

Annual Report and Accounts

For the year ended 31 December 2010



Reference and Administrative Information

The Co-operative College was founded in 1919 and is registered with the Charity Commission.

Legal and Administrative Details

Registered charity number: 1060008

Registered Offices: Co-operative College
Holyoake House
Hanover Street
Manchester
M60 0AS

Corporate Trustee: Co-operatives UK
Holyoake House
Hanover Street
Manchester
M60 0AS

The Trustees, Governors, Officers and Advisors

The day to day responsibility for operations is delegated to the College Leadership Team, which comprises:

Mervyn Wilson	Chief Executive & Principal
Emma Willder	Vice Principal – Finance & Resources
Linda Shaw	Vice Principal – Research & International
Gillian Lonergan	Head of Archive & Learning Resources
Janet Simms	Head of Co-operative Learning & Development
Julie Thorpe	Head of School & Youth Programmes

Principal Advisors

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

Solicitors: Croftons
Television House
Mount Street
Manchester
M2 5FA

Auditor: KPMG LLP
Chartered Accountants
Registered Auditor
St James' Square
Manchester
M2 6DS

Internal Auditors: RSM Tenon Group plc
66 Chiltern Street
London
W1U 4GB

Co-operatives UK is the Corporate Trustee of the Co-operative College Trust. It is the appointing body for the Co-operative College Board of Governors. The members of the College Board of Governors in 2010 are shown below, along with their attendance at meetings.

Name	Member Type	Attendance		Committees
		Actual	Possible	
Paul Sommerfeld (Chair)	Independent	6	6	Search Remuneration & Employment
Nigel Todd (Vice Chair)	Adult & Lifelong Learning Member	6	6	Quality & Standards (Chair)
Doug Bourn	Higher Education Member	3	6	
Bhagwanji Chohan (until 9 Jul '10)	Student Member	3	6	
Elaine Dean	Consumer Co-operative Movement Member	3	6	
Stephen Galjaard (until 19 Mar '10)	Co-opted Member	1	2	Audit Committee (Chair) till Mar '10
Russell Gill	Co-opted Member	5	6	Audit (from Sept '10 to Dec '10) Search Remuneration & Employment
Tony Gudgeon (from 28 May '10)	Co-opted Member	3	4	Audit Committee (Chair) from Jun '10
Barbara Hawkins (from 24 Sept '10)	Trustee Member	2	2	
Samantha Lacey	Staff Member	4	6	
Adrienne Lowe (until 9 Jul '10)	Consumer Co-operative Movement Member	2	4	
Pamela Maxwell (from 24 Sept '10)	Student Member	1	2	
Ed Mayo	Trustee Member	3	4	Search
Lynn Merillion (designate from 19 Nov '10)	Adult & Lifelong Learning Member	1	1	
David Rees (designate from 19 Nov '10)	Consumer Co-operative Movement Member (Co-op Group)	1	1	
David Rogers	Other Co-operative sector member	1	2	Audit Committee till Mar '10
Richard Scott	Trustee Member	6	6	
Robin Stewart (until 28 May '10)	Consumer Co-operative Movement Member (Co-op Group)	1	3	Search
Jenny de Villiers	Trustee Member	6	6	Quality & Standards
Mervyn Wilson	Chief Executive & Principal	6	6	Attends all committees
Bob Wolfson	Other Co-operative sector member	5	6	Quality & Standards

All members of the Board are appointed by the Corporate Trustee. In the case of the student and staff members, the appointment follows a nomination process from within the relevant constituency.

Annual Report

The Co-operative College Trustee and Governors present their Annual Report for the year ended 31 December 2010 under the Charities Act 1993, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charity Statement of Recommended Practice 2005.

Public Benefit

The Trustee and Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance by the Charity Commission in delivering the activities undertaken by the charity. The College's charitable objective is *To promote the education of the public, in particular, but not exclusively, by the provision and conduct of a College for the education of people in a manner consistent with the values and principles of the co-operative movement.* The College's activities as described in this report are considered to meet the public benefit requirement as specified in the Charities Act 2006.

Chair's Introduction

Despite challenging economic times, the Co-operative College is making significant strides in its role of supporting progress of the co-operative movement both in Britain and overseas. With its Mission of putting *education at the heart of co-operation and co-operation at the heart of education*, the College strives both to provide best possible training services to co-operative enterprises and to promote co-operative inputs at all levels of education.

The current economic environment means there are many more potential beneficiaries of the charity looking for our services, enabling progress in all key areas of the College operations. Regrettably, that same economic environment has resulted in low interest rates severely affecting investment income. The public expenditure cuts following the election of May 2010 have also impacted on the work of the College notably withdrawal of the Supported Schools Programme which helped schools with the costs associated with conversion to Co-operative Trust status. Furthermore, other funding streams are becoming more competitive as all charities seek alternatives to loss of public sector funding.

Notwithstanding these challenges, the College has continued to expand the range of its beneficiaries. We are especially happy that, working with the Co-operative Heritage Trust, we have secured Heritage Lottery Funding for the ROCHDALE

Project for refurbishment of the Rochdale Pioneers Museum at Toad Lane, and related Community Outreach programmes using the heritage collections. Work on the Museum will be completed in time for the United Nations International Year of Co-operatives 2012.

The work of the Co-operative Learning and Development team in developing new and modernised training products, has resulted in major progress in their relationship with awarding bodies and key clients. The establishment of robust quality assurance processes has revealed major opportunities for growth in the coming period, and we are confident that the Board Development Centre developed with the Co-operative Group will be taken up by many co-operatives in the UK and internationally.

Despite the changed priorities of a new government, co-operative schools continued to expand, with 110 co-operative schools in place by the end of 2010, and work underway on new co-operative academies, as well as trust schools. This means that the College continues to be central to the development of schools as a whole new sector of co-operative organisation.

The College's international reputation resulted in new programmes in Bahrain and Malawi, as well as completing further work on the CoopAfrica programme and on our well-established programmes in Australia and New Zealand.

Looking forward, we see opportunities for growth through interest generated by the United Nations International Year of Co-operatives. With strong partnerships in place such as the new one with the Workers Educational Association and with a growing number of Further and Higher Education institutions in the UK and Co-operative Colleges overseas, we are ensuring that our strategy of mainstreaming co-operative education is put into practice.

The Board and the Trustee of the College thank all the staff and associates who have worked to achieve such progress in challenging times.



Paul Sommerfeld
Chair, Board of Governors

Structure Governance and Management

Governing Document

The charity is governed by a Trust Deed last amended 23 June 2004 and the Instrument and Articles of Government last amended in December 2008.

Governing Bodies

The structure of the charity comprises a Corporate Trustee (Co-operatives UK) and a Board of Governors operating under powers delegated by the Trustee.

Recruitment and Training of Governors

The charity's Board of Governors is appointed by the Corporate Trustee on the basis of nominations received from the College Search Committee concerning eligibility, competence, specialist skills and availability to represent the different stakeholder groups identified in the Instrument and Articles of Government. New governors are inducted into the workings of the charity and its policies and procedures. Joint training sessions for the Corporate Trustee and Governors are held periodically including a joint workshop in May 2010. Members of the Board of Governors participate in Board Skills Audits to identify future training and development needs.

Organisational Management

Co-operatives UK as the Trustee of the charity is legally responsible for the overall management and control of the Co-operative College. The Co-operative College Board of Governors operates under delegated authority from the Corporate Trustee to undertake the governance responsibilities, and meets at least four times a year. The Board of Governors is chaired by Paul Sommerfeld. The Audit Committee, chaired by Tony Gudgeon, normally meets four times a year to consider financial and risk management issues, the Annual Report, annual audited accounts, the Half-Yearly Review, the College Strategic Plan and budget and to make recommendations to the Board on these subjects.

The Remuneration and Employment Committee reviews the remuneration package of the Chief Executive and Principal and senior post holders. The College Board receives Committee minutes and an annual report of the Co-operative Heritage Trust Archive Committee in recognition of its role in managing the work of that Trust.

The Quality and Standards Committee is chaired by Nigel Todd. It meets termly and considers quality and standards issues and the College Self Assessment Report and improvement plan, particularly relating to curriculum and learning provision.

Internal Control

The Trustee is ultimately responsible for the Trust's system of internal control and 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 Trust has elected to work within the Co-operatives UK *Corporate Governance Code of Best Practice*, revised 2005, where applicable. The Board has noted those recommendations not applicable to its operation and is working towards full compliance with those parts of the *Code* which are directly 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's management team.
- Reporting to and review by the Trust's Audit Committee and Board of Governors on a regular basis.










RSM Tenon continued as the Trust's internal auditor, and reviewed and reported on key areas of operation.

Internal Audit Assurance Statement

This annual Head of Internal Audit opinion is provided to the Co-operative College by RSM Tenon Limited.

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of the Co-operative College's arrangements.

For the 12 months ended 31 December 2010, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of the Co-operative College's governance, risk management and control arrangements is as follows:

	Red	Amber	Green	
Governance				Has adequate and effective governance processes.
Risk Management				Has adequate and effective risk management processes.
Control				Has adequate and effective control processes, although we identified areas of risk in relation to Train to Gain and Payroll which arose in-year but have been resolved by management by year-end.

From considering the elements forming our opinion, we are able to confirm that we are providing an unqualified opinion.

Risk Management

The Trust's management has a clear responsibility for:

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

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

Objects, Aims Objectives and Activities

Charitable Objectives

The object of the Charity as defined in the Trust Deed is:

To promote the education of the public, in particular, but not exclusively, by the provision and conduct of a College for the education of people in a manner consistent with the values and principles of the co-operative movement.

Vision

To be the world leader in co-operative learning.

Mission

To provide inspirational learning and resources based on co-operative values and principles for individuals and organisations to support the development of sustainable co-operative, mutual and social enterprises throughout the world.

Strategic Objectives and Achievements during 2010

To be a well governed, effectively managed and financially sustainable charity.

- Completing a review of frustrated funds to ensure they are used to meet the object of the charity.
- Undertaking a review of the charity's investment strategy.
- Being compliant with the Charity SORP and requirements of those providing funding to the Charity.
- Continuing to diversify the range of funding sources for the Charity.
- Commencing discussions with the Trustee on governance changes to address identified risks.

To create and develop successful relationships that enable all partners to build capacity.

- Maintaining and extending a range of partnerships in the UK and internationally.
- Working with a co-operative learning institutions worldwide.

- Developing the relationship with the awarding bodies that accredit College programmes.
- Strengthening the relationship with higher education institutions in the North West.
- Working with the Department for Education and others to establish co-operative schools within the state education sector in England.

To provide inspiring and dynamic learning programmes.

- Continuing to build on the reputation for quality and inspirational learning programmes.
- Achieving an average learner satisfaction of 91% for in-house programmes, above the College's revised benchmark of 90%.

"I will have reinforced my belief in the Values and Principles."

"Yet another extraordinary session – A brilliant Day!"

"I have found the Group Board Development Centre to be a positive and developing experience."

"As a new member, the course helped to broaden my knowledge of member engagement - what it is, why it is important, how it works."

"A superb day. Wonderfully presented by an excellent tutor."

"The tutor was thoroughly engaging and demonstrated her own enthusiasm and belief in Co-operation."

"Inspirational course of high value."

Quotes from learner feedback 2010

To undertake research to generate an evidence base to inform policy and practice.

- Extending the research and policy programme, Co-operatives for Development, with support from the Department for International Development (DFID).
- Completing research reviews of African Co-operative Colleges under the CoopAfrica programme and providing training on research skills.
- Completing a feasibility study into a Co-operative Learning Institute for the Government of Bahrain.
- Doctoral studentships under the CASE collaborative studentship scheme in partnership with the Open University and University of Central Lancashire.
- Completing research on the history of Eurocoop, which represents consumers' co-operatives across Europe.
- Working with the Co-operative Group, Liverpool University and Liverpool John Moores University on a major co-operative history research programme on the CWS/Co-operative Group.
- Researching the financial needs of co-operatives in the developing world for the UK Co-operative Bank

To promote and develop the use of our co-operative heritage for the benefit of current and future generations.

- Managing the Co-operative Heritage Trust.
- Securing Heritage Lottery Funding for the ROCHDALE (Renewing Our Co-operative Heritage Developing the Archive & Learning Experiences) project.
- Widening the range of researchers using the Archive.
- Widening the range of volunteers working with the collections.
- Collaborative initiatives with other archives and museums.
- Maintaining the Visitor Attraction Quality Assurance Scheme award, recognising the quality of the Rochdale Pioneers Museum as a visitor experience .
- Extending work with schools and young people to use the Museum and Archive collections as learning resources.
- Securing National Archive funding to catalogue the Robert Owen Collection.

To develop our people using innovative methods to enhance organisational knowledge and skills.

- An effective range of personnel policies and practices from recruitment through induction to appraisal.

- Enhancing the Colleague Development Programme from introductory to Master's level including professional qualifications.
- An effective induction into the global work of the College, co-operative values and principles and the wider co-operative movement.
- Maintaining Investor in People and ISO 9001:2008 Quality Assurance and Organisational Development standards.
- Strengthening the team of full time staff to manage specialist areas of operation, and recruiting specialist Associates to meet the needs of the College and its clients.

Objectives for the Year

The College has developed a robust strategic planning process that involves the Trustee, Board of Governors, key stakeholders, staff and Associates of the College. The resulting rolling three year plan identifies measures for each of the strategic objectives that will enable the charity to progress towards the achievement of its vision.

Principal Activities for the Year

The principal activities for the year are detailed in the report on pages 9 to 11.

Volunteers

The College has encouraged and supported volunteers in appropriate areas of its activities. Policies and procedures to involve and support volunteers have been reviewed and the College is exploring ways in which volunteers can be engaged in a wider range of activities in the future.

In the Archive volunteers and placement students work with staff, gaining hands-on experience in archival methods and practices. Wherever possible, projects are tailored to the volunteer's particular area of interest. Placements are available throughout the year, by arrangement. In 2010 the Archive had 19 volunteers contributing 159 days of work.

The Friends of the Rochdale Pioneers Museum, in addition to the usual work of talking to visitors about the history of the co-operative movement and sharing experiences of co-operation, were involved during 2010 in the cataloguing of Museum collections in preparation for the building work taking place in 2011.

These volunteers provide a valuable resource and the College would like to acknowledge its thanks to them.

Review of Achievement and Performance in the Year

Curriculum & Learning

2010 was a significant year for building up the infrastructure of the area and developing new programmes. A robust curriculum quality framework was established, resulting in excellent External Verifier reports across the range of qualifications offered. New Quality Advisory roles were introduced to design and implement processes for ensuring the quality of work-based provision, and a new approach to curriculum delivery has involved a complete revision of learner support and assessment practice, resulting in improved participation, retention and success rates.



Building on the success of an earlier LSIS (Learning and Skills Improvement Service) funded project, the College was successful in gaining LSIS funding for two further projects, *Skills for Life – A Whole Workforce Approach* which was highly acclaimed and made available, through LSIS, on the Excellence Gateway and *The Community Scorecard* project, a short action research project measuring the impact of the establishment of a Co-operative Trust School was also highly commended by LSIS.

Initial work was undertaken in partnership with the WEA (Workers Educational Association) on the design of a programme to be launched in Spring 2011. The programme aims to raise awareness of co-operative values and principles and address the potential of co-operative solutions to some community challenges.

Other curriculum developments included:

- The Co-operative Group Board Development Centre, a competency based assessment and support programme for members aspiring to election or seeking re-election to the main board of The Co-operative Group.
- A new qualifications framework for elected members of The Co-operative Group, involving the piloting of 'bespoke' modules which will be externally accredited in 2011.
- Distance learning materials for six modules from the new member education awards.

- A new three tier programme of Board Skills Audits for different sizes and types of co-operatives.
- Updating of learning and assessment resources for Funeral and Management qualifications.

Consistent with the College's overall approach to quality improvement, the benchmark for learner satisfaction was raised from 85% to 90% with an end of year result of 91%. This compares with 86.5% the previous year.

The national Train2Gain programme achieved excellent success rates in Retail and Customer Service NVQs. Between January and August, when Train2Gain finished, there were 829 and 408 T2G learner registrations. By the end of 2010, the number of registrations for core programmes increased to 1,222 with an additional 228 registrations for work-based funeral provision.

Working with Co-operatives Globally

The College's international work has continued to develop with a growing number of partners, programmes and beneficiaries.

Africa

The College continued to work in the ILO's CoopAfrica programme, and a workshop on research methods was held in Ambo, Ethiopia, and on entrepreneurship in the curriculum in Gaborone, Botswana.

The College undertook a two-week study visit to Malawi to review the co-operative sector and its educational needs in response to the movement's revival and grassroots demand for education. The visit was supported by the Co-operative Enterprise Hub.

Irrigation remains a priority in Malawi and the College is supporting an African Development Bank programme to promote irrigation projects. In conjunction with a specialist agricultural development agency, MASDAR, the programme is assisting 23 farmers groups in irrigation projects to develop co-operatives.



In South Africa, the College is working with the City of Johannesburg and local groups in the townships of Ivory Park and Soweto to explore the possibilities of establishing co-operatives to deliver low-cost funerals. This project has been strongly supported by the Co-operative Funeralcare and the Co-operative Enterprise Hub

In collaboration with the Co-operative Group and other partners, the project to set up co-operatives of tea small holders in the Kericho area of Kenya continues. This three year project is co-funded by DFID. Already, three co-operatives have been established and training for board members has been delivered.

Asia

College staff attended the Asia-Pacific Regional Assembly of the International Co-operative Alliance held in Beijing in September and the ICA EXPO, the second global co-operative trade fair was held in Bangalore, India, in December.

Co-operatives UK has continued to contract the College to manage the Tsunami Reconstruction Fund which supports co-operatives damaged by the 2004 Indian Ocean tsunami.

Middle East

A new area of work for the College has been the Middle East. In April the College was invited to Bahrain and following discussions the Ministry of Social Development the College is undertaking a three-year programme to support co-operative development.

The College to participated in an annual co-operative conference in Jeddah, Saudi Arabia and was the only organisation present from outside the Arab world.

Australia, New Zealand and Europe

The College's well established programme in Australia and New Zealand continued, with workshops for major co-operative organisations in both countries.

The College also continued to maintain its extended links with co-operatives across Europe and collaborate in a number of European Union funded programmes.

Co-operative Schools International Links

The College again supported the Lesotho Student and Youth Co-operatives Forum and developed trading links between schools Young Co-operatives groups and craft co-operatives in Southern Africa. A link programme has been established between schools in Yorkshire and schools in Kwa Zulu Natal, South Africa.

New links were established with networks of co-operative schools in Portugal, France and Poland in addition to those already in place.

A protocol is now in place for link projects between UK co-operative schools and their counterparts in Spain, and the College expects to replicate this with other countries in Europe.

International visitors

International visitors to the College continued throughout the year including groups from Japan, China, Sweden and Belgium.

Research

Co-operatives for Development (CfD), supported by DFID, conducted research on topics including co-operative education in Africa, village level co-operative development in Kenya and natural resource management. CfD collaborated with DFID to produce a Briefing Note on *Working with Co-operatives for Poverty Reduction* as well as representing co-operatives in the European Union policy forum for development policy. The CfD team provided information and resources on co-operatives and international development and a searchable database of over 600 documents is now available at www.internationaldevelopment.coop



Two conferences were held in London – *Co-operatives and Fairtrade: A Marriage Made in Heaven?* In March and *Working with Co-operatives* in December. Both were well attended by a wide range of development practitioners, NGOs, academics and corporates.

Research partnerships developed with a number of universities especially in the North West, on themes including education, business history, archives

and international development.

The research team worked closely with the Co-operative Bank on options for the development of a Global Co-operative Loan Fund, investigating the financial needs of co-operatives in the developing world.

Working with Schools and Young People

The work of the College's School and Youth Programmes team has accelerated as the concept of co-operative schools generated interest throughout the year.

Trusts

The co-operative model for trust schools expanded rapidly in the last 12 months. By 1 January 2011, 110 schools were operating within co-operative trusts, compared to 35 in January 2010. Towards the end of 2010, however, it was

becoming clear that many schools were considering academy status. The College has responded by working on a co-operative model for the new style academies..

Co-operative trust schools have been supported through the provision of a range of training courses and consultancy designed to assist them in the development of their membership strategies and offers.

The College assisted in the development of the **Schools Co-operative Society** – a secondary co-operative which will provide services and a platform for the growing network of co-operative schools.

During 2010 the College registered BenCom model rules to provide a governance structure for local **Enterprise Learning Partnerships** set up by the Enterprise Network, and many are expected to adopt this co-operative model.

Curriculum

In the final year of the DfE-funded **Enterprise Network** the College continued to promote an ethical dimension within mainstream enterprise education, producing a high quality online learning resource analysing ethical issues in the supply chains of a number of popular products – *Everybody's Business*.



The College continued to develop and promote the **Young Co-operatives** programme through a lively website and a growing range of learning resources. A highlight of the year was the first Enterprise Challenge for co-operative schools to celebrate their ethical business projects.

Through a partnership with the awarding body **ASDAN** the College continued to promote the suite of **accredited programmes** which provide a progression framework to a GCSE-equivalent qualification in **Co-operative Studies**. During the year the College has been developing a new co-operative **Citizenship Award** which will be launched in 2011.

The College has continued to support the dynamic network of **Business and Enterprise Specialist Schools** sponsored by the Co-operative Group. Its members have benefited from the opportunity to share resources, ideas, and experiences.

The College has worked closely with the **Woodcraft Folk** – developing courses to

train young trainers and mentors within the organisation and supporting the organising group for 2011's Cocamp, 'international camp of co-operation'.

Through its engagement with schools and young people the College has extended the range of beneficiaries through the creation of a new co-operative sector in the UK, ensuring that a new generation become enthused and engaged with co-operatives.

Learning from our Heritage

The Co-operative College manages the National Co-operative Archive and the Rochdale Pioneers Museum through an agreement with the **Co-operative Heritage Trust** to ensure that collections are preserved for the future, while being accessible as widely as possible to a diverse range of beneficiaries from academics to people researching their family history.

In the summer of 2010, a grant of £1.5 million to the **ROCHDALE (Renewing Our Co-operative Heritage, Developing the Archive and Learning Experiences) project** was made by the Heritage Lottery Fund. The £2.3million project involves the provision of a dedicated education space, improvements in access and new displays at the Museum, conservation work on Museum and Archive collections, the development of a new website to include digitised documents and artefacts and outreach and the development of learning resources using the collections. The Museum closed to the public at the end of August to enable collections to be catalogued and packed in preparation for their move into storage. The tendering process for building contractors took place with building work to be completed during 2011. Three outreach officers were recruited, to start work at the beginning of January 2011.

The Archive made a successful bid to the **National Archives Cataloguing Grants** scheme for a project to fund a professional archivist for a year to catalogue probably the best known of the Archive's collections, the Robert Owen Correspondence Collection.

The **British Library Endangered Archives** scheme agreed during the year to fund a pilot project to establish what archival records survive on co-operatives in Tanzania. Preparation work for a field visit took place during the autumn.

Colleagues gave **talks and film shows** during the year on a range of subjects to local history and co-operative members groups and to a Society of Archivists education day. Articles on the



Archive were commissioned during the year by history publications and the first of a regular series of articles in the Co-operative Group's **Evergreen** magazine appeared in September.

The College is involved in two **major projects that involve research** in the Archive collections, one is an AHRC Collaborative Award PhD studentship with the University of Central Lancashire called *Co-operative Commonwealth, New Jerusalem or Third Way? The Co-operative Party and the Labour Party*, the other is a three year research project on the history and development of the Co-operative Group. Both projects involve research on Archive materials.

The **cataloguing and repackaging** of Archive collections has progressed, the assistance with this work of **volunteers and students** undertaking fieldwork placements is greatly appreciated. The Archive and Museum are working towards the Investors in Volunteers standard.

Future Plans

The College Strategic Plan for 2011-2013 is aimed at mainstreaming co-operative education. In the coming period the turnover and staff are expected to grow through the provision of a wider range of services to the co-operative and mutual sector in the UK and internationally, increasing the number of beneficiaries. The Board has focused on clear milestones that will enable it to monitor performance, and achieve the outputs detailed below by the end of 2011, enabling it to make a major impact on 2012 as the United Nations International Year of Co-operatives.

Strategies to Achieve the Year's Objectives

The planning process focused on mainstreaming co-operative education, including revisions to the College Mission and Strategic Objectives. The revised Mission and Strategic Objectives approved by the Trustee in December 2010, is:

Vision

To be world leaders in education for co-operation.

Mission

To put education at the heart of co-operation and co-operation at the heart of education.

Strategic Objectives

- To develop a co-operative learning framework of progression.

- To build institutional co-operative education capacity within the state education system.
- To develop strategic partnerships to develop and deliver co-operative education.
- To develop an infrastructure and sustainable human resource base to take the College forward.
- To strengthen communication with stakeholders and existing and potential beneficiaries of the College.
- To ensure that the College is a well governed, financially secure charity that balances innovation with stability.

The Strategic Plan, *Mainstreaming Co-operative Education* is available on the College website at www.co-op.ac.uk.

In 2011 the College will:

- Strategically invest in capacity to take advantage of the opportunities to mainstream co-operative education in the UK.
- Continue to diversify income streams and build a wider range of partnerships in the UK, Europe and globally.
- Continue to improve quality in all aspects of its provision, updating learning programmes, ensuring they address emerging issues and remain cutting edge, and maintaining accreditation ISO9001-2008.
- Build research capacity by strengthening the Research and Policy Unit, and extending collaboration with the higher education sector.
- Continue to develop its publications.
- Consolidate its work with the education sector, expanding the national network of co-operative schools and continuing to embed co-operation and co-operative enterprise in the curriculum.
- Support new areas of co-operative development in the UK and ensure that the College can provide effective learning support to them.
- Lead in developing new partnerships to build capacity to support the growth of the co-operative sector throughout the world.
- Maintain Investors in People accreditation and working towards Investors in Volunteers and ISO 14001 2004 environmental accreditation.
- Continue to develop the use of the movement's heritage to help inspire new generations of co-operators.

Financial Review and Results for the Year

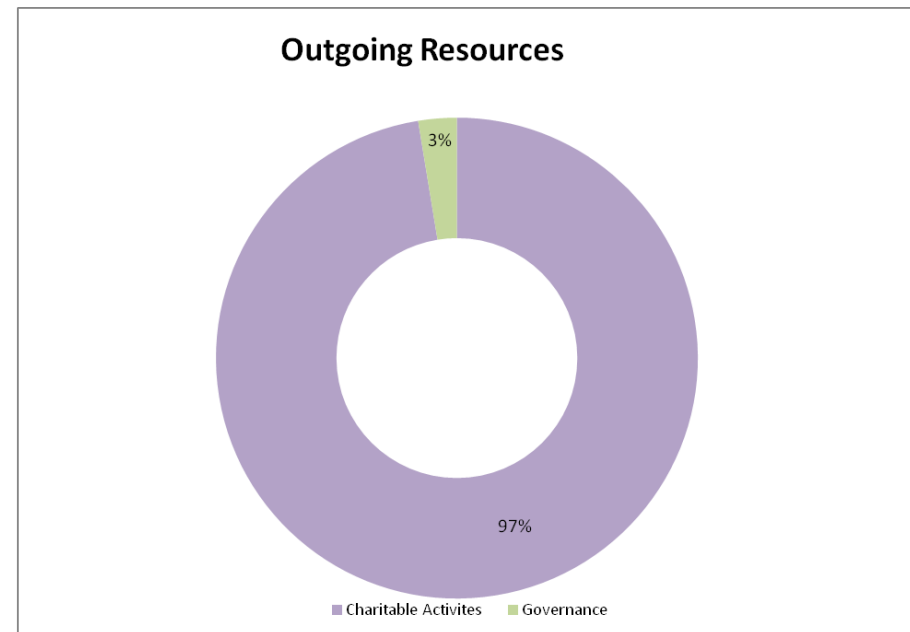
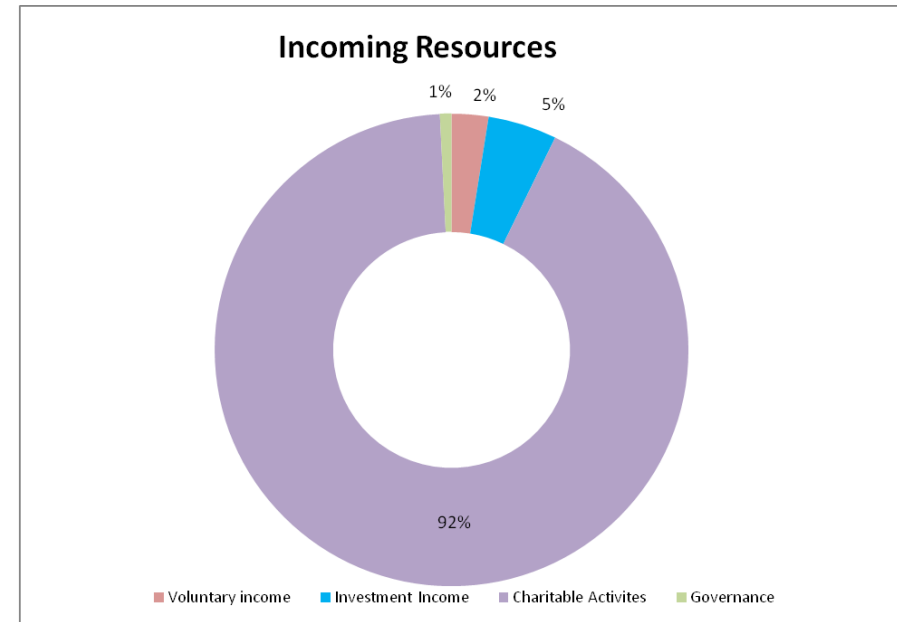
2010 has been a year of change at the College. In March the Board of Governors took the decision to cease the funding agreement with the LSC (now SFA). This was due to the decreasing value of the funding and the increased costs in delivering a national programme with a regional infrastructure. The College undertook a restructure to focus the learning and development of the College on delivering to its beneficiaries.

The overall result for 2010 was a deficit of £156,016 before restructuring costs. Of this deficit £82,217 related to planned strategic investment making the underlying result a deficit of £73,799.

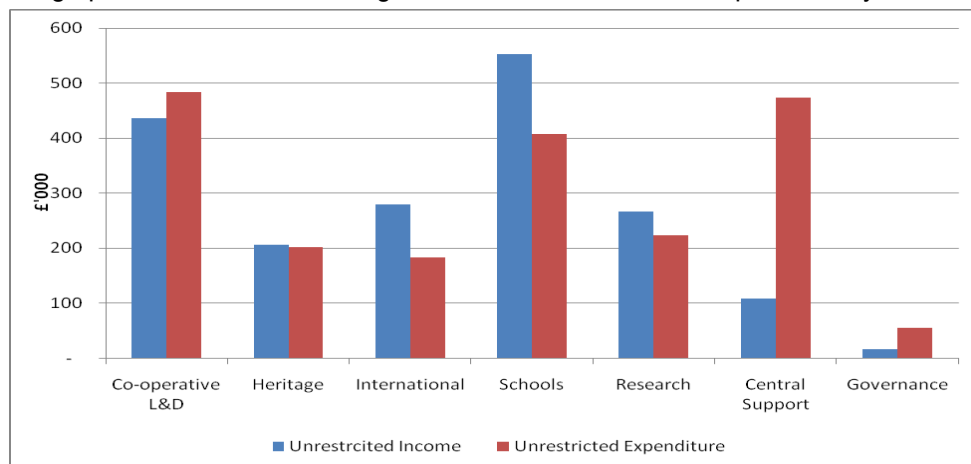
When comparing this result with 2009, and taking into account the challenging environment in which the College is operating this is an excellent result. In comparison to 2009 the College has lost £67,000 as a result of the interest rates remaining at an historical low.

The College has invested in its infrastructure, developing a Virtual Learning Environment, investing in curriculum quality assurance and in its international programmes. This investment was funded from the Co-operative College Restricted Fund and totalled £82,217. This investment is proving well made with International Programmes scheduled to make a good contribution to central costs in 2011 and the College receiving A ratings from external awarding bodies for its quality assurance and internal verification systems.

The graphs show the sources of the College's total funding and its areas of expenditure.



The graph below shows the College's unrestricted income and expenditure by area:



2011 will continue to be a challenging year for the College with interest rates expected to remain low and cuts in core funding. Despite this the College is confident that going forward it will continue to deliver value for money for both its current and future beneficiaries.

Investment Policy and Objectives

The Board and Trustee have agreed that funds be invested in order that the interest arising can be used in the furtherance of the object of the charity. The College currently holds £4,010,887 of investments on fixed term deposits with the Co-operative Group.

In 2011 the College will be reviewing its current investment strategy in light of the decline in returns and the fact that the underlying capital value of the investment is diminishing with the passage of time.

Investment Performance Against Objectives.

In 2010 the average rate of interest on investments was 2.31%. The total return on investments was £82,604 against a budget of £72,858, an improvement of 13.8%.

General Grant Making Policy

The Co-operative College does not make grants but has a number of scholarship funds to assist learners to attend College learning programmes and events.

In 2009 work was carried out, in conjunction with the Charity Commission, to bring a number of frustrated funds back into use and in January 2010 the Co-operative Pioneers Memorial Fund was established. The purpose of this fund is *'to advance education in particular but not exclusively by enabling learners facing financial*

difficulties to participate in programmes arranged by the College'. Full details of this fund and how to apply can be found on the College's website www.co-op.ac.uk/about/bursaries

Reserves Policy

The College Board and Trustee review the appropriate level of unrestricted reserves annually to take account of the risks associated with each area of operations. Based on an assessment of risks arising from activities planned for 2011 and taking account of the forward strategic plan the Board and Trustee have agreed that unrestricted reserves should not fall below £500,000 or be above £750,000.

In 2010 significant work has been undertaken to bring back into use frustrated funds. The advice from the Charity Commission was that if possible the Trustee should deal with the issue itself following the Charity Commission guidance. Using the National Co-operative Archive, research was undertaken to find evidence as to the original purpose of the funds.

Following this research the Audit Committee, Board of Governors and Trustee agreed that several of these funds had been misclassified and should be Unrestricted Funds. The transfer of these misclassified funds, a sum totalling £355,165, took place in 2010 bringing the current unrestricted reserves level to £642,266.

During 2011 the current reserves policy will be reviewed to ensure that it continues to be set at an appropriate level for the College.

The accounts and notes on pages 17 to 19 are hereby signed by:

On behalf of the Trustee:

On behalf of the Co-operative College Board of Governors:

David Button
Chair, Co-operatives UK Board of Directors

Paul Sommerfeld
Chair, Co-operative College Board of Governors

Ed Mayo
Secretary General, Co-operatives UK

Mervyn Wilson
Chief Executive & Principal, Co-operative College

Date: 10 May 2011

Accounting and Reporting Responsibilities

Statement of Trustee's Responsibilities in respect of the Trustee's Report and the Financial Statements

Under the Trust Deed of the Charity and charity law the Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and 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 Trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. It is 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 Trustee to ensure that, where any statements of accounts are prepared by it under section 42(1), the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision. It has 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.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK covering the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Information System

The Trust has two qualified accountants, one being the Vice Principal of Finance & Resources, and two Finance Assistants who provide an accounting and information service for the College. All transactions are recorded through the computerised financial ledger system. Monthly actual results are produced from this system for reporting to the Trust's management and the Board against budget, highlighting any significant adverse or favourable variances. This also allows any remedial action to be taken as and when required.

The accounting system is complemented by the Trust's learner database that is used to record all student enrolments and details of the Trust's courses.

Control Procedures and Monitoring

In addition to the controls previously mentioned, there are clearly defined policies for capital expenditure. These include appropriate authorisation levels with larger projects requiring Board approval. The Audit Committee performs a key role in the review of the effectiveness of internal financial and other controls. The Committee met on four occasions and has been able to refer to work undertaken by internal audit. By the end of the year the Trust was compliant with the Co-operatives UK *Corporate Governance Code of Best Practice* 2005 D3.1 in as far as it is applicable to the Trust.

Auditors

KPMG LLP successfully tendered for and were appointed auditors by the Trustee at its AGM on 22 May 2005.

Going Concern

After making all enquiries and taking into consideration the detailed College Strategic Plan and budgets, the Trustee has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Trust's accounts.

Independent Auditor's Report to the Trustee of the Co-operative College Trust

We have audited the financial statements of the Co-operative College Trust for the year ended 31 December 2010 set out on pages 17 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charity's trustee as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 15 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 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB'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 APB's website at <http://www.frc.org.uk/apb/scope/private.cfm>

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 2010 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 1993.

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 1993 requires us to report to you if, in our opinion:

- the information given in the Trustee's 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Mick Davies

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St James' Square

Manchester M2 6DS

13 May 2011

Statement of Financial Activities for the year ended 31 December 2010

-	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total December 2010	Total December 2009
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income		-	50,537	-	50,537	49,682
Investment Income		82,604	11,962	-	94,566	161,872
Incoming resources from charitable activities						
Co-operative Learning & Development		436,383	-	-	436,383	752,355
Heritage		206,531	-	-	206,531	357,707
International		279,487	-	-	279,487	205,318
Schools		552,316	-	-	552,316	496,952
Research		266,492	-	-	266,492	174,893
Central Support and Administration		108,220	-	-	108,220	97,441
Governance		15,928	-	-	15,928	15,928
Total incoming resources		1,947,961	62,499	-	2,010,460	2,312,148
Resources expended						
Charitable activities						
Co-operative Learning & Development	3	483,627	25,725	-	509,352	924,202
Heritage	3	201,498	3,000	-	204,498	338,612
International	3	183,636	19,891	-	203,527	159,196
Schools	3	407,238	33,694	-	440,932	364,636
Research	3	223,849	-	-	223,849	169,947
Central Support and Administration	3	474,136	54,268	-	528,404	448,708
Governance	3	55,914	-	-	55,914	50,326
Total resources expended		2,029,898	136,578	-	2,166,476	2,455,627
Net (outgoing) resources before exceptional items		(81,937)	(74,079)	-	(156,016)	(143,479)
Restructuring Costs		(6,050)	-	-	(6,050)	(85,073)
Net (outgoing) resources for the year		(87,987)	(74,079)	-	(162,066)	(228,552)
Transfers between funds		355,165	-	(355,165)	-	-
Net movement in funds		267,178	(74,079)	(355,165)	(162,066)	(228,552)
Total funds brought forward		375,088	3,925,229	380,702	4,681,018	4,909,379
Total funds carried forward		642,266	3,851,149	25,537	4,518,952	4,681,018

Balance Sheet as at 31 December 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	7	27,557	19,909
Investments	8	3,759,200	3,771,640
Total fixed assets		3,786,757	3,791,549
Current assets			
Debtors & prepayments	9	726,418	682,387
Investments	10	260,387	518,752
Cash at bank and in hand		103,230	40,530
Total current assets		1,090,035	1,241,669
Liabilities			
Creditors : Amounts falling due within one year	11	357,840	352,391
Net current assets		732,195	889,278
Total assets less current liabilities		4,518,952	4,680,827
Net assets		4,518,952	4,680,827
The funds of the charity			
Endowment funds	13	25,537	380,702
Restricted funds	13	3,851,149	3,925,229
Unrestricted funds	13, 14	642,266	374,896
Total charitable funds		4,518,952	4,680,827

Cash Flow Statement for year ended 31 December 2010

	Notes	2010 £	2009 £
Net cash (outflow) from operating activities	15	(283,058)	(505,455)
Return on investments & servicing of finance	15	94,566	161,872
Sale/(Purchase) of Fixed Asset Investments	15	(7,364)	326,631
Increase/(Decrease) in cash		(195,856)	(16,952)

Reconciliation of net cash flow to movement on net funds:

Net funds at 1 January	16	559,473	576,425
(Decrease) in cash	16	(195,856)	(16,952)
Net funds at 31 December 2010		363,617	559,473

Notes to the Accounts

1. Statement of Accounting Policies

Basis of accounting

The accounts have been prepared on a historical cost accounting basis for the year ended 31 December 2010, together with the comparative figures for the year to 31 December 2009 and in accordance with applicable accounting standards and the Statement of Recommended Practice *Accounting and Reporting for Charities* issued in March 2005.

The presentation of the accounts complies with the Charities Act requirements under the charities SORP.

Income

All income is recorded exclusive of VAT.

Management Services

Income for management services is recognised on an accruals basis in accordance with the Service Level Agreement with Co-operatives UK.

Course and Programme Fees

These are recognised in line with the delivery of the programmes with the organisations involved.

Grants and Project Funding

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 2010.

Investment Income

Investment income is recognised on an accruals basis.

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.

Fixed Assets

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 & Fittings	10% - 33% per annum
Motor Vehicles	33% per annum
Information Technology Equipment	50% per annum

Funds

Unrestricted funds are available for use in the day to day operations of the Co-operative College Trust.

Restricted funds represent those amounts donated to the Trust and available for specific purposes as detailed in note 13. In 2010 the Trust consolidated a number of frustrated restricted funds. This was done with guidance from the Charity Commission and a subsidiary Charity, the Co-operative Pioneers Memorial Fund (register charity number 1060008-1) was established. Full details can be found in note 13.

Endowment funds represent donated monies where only the interest is available for the purposes specified by the donor. In 2010 significant research was undertaken into the origins of these funds and, following advice from the Charity Commission, a number of these have been reclassified as unrestricted. Further details can be found in note 13.

Pension

From 1 January 2009 the Co-operative College has participated in the Co-operative Group PACE pension scheme. This is a defined benefit scheme based on Career Average Revalued Earning. Employer contributions paid by the College in 2010 are detailed in note 4.

Operating Leases

Rentals payable under operating leases are charged to the Income & Expenditure account as they arise.

Investment Policy

The Board and Trustee have agreed that funds be invested in order that the interest arising can be used in the furtherance of the object of the charity.

2. Grants

Included in income are contributions received from the Department for International Development in relation to the following projects:

	2010	2009
	£	£
DAF - Food and the Concerned Consumer (from April 2007)	30,173	43,911
Research and Policy Unit (Co-operatives for Development)	170,384	174,893
	200,557	218,804

3. Charitable Expenditure

Analysis of total resources expended	Staff Cost	Support Costs	Other Direct Costs	Restricted Funds	Total 2010	Total 2009
	£	£	£	£	£	£
Co-operative Learning and Development	190,931	31,120	261,576	25,725	509,352	924,202
Heritage	143,075	58,423	-	3,000	204,498	338,612
International	11,320	73,669	98,647	19,891	203,527	159,196
Schools	204,884	92,981	109,373	33,694	440,932	364,636
Research	147,549	40,176	36,124	-	223,849	169,947
Central Support and Administration	311,565	148,804	13,767	54,268	528,404	448,708
Governance	14,096	35,572	6,246	-	55,914	50,326
	1,023,420	480,745	525,733	136,578	2,166,476	2,455,627

Analysis of support costs

	CLD	Heritage	International	Schools	Research	Central Support and Admin	Governance	Total 2010	Total 2009
	£	£	£	£	£	£		£	£
Travel	8,333	4,922	62,632	22,405	26,835	10,096	2,829	138,052	126,622
Establishment Costs	14,178	19,509	- 264	8,147	7,507	16,395	3,895	69,367	100,087
Depreciation	2,325	3,119	142	230	603	5,396	-	11,815	21,128
VAT	-	-	-	-	-	38,128	-	38,128	42,552
Postage and Telephone	3,923	1,392	423	4,483	3,185	9,370	253	23,029	31,909
Printing, stationery and publications	400	833	6,854	18,498	252	46,732	-	73,569	40,320
Audit Fees	-	-	-	-	-	-	15,160	15,160	20,428
Other Audit Fees	-	-	-	-	-	1,814	-	1,814	1,187
Internal Audit Fees	-	-	-	-	-	-	7,981	7,981	7,459
Professional Fees	-	24,472	-	3,957	-	4,462	3,000	35,891	123,637
Miscellaneous	1,961	4,176	3,882	35,261	1,794	16,411	2,454	65,939	126,598
	31,120	58,423	73,669	92,981	40,176	148,804	35,572	480,745	641,927

Support costs are allocated to the department that has incurred the expenditure. No expenses were reimbursed to the trustee during the year. All expenses for trustee meetings are borne by Co-operatives UK. The College Trust purchased indemnity insurance for 2010 at a cost to the charity of £2,363 (2009 - £2,363).

4. Employee Costs

The average number of colleagues employed by the Trust was:

	2010	2009
Full time	18	18
Part time	13	14
	31	32
Full Time Equivalents	26	26

The costs incurred in respect of the employees (including the Leadership Team) were:

	2010	2009
	£	£
Salaries	838,353	827,987
Social security	74,510	74,248
Pension	85,071	97,126
Other	25,486	33,747
	1,023,420	1,033,108

In March 2010 the Board of Governors made the decision not to seek a further contract with the LSC (now SFA) this meant that the Co-operative Learning & Development team underwent a restructure in order to re-focus on quality assurance and develop innovative programmes for the College's core markets.

5. Board of Governors Remuneration

Members of the Board of Governors received no remuneration in the performance of their duties (2009 - £nil). The Chair of the Co-operative College Board of Governors received an honorarium of £6,000 from Co-operatives UK for services to co-operative education (2009 - £6,000)

6. Senior Management Remuneration

The total remuneration for the six members of the senior management team was as follows:

	2010	2009
	£	£
Salaries	349,567	361,677
Taxable benefits	3,769	7,088
	353,336	368,765
Pension contributions	47,278	53,061
	400,614	421,826

The remuneration of the Chief Executive & Principal, who is the highest paid employee and included in the above figures is as follows:

	2010	2009
	£	£
Salary	98,861	96,801
Taxable benefits	3,769	3,769
	102,630	100,570
Pension contributions	15,816	15,488
	118,446	116,058

The number of members of the senior management team (including the Chief Executive & Principal) whose remuneration, excluding pension contributions, fell in the following £5,000 bands is:

	2010	2009
£25,001 - £30,000	-	1*
£35,001 - £40,000	-	2
£40,001 - £45,000	2	-
£50,001 - £55,000	2	2
£55,001 - £60,000	1	1
£95,001 - £100,000	1	1
	6	7

* Denotes part year only

7. Tangible Fixed Assets

	Motor vehicles £	Plant, fixtures & fittings £	IT and office equipment £	Total £
Cost				
1 January 2010	36,350	34,121	56,241	126,712
Additions	-	16,344	3,460	19,804
Disposals	(17,273)	0	0	(17,273)
31 December 2010	<u>19,077</u>	<u>50,465</u>	<u>59,701</u>	<u>129,243</u>
Depreciation				
1 January 2010	35,014	21,159	50,630	106,803
Charge for year	1,336	3,784	7,036	12,156
Disposals	(17,273)	-	-	(17,273)
31 December 2010	<u>19,077</u>	<u>24,943</u>	<u>57,666</u>	<u>101,686</u>
Net Book value 1 January 2010	1,336	12,962	5,611	19,909
Net Book value 31 December 2010	0	25,522	2,035	27,557

8. Fixed Asset Investments

Fixed Asset Investments	£
1 January 2010	3,771,640
Transfer to current asset investments	79,563
Interest	(92,003)
31 December 2010	<u>3,759,200</u>

The investments represent funds placed with the Co-operative Group. All investments are held at market value.

11. Creditors

	2010	2009
	£	£
Trade creditors	91,262	138,641
Accruals	71,574	134,190
Deferred income	165,559	52,415
VAT	6,414	4,580
Taxation & social security	23,031	21,912
Sundry creditors	-	653
	<u>357,840</u>	<u>352,391</u>

12. Deferred Income

Deferred income is comprised mainly of project funding received in advance of activities to be performed.

	£
Balance at 1 January 2010	52,415
Amount released to incoming resources	(48,097)
Amount deferred in year	<u>161,241</u>
Balance at 31 December 2010	<u>165,559</u>

13. Charitable Funds

	Balance 1 Jan 2010 £	Incoming Resources £	Resources Expended £	Exceptional Items £	Transfers Between Funds £	Balance 31 Dec 2010 £
Endowments:						
Capital Restoration ¹	225,000	-	-	-	(225,000)	-
College Endowments (50th Anniversary) ¹	130,165	-	-	-	(130,165)	-
Endowment Fund	24,537	-	-	-	-	24,537
Lady Hayward Bequest	1,000	-	-	-	-	1,000
	380,702	-	-	-	(355,165)	25,537
Restricted Funds:						
Bert Youngjohns Memorial	6,220	51	(3,800)	-	-	2,471
College Endowments (50th Anniversary) Interest ²	41,202	-	-	-	(41,202)	-
Co-operative College Fund	3,269,059	-	(82,217)	-	-	3,186,842
Co-operative College IT Fund	5,109	-	(2,000)	-	-	3,109
Educational Development	76,559	50,437	(48,562)	-	-	78,434
Educational Support ²	41,941	-	-	-	(41,941)	-
Emmanuel Booth ²	1,597	-	-	-	(1,597)	-
Endowment Fund Interest ²	7,768	-	-	-	(7,768)	-
Hughes & Neale ²	69,393	-	-	-	(69,393)	-
Les Stannard	27,920	585	-	-	-	28,505
Neal Bequest ²	6,451	-	-	-	(6,451)	-
Scholarship & Lectureships ²	369,309	-	-	-	(369,309)	-
Southern Co-operative	2,700	56	-	-	-	2,756
Rochdale Pioneers Memorial Fund	-	11,270	-	-	537,661	548,931
Joyce & Vic Butler Award	-	100	-	-	-	100
	3,925,229	62,499	(136,579)	-	-	3,851,149
Unrestricted Funds:						
College Gifts	1,705	-	-	-	(1,705)	-
Revenue reserves	373,383	1,947,961	(2,029,898)	(6,050)	356,870	642,266
	375,088	1,947,961	(2,029,898)	(6,050)	355,165	642,266
Total charitable funds	4,681,019	2,010,460	(2,166,477)	(6,050)	-	4,518,952

¹ In 2010 significant work has been undertaken to bring back into use frustrated funds that had been previously classified as endowments. The advice from the Charity Commission was that if possible the Trustee should deal with the issue itself following the Charity Commission guidance. Using the National Co-operative Archive, research was undertaken to find evidence as to the original purpose of the funds.

Following this research the Audit Committee, Board of Governors and Trustee agreed that several of these funds had, in the past, been misclassified as endowments and should in reality be Unrestricted Funds. The transfer of these misclassified funds, a sum totalling £355,165, took place in 2010 bringing the current unrestricted reserves

level to £642,266. For the remaining funds no evidence of the original purpose could be found. The issue of the remaining funds and how to best utilise them for future beneficiaries will be referred to the Charity Commission for advice.

²The College has a number of frustrated restricted funds. In 2009 work was carried out, in conjunction with the Charity Commission, to bring these frustrated funds back into use and in January 2010 the Rochdale Pioneers Memorial Fund was created. The purpose of this fund is “*to advance education in particular but not exclusively by enabling learners facing financial difficulties to participate in programmes arranged by the College*”. Full details of this fund and how to apply can be found on the College’s website www.co-op.ac.uk/about/bursaries

Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible assets	27,557	-	-	27,557
Fixed asset investments	0	3,733,663	25,537	3,759,200
Current assets	972,549	117,486	-	1,090,035
Current liabilities	(357,840)	-	-	(357,840)
	642,266	3,851,149	25,537	4,518,952

14. Unrestricted Funds

	2010	2009
	£	£
Balance at 1 January	375,088	617,191
Deficit for year	(87,987)	(242,103)
Movement from Endowment Funds	355,165	-
Balance at 31 December	642,266	375,088

15. Reconciliation of net outgoing resources to net cash outflow from operating activities

	2010	2009
	£	£
Net incoming resources	(162,066)	(228,552)
Depreciation charge	12,156	21,128
Increase in debtors	(44,031)	(249,663)
Increase in creditors	5,449	113,504
Interest allocated on funds	(94,566)	(161,872)
Net cash (outflow) from operating activities	(283,058)	(505,455)
Return on Investments and Service of Financing		
Interest receivable	94,566	161,872
Capital and Investments		
Payments to acquire tangible fixed assets	(19,804)	-
Sale of investments	12,440	326,631
Sale of investments	(7,364)	326,631
Net Cash (Outflow) from Operating Activities	(195,856)	(16,952)

16. Analysis of Net Funds

	At 1 Jan 2010	Cash flows	At 31 Dec 2010
	£	£	£
Cash at bank and in hand	40,721	62,509	103,230
Current asset investments	518,752	(258,365)	260,387
	559,473	(195,856)	363,617

17. Contingent Liabilities & Capital Commitments

At year end the Trust was involved in certain legal matters, the outcome of which was uncertain. Since then the matter has been concluded for a sum of £65,870.

18. Pension Scheme

From 1 January 2009 the Co-operative College has participated in the Co-operative Group PACE pension scheme. This is a defined benefit scheme based on Career Average Revalued Earning. New employees have the option to join the scheme upon completion of three months service with the Co-operative College.

Actual contribution to the PACE scheme for 2010 amounted to £85,071. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

19. Related Party Transactions

The following are related party transactions, as defined by Financial Reporting Standard 8, together with details of notable transactions:

Members of the Board of Governors

Individual members of the Board incurred expenses on Trust business amounting to £5,704 (2009 - £7,204).

Co-operatives UK Limited

The Trust paid and received during the year a total of £88,400 and £134,116 respectively (2009 - £93,892 and £133,761) for services supplied on normal commercial terms. The balances owed by and to the Trust at the year end were £12,147 and £10,771 retrospectively (2009 - £2,928 and £10,542).