internal Auditor:

Slade and Cooper Ltd
Chartered Certified Accountants
Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

Chair's Introduction

As the newly elected Chair of the Trust, I would like to express the thanks of all the Trustees to our outgoing chair, Stephen Yeo, for his magnificent achievement in serving the Trust from its inception and overseeing the important process of renovation and development facilitated by the Heritage Lottery funded ROCHDALE Project. He will be a hard act to follow. I would also like to thank Karen Froggatt who has been a trustee since the Trust's inception and has provided the trustees with invaluable enthusiasm and support.

The Trust is now firmly established and remains on a stable financial footing. It is now time to take stock and look forward. The trustees have started the process of reviewing our long term strategy and elaborating our long term aims. The Resilience project funded by the Arts Council has given us valuable support in that task – especially in the fields of governance and fundraising. It has been very helpful to have the input of consultants and staff with expertise in the Museum and Heritage Sector.

Our task in the coming year is to develop this work in co-operation with our staff and volunteers, our generous donors and supporters in the UK and International Co-operative Movement and the local community in Rochdale.

The Annual Report and Accounts of the Co-operative Heritage Trust that follow demonstrate that the Trust continues to progress, and is playing an increasingly important role in safeguarding and making accessible our unique co-operative heritage. We continue to work towards long term sustainability and resilience of the Trust in the face of the challenging times within the museum and heritage sectors.

As trustees, we thank all the donors who support the work of the Co-operative Heritage Trust, our enthusiastic volunteers, and all who have supported to the work of the Rochdale Pioneers Museum and National Co-operative Archive over the past year. We offer special thanks to all our colleagues at the Co-operative College who continue to provide invaluable support.

Ian Snait

Chair of the Co-operative Heritage Trust

April 2016

Trustees' Report for the Year Ending 31 December 2015

The Co-operative Heritage Trustees present their Report for the year ending 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

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 Co-operative Heritage Trust's charitable objectives are:

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as the Rochdale Pioneers Museum) and any ancillary 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, objet d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co-operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the 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 general public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founder and the charity commission.

The Trust's activities as described in this report are considered to meet the public benefit requirement as specified in the Charities Act 2011.

Structure, Governance and Management

Governing Document

The charity is governed by a Trust Deed dated 18 September 2007.

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 are working to provide for succession through identifying new Trustees with appropriate skill sets. During the year one Trustee, Keith Vernon, was appointed and two, Stephen Yeo and Karen Froggatt. The Trustees wish to thank Stephen Yeo and Karen Froggatt for their work for the Trust.

Organisational Management

The day to day operational management of the Trust is delegated to the Co-operative College Trust (registered charity 1060008). The governance of the Co-operative College changed on 1 May 2015 when it became a Charitable Incorporated Organisation (charity registration 1159105).

Internal Control

The Trustees are ultimately responsible for the Trust's system of internal control and for reviewing its effectiveness. However, 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.

The Co-operative College, which manages the Co-operative Heritage Trust's work through a management agreement, has elected to work within the Co-operatives UK Corporate Governance Code of Best Practice, revised 2013, where applicable.

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

Under the terms of the management agreement, the Co-operative College has a clear responsibility for:

- Identifying risks facing the Trust.
- Putting in place actions and procedures to mitigate and control risks.
- Monitoring risks.

The Co-operative College's management regularly reviews and updates the risk register for the Co-operative Heritage Trust and plans to manage risks identified through its planning cycle. The Co-operative College Audit and Risk Committee has regularly reviewed the register and reported to the Trustees on actions by the College management to control risks.

Employees

The employees of the Trust are on joint employment contracts with the Co-operative College. The Trusts remuneration policy is in line with that of the Co-operative College CIO. 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.

Related Party Transactions

The Co-operative College is a key stakeholder in the Co-operative Heritage Trust. The College operates, under a management agreement, the Rochdale Pioneers Museum and National Co-operative Archive.

The Archive and Museum's services are used by 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 operation of the Archive and Museum.

Conflicts of interest are managed through the Co-operative College's *Conflict of Interest Policy* within the terms of the Co-operative Heritage Trust's Trust Deed.

Objects, Aims, Objectives and Activities

Charitable Objectives

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

- The preservation, protection and improvement for the public benefit on behalf of the co-operative movement of 31 Toad Lane, Rochdale (known as the Rochdale Pioneers Museum) and any ancillary 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, objet d'art and other chattels or items of historic interest associated with the co-operative movement that form the National Co-operative Archive and the collections of the Rochdale Pioneers Museum or that may, at any time, be vested in the 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 general public.
- Such other charitable objects as the Trustees from time to time determine subject to the prior consent of the founder and the charity commission.

Aims

During 2015, the Trustees led on the development of a new Strategic Plan for the Trust for the period 2016 to 2018. The Plan was approved in November 2015 and includes a new long term aim and outcomes for the Trust. The long term aim is:

Great things happen when people co-operate. We collect, safeguard and make accessible artefacts and documents from the co-operative movement. We use our heritage to create lifelong learning and research opportunities which inspire people to use co-operative values and principles to change society.

The activities of the National Co-operative Archive and Rochdale Pioneers Museum work towards two key outcomes for the Trust:

- Increasing the accessibility and understanding of co-operative materials and collections.
- Creating opportunities to present and interpret our heritage.

Review of 2015

One of the major activities of the year has been the Arts Council funded Resilience Project looking at sustainability through governance and fundraising. The project employed a researcher for nine months working with consultants carrying out

research on models used in the museum and heritage sector and interviews and activities with stakeholders of the Co-operative Heritage Trust. The project report will be published in May 2016.

The strategic planning process that has taken place during 2015 has developed a new long term aim and key outcomes for the Co-operative Heritage Trust and has established the priorities for the development of the services of the Archive and Museum and the extension of their audiences. All activities of the Trust are working towards achieving the key outcomes.

Increasing the accessibility and understanding of co-operative materials and collections

- 9,629 Museum 9,629 visitors. 223 Archive research visits – a record number. 474 remote enquiries answered. Outreach activities to 2,448 people.
- Appearance of the Museum on *The Antiques Road Trip* and *Barging Round Britain* on UK television, a Korean documentary on co-operative schools and films produced by the Co-operative Group.
- Jo Darnley began her PhD on visual representations of women jointly supervised by the Co-operative College and Manchester Metropolitan University.
- Outreach activities included conferences, events, reminiscence sessions in care homes and talks to community groups.
- Museum workshops for schools, Archive workshops for arts students at Manchester Metropolitan University.
- Quarterly newsletter for the Archive and Museum.
- Membership of Cooproute, linking European co-operative visitor sites.
- Preparation of catalogues for Archive and Museum collections.
- Working with the Woodcraft Folk on their 90 Year of the Woodcraft Folk project.
- Connections with other co-operative heritage collections in the UK and internationally.
- The Museum was named as one of the “Visit England Hidden Gems”.
- Co-operative society and community group activities and meetings in the Learning Loft included a tour of the Museum.
- Digitisation of the minute books of the Derby Co-operative Society so that a group of co-operators in Derby could transcribe and use them.
- Regular articles on the collections appear in *Evergreen*, the magazine for retired members of the Co-operative Group pension scheme.
- Acceptance of donations of materials that demonstrate the work of the Rochdale Pioneers and the development of the co-operative movement.

Creating opportunities to present and interpret our heritage

- A new Instagram account with 166 followers and a new Twitter account for the Museum’s mascot Bartlebee Bumble. Three Twitter accounts with a total of 6,511 followers and two Facebook accounts ‘liked’ a total of 1,119 times.
- Exploration of ways of working more closely with the Robert Owen Museum in Newtown, Powys.

- The Museum's First World War exhibition *From Shop Floor to Front Line* from June 2015 to May 2016, following *Co-operation on Wheels* on co-operatives and cycling. In the smaller exhibition space, *Coopography*, on buildings was followed by *The Workers Who Ran Their Own Mill* on the Hebden Bridge Fustian Manufacturing Society from July 2015 to January 2016.
- The Harmony and the Honey Bees Foundation Stage Activity Pack was published to be used alongside the three Harmony books for children under five. The books were circulated to co-operative schools with early years' provision.
- A book to introduce children aged five to seven to the story of the Rochdale Pioneers *Toad Lane Time Travellers* was developed to be published early in 2016.
- The Social Haunting Project with Manchester Metropolitan University included events looking at shared memories.
- A Researchers in Residence project with Manchester University involved a Phd student carrying out research in the archive and holding a public drop in event at the Museum.
- Talks on a range of subjects were held at the Museum.
- The Archive team gave talks to community groups and co-operative groups on themes related to co-operative heritage.
- Workshops to teachers on Robert Owen and Heritage Learning Resources were given at the Yorkshire and Humberside Co-operative Learning Partnership. The Archive and Museum also had a stand in the exhibition.
- The Robert Owen activity pack was circulated to co-operative schools and a bilingual Welsh version was published.
- A banner and a delivery bicycle were loaned to Barnsley Museum service for an exhibition.

Volunteers

The Trustees would like to thank the volunteers and students undertaking work placements who have made a vital contribution to the work of the Trust, carrying out a total of 1,672 hours of welcoming visitors, transcription, work with collections, exhibitions, projects and events in the Museum and cataloguing, preservation, enquiries and research in the Archive.

Fundraising

The Co-operative Heritage Trust, in common with many charities, needs to raise funds in order to maintain current activities and be able to expand the user base of the Archive and Museum to reach new audiences.

The funding climate for the heritage sector as a whole is challenging with reductions in state funding added to donor behaviour being affected by the turbulent economic climate. Heritage organisations are responding with efforts to diversify income streams.

The Trust uses different methods to enable individuals and co-operatives to support the Trust and its activities. There are prominent donations boxes in the Museum and

Archive and a Just Giving page is available for both regular support and for one-off donations <http://www.justgiving.com/cooperheritagetrust>. A scheme to encourage supporters to leave legacies to the Trust will be developed.

The Co-operative Heritage Trust's major donor scheme "New Pioneers" has three members, The Co-operative Group, the Indian Farmers Fertilisers Co-operative (IFFCO) and Central England Co-operative Society.

Co-operative societies making donations to the Trust during 2015 were:

Chelmsford Star Co-operative Society
The Co-operative Group
Heart of England Co-operative Society
Midcounties Co-operative

Future Plans

During 2015, the Co-operative Heritage Trust developed a Strategic Plan, approved by the Trustees in November. The Strategic Plan aims to work towards the Trust's long term aim by:

- Increasing the accessibility and understanding of co-operative materials and collections.
- Creating opportunities to present and interpret our heritage.

The priorities identified in the Strategic Plan for the period 2016 to 2018 are:

Increasing the size of the Archive

In common with all archives, the National Co-operative Archive needs more space and an increase in staffing in order to be able to expand.

Reviewing governance and fundraising

Following the completion of the Resilience project, the Trust will review its governance and fundraising activities.

Robert Owen Museum

The National Co-operative Archive holds a major collection of Robert Owen letters and publications and there have been connections with the Robert Owen Museum over a long period. Discussions about closer working will continue.

Audience Development

The Archive and Museum will be working on ways to increase the breadth of the community using the collections.

Worker Co-operatives Project

A funding bid is being developed to identify and safeguard the records of worker co-operatives formed from the 1960s to the present day to ensure that they are available to future researchers.

Financial Review and Results for the Period

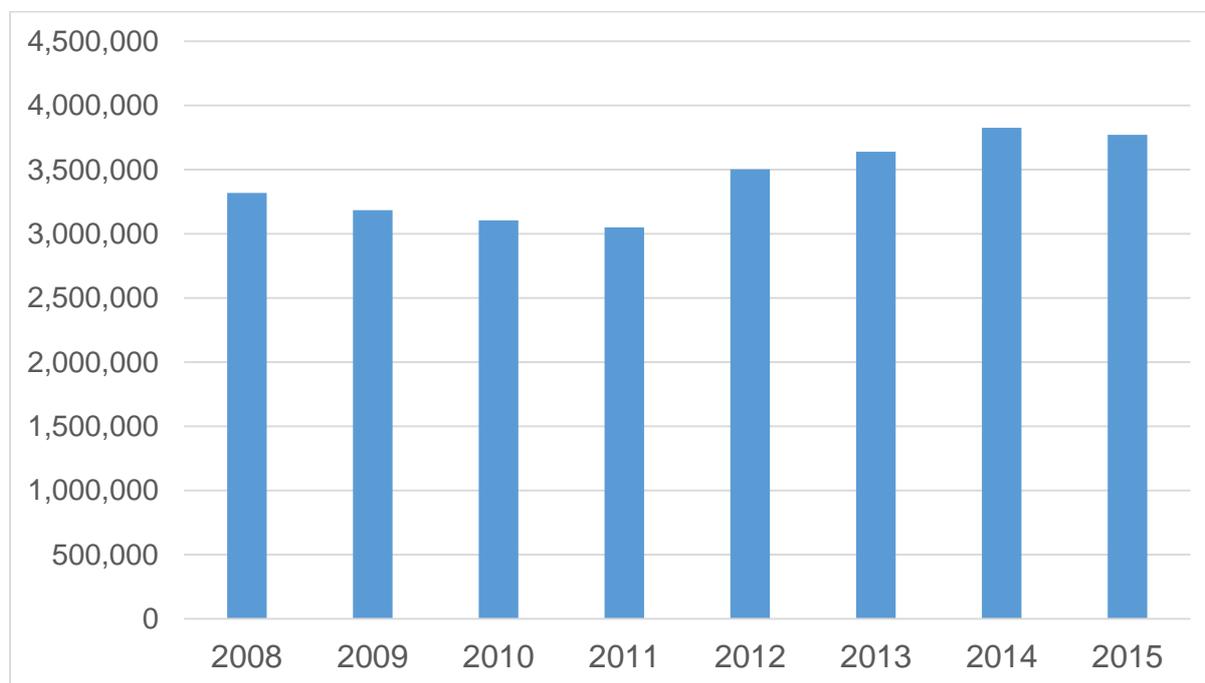
Investment Policy and Performance against Objectives

In 2015 the policy of investing in a Sustainable Diversified Fund managed by Royal London Asset Management continued. The return on investments in 2015 was £63,053 (3.1%), in 2014 this was £59,391. The Trust's stated objective is 5%, determined in 2008 before the global financial crisis. Whilst the current investment strategy has not met those returns it has produced additional returns through capital gains.

At 31 December 2015 the capital gain for the year was £51,117 (£275,028 in 2014). This gain directly increases unrestricted funds and helps result in an overall surplus for the year.

Financial Review and Results for the Period

During 2015 the total funds of the Co-operative Heritage Trust have decreased by 1.5% overall. However since its inception the charitable funds of the trust have grown by £452,790 (13.6%) The graph below demonstrates this:

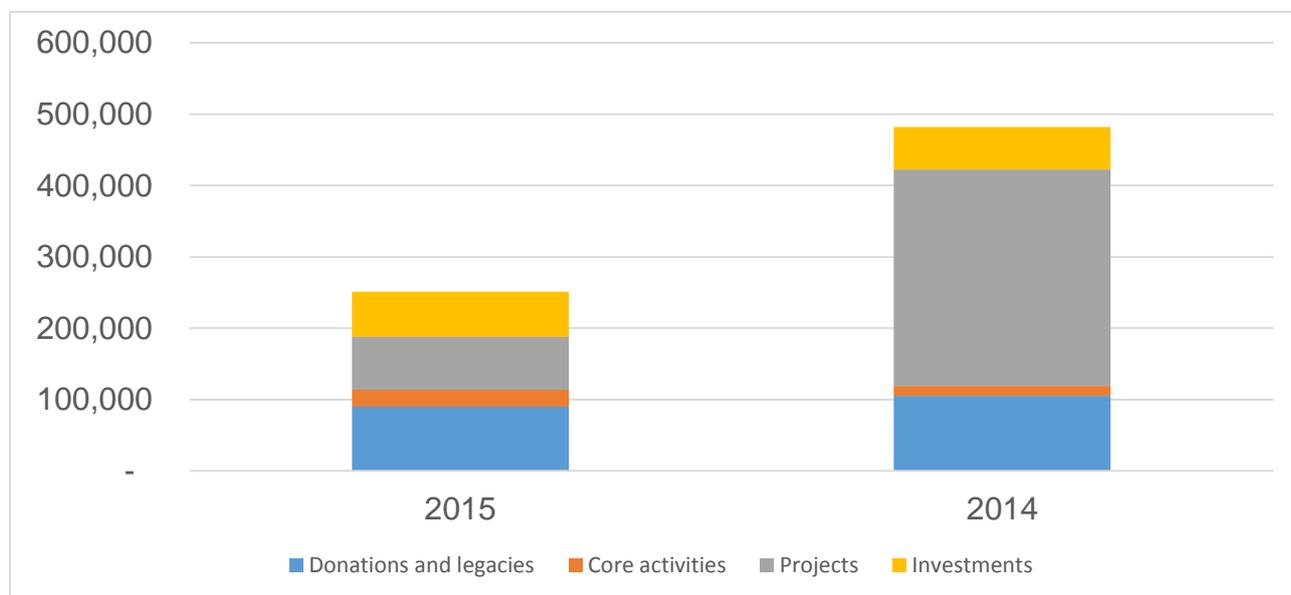


There is currently a funding gap (excluding capital gains) of around £197,000 per annum on the day to day running of the trust itself, the National Co-operative Archive and the Rochdale Pioneers Museum, excluding any projects. The Art Council Resilience Fund project has sought the trust to find new, innovative ways to be able to reduce this gap over time.

Income

The income for 2015 has decreased overall by 47.9% (£231,104). In the main this is as a result of the end of the Heritage Lottery (HLF) funded ROCHDALE project in 2014 which accounted for income of £303,432 in 2014.

The graph below shows income by source for 2015 compared to 2014.



Donations and legacies are lower than 2014 by £15,009, due to a one off donation received in 2014 to the value of £10,000. A list of corporate donors can be found on page 10 of this report/

The income in core activities consists of sales of merchandise, guided tours, school workshops and hire of the learning loft at the Rochdale Pioneers Museum. In 2015 a new charge was introduced for guided tours of the Museum and this accounted for £4,809 of this income.

With the conclusion of the ROCHADLE project in 2014 project income is significantly decreased. The main income in 2015 is in relation to the Resilience Fund project to which gives the Trust the opportunity for research to be carried out on the best forms of governance for museums and on fundraising opportunities. Further details of this can be found in the Trustees' report on page 7.

Income from investments consists of dividend and investment income received from Royal London Asset Management.

Expenditure

Expenditure in 2015 is lower than prior year by £212,738 (37.3%). Again the majority of this is as a result of the end of the HLF funded ROCHDALE project, whereby the 2014 expenditure was £250,203.

Balance Sheet

Overall fixed assets (which include long term investments) have increased by £59,414, of this £51,117 relates to fixed asset investments. Further information on fixed asset investments can be found in note 8 in the notes to the accounts.

Current assets have decreased by £197,511. This is due to a decrease in debtors and an increase in cash at the year end. The decrease in debtors is primarily due to the end of the ROCHDALE project. At the end of 2014 debtors in relation to this project were £250,814. This amount was received by the Heritage Trust in early 2015.

Reserves Policy

The current level of unrestricted reserves is £480,501 which equates to approximately 17 months of operating costs. At the current time the trustees believe that this is an appropriate level given the current levels of income and the ongoing work on the Resilience project.

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.

The Archive and Museum assets of the Trust fall into this category and are held by the Trust or in trust with Co-operatives UK. The assets consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale (for further details, see note 1e).

Where there are costs attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them.

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 [and rules], 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 25 July 2016 and signed on their behalf by:



I Snaith
Chair of Trustees

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

We have audited the financial statements of Co-operative Heritage Trust for the year ended 31 December 2015 set out on pages 17 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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.

Julie Radcliffe
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Date:

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

Statement of Financial Activities

	Notes	2015				2014			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2015	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds December 2014
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies		26,248	63,783	-	90,031	44,690	60,350	-	105,040
Charitable Activities									
Core activities		23,649	-	-	23,649	13,769	-	-	13,769
Projects		36,464	37,697	-	74,161	303,798	-	-	303,798
Investments		63,053	-	-	63,053	59,391	-	-	59,391
Total		149,414	101,480	-	250,894	421,648	60,350	-	481,998
Expenditure on:									
Raising Funds		-	-	-	-	-	-	-	-
Charitable Activities									
Core activities	3	303,709	-	-	303,709	320,353	-	-	320,353
Projects	3	37,571	16,903	-	54,474	250,568	-	-	250,568
Total		341,280	16,903	-	358,183	570,921	-	-	570,921
Net gains / (losses) on investments	8	51,117			51,117	275,028	-	-	275,028
Net income / (expenditure)		(140,750)	84,577	0	(56,172)	125,755	60,350	-	186,105
Transfers between funds	11		(250,000)	250,000	-	-	-	-	-
Net movement in funds	11	(140,750)	(165,423)	250,000	(56,172)	125,755	60,350	-	186,105
Reconciliation of Funds									
Total funds brought forward	11	621,251	3,205,555	-	3,826,806	495,496	3,145,205	-	3,640,701
Total funds carried forward		480,501	3,040,132	250,000	3,770,633	621,251	3,205,555	-	3,826,806

Balance Sheet

	Notes	Total Funds December 2015 £	Total Funds December 2014 £
Fixed Assets			
Tangible assets	6	1,657,201	1,668,904
Heritage assets	7	1,121	1,121
Investments	8	2,111,939	2,040,822
Total Fixed Assets		3,770,261	3,710,847
Current Assets			
Debtors and prepayments	9	31,999	269,415
Stock		3,504	3,148
Cash at bank and in hand	14	70,786	31,236
Total Current Assets		106,288	303,799
Liabilities			
Creditors: amounts falling due within one year	10	(105,916)	(187,840)
Net current assets		372	115,959
Net Assets		3,770,633	3,826,806
The funds of the charity			
Endowment funds	11	250,000	-
Restricted income funds	11	3,040,132	3,205,555
Unrestricted funds	12	480,501	621,251
Total Charitable Funds		3,770,633	3,826,806

Cash Flow Statement

	Total Funds December 2015	Total Funds December 2014
Notes	£	£
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	741	(375,191)
Cash flows from investing activities:		
Dividends and interest from investments	63,053	59,391
Purchasing of plant and equipment	(4,243)	(181,498)
Proceeds from sale of investment	130,000	505,000
Purchase of investments	(150,000)	-
Net cash provided by (used in) investing activities	38,810	382,893
Cash flows from financing activities:		
	-	-
Change in cash and cash equivalents in the reporting period	39,551	7,701
Cash and cash equivalents at the beginning of the reporting period	31,236	23,534
Cash and cash equivalents at the end of the reporting period	70,786	31,236

Notes to the accounts

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation and assessment of going concern

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), (Charities SORP (FRS 102)) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016. This is the first year that the accounts have been prepared under FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

b Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of the FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income / (expenditure) under previous GAPP adjusted for the presentation of investment gains / (losses) as a component of reported income.

Reconciliation of reported net income	£
Net (expenditure) as previously stated	(88,923)
Adjustment for gains on investments now treated as a component of net income	275,028
2014 net income restated	<u>186,105</u>

c Income and endowments

All income is recognised when there is an entitlement to the funds, the receipt is probable and the amount can be measured reliably. 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 2015.

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 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 Restricted funds: These are funds received for undertaking an activity specified by the donor.
- iii Endowment funds: These are funds where the assets must be held permanently by the Charity, principally in the form of investments or property. In the case of the Co-operative Heritage Trust the endowment fund held relates to the Pioneers Museum at 31 Toad Lane, Rochdale.

f 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	50% per annum

The assets held under building related to the Rochdale Pioneers Museum at 31 Toad Lane, Rochdale.

g 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. The fund can invest in a range of assets with the maximum equity exposure restricted to 60% of the fund and with at least 30% invested in fixed interest and cash. There is no specific requirement to hold a minimum percentage of non-UK equity within the equity limits. Assets must be at least 50% in Sterling/Euro and equities are deemed to include convertibles.

Investments are initially recognised at cost and then fair value at each year end.

h Grants

In 2015 the Trust received the following grants and funding:

	Revenue	Capital	Total 2015	Total 2014
	£	£	£	£
Heritage Lottery Fund (ROCHDALE Project)	250,814	-	250,814	56,419
Heritage Lottery Fund (WW1 Exhibition)	-	-	-	10,000
European Commission (Cooprout)	1,443	-	1,443	1,302
Art Council (Resilience Project)	27,697	-	27,697	-
	279,954	-	279,954	67,721

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.

2 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:

	Total allocated	Core Activities	Projects	Basis of apportionment
Cost type	£	£	£	
Management Fee	48,000	42,716	5,284	Proportion of expenditure
Governance Costs	6,290	5,598	693	Proportion of expenditure
Total	54,290	48,314	5,977	

3 Charitable expenditure

Analysis of total resources expended

	Staff Cost	Support Costs	Other Direct Costs	Total 2015	Staff Cost	Support Costs	Other Direct Costs	Total 2014
	£	£	£	£	£	£	£	£
Core activities	162,670	52,944	87,447	303,062	176,772	27,673	97,096	301,541
Projects	13,406	7,176	16,989	37,571	4,204	83,676	181,500	269,380
	176,076	60,120	104,436	340,633	180,977	111,349	278,596	570,921

Analysis of support costs

	Core Activities	Projects	Total 2015	Core Activities	Projects	Total 2014
	£	£	£	£	£	£
Travel	3,195	1,266	4,461	3,812	720	4,532
Management Fee	42,716	5,284	48,000	18,919	17,081	36,000
Governance costs	5,598	693	6,290	1,991	1,798	3,789
Professional fees	-	237	237	-	29,206	29,206
Miscellaneous	1,435	(303)	1,132	2,951	34,872	37,822
	52,944	7,176	60,120	27,673	83,676	111,349

4 Employee Costs

All colleagues are employed on joint contracts between the Co-operative Heritage Trust and the Co-operative College CIO.

The Trust considers its key management personnel comprise the trustees and the senior management responsible for the day to day running of the charity.

The Trusts remuneration policy is in line with that of the Co-operative College CIO. 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 remuneration received by the senior management is as follow:

Salaries	Pension Contributions	Total
£	£	£
47,421	6,639	54,060

The average number of colleagues employed by the Trust was:

	2015	2014
Full time	3.6	4.0
Part time	<u>1.7</u>	<u>2.1</u>
Full time equivalents	<u>5.3</u>	<u>6.1</u>

5 Trustee Remuneration

The trustees received no remuneration in the performance of their duties.

Tangible Fixed Assets

	Buildings	Plant, fixtures and fittings	Total
	£	£	£
<u>Cost</u>			
01 January 2015	1,461,613	239,182	1,700,795
Additions	-	4,243	4,243
31 December 2015	1,461,613	243,424	1,705,037
<u>Depreciation</u>			
01 January 2015	-	31,891	31,891
Charge for year	-	15,945	15,945
31 December 2015	-	47,836	47,836
Net book value at 1 January 2015	1,461,613	207,291	1,668,904
Net book value at 31 December 2015	1,461,613	195,588	1,657,201

7 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 outweigh the benefit or there is no reliable cost information available.

The assets of the Trust fall into this category and are held by the Trust or in trust with Co-operatives UK. The assets consist of a substantial archive collection together with museum artefacts and the premises at 31 Toad Lane, Rochdale.

Where there are cost attributed to obtaining and restoring Heritage Assets the Trust will look to capitalise them.

	£
01 January 2015	1,121
31 December 2015	1,121

8 Fixed Asset Investments

	£
01 January 2015	2,040,822
Investments	150,000
Divestments	(130,000)
Investment gain	51,117
31 December 2015	2,111,939

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.

9 Debtors

	2015	2014
	£	£
Trade debtors	2,443	1,316
Project debtors	-	250,814
Accrued income	17,806	5,302
Provision for acquisitions	11,750	11,750
Prepayments	-	234
	31,999	269,416

10 Creditors

	2015	2014
	£	£
Trade creditors	44,583	105,541
Project creditors	635	18,753
Accruals	50,663	57,445
Other deferred income	10,035	6,101
	105,916	187,840

11 Charitable Funds

	Balance at 1 January 2015	Income	Expenditure	Transfers between funds	Balance at 31 December 2015
	£	£	£	£	£
Endowment Funds:					
Toad Lane Museum	-	-	-	250,000	250,000
	-	-	-	250,000	250,000
Restricted Funds:					
Co-operative Group	2,767,839	-	-	-	2,767,839
New Pioneers	187,716	63,783	-	-	251,499
Arts Council (Resilience)	-	37,697	(16,903)	-	20,794
Toad Lane Museum	250,000	-	0	(250,000)	-
	2,955,555	101,480	(16,903)	(250,000)	3,040,132
Unrestricted Funds:					
Revenue reserves	621,251	200,531	(341,280)		480,501
Total Charitable Funds	3,576,806	302,011	(358,183)	-	3,770,633

Following a review of funds during the year, the Toad Lane Museum fund was reclassified from a restricted fund to an endowment fund. This fund relates to the Rochdale Pioneers Museum at 31 Toad Lane, Rochdale. The building is held in trust in perpetuity on behalf of the Co-operative Heritage Trust by Co-operatives UK.

Sufficient resources are held in an appropriate form to enable the funds to be applied in accordance with any restrictions imposed

Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	480,501	926,700	250,000	1,657,201
Fixed asset investments	-	2,111,939	-	2,111,939
Heritage assets	-	1,121	-	1,121
Current assets	-	106,288	-	106,288
Current liabilities	-	(105,916)	-	(105,916)
	480,501	3,040,132	250,000	3,770,633

12 Unrestricted Funds

	2015	2014
	£	£
Balance 1 January	621,251	495,496
Surplus for year	(140,750)	125,755
Balance 31 December	480,501	621,251

13 Reconciliation of Net Incoming Resources to Net Cash Inflow / (Outflow) from operating activities

	2015	2014
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(56,172)	186,105
Adjustments for:		
Depreciation charges	15,945	15,945
(Gains) on investments	(51,117)	(275,028)
Dividends and interest from investments	(63,053)	(59,391)
(Increase) / decrease in stock	(356)	116
Decrease / (increase) in debtors	237,417	(172,214)
(Decrease) in creditors	(81,924)	(70,725)
Net cash provided by / (used in) operating activities	741	(375,191)

14 Analysis of cash and cash equivalents

	At 1 January 2015	Cash flows	At 31 December 2015
Cash at bank and in hand	31,236	39,551	70,786
Total cash and cash equivalents	31,236	39,551	70,786

15 Contingent Liabilities and Capital Commitments

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

16 Related Party Transactions

The following are related party transactions, as defined by FRS 102, Section 33, together with details of notable transactions.

a. The Co-operative College

The Co-operative College is one of the key stakeholder of the Co-operative Heritage Trust. The College runs the day to day management of the Trust under a management agreement. The amount payable in the year was £275,102 (2014 - £416,172). The amount outstanding at the year end was £44,225 (2014 - £149,648).