



## **Trustees' report and financial statements**

For the year ended 31 December 2021

Co-operative Community Investment Foundation (a company limited by guarantee). Company registered number 4117665 / Charity registered number 1093028 (England & Wales), SC048102 (Scotland)



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Foundation

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## Foreword by Jamie Ward-Smith, Chair of Trustees

*"The Co-op Foundation is a funder with a co-operative difference. We care deeply about how our funding can empower people and we trust our partners to do what matters most. By building relationships, by being honest and open, by learning and by accepting appropriate risk, we will support our partners to make an even greater impact tackling inequality and strengthening communities."*

I wrote these words in June 2021 when the Foundation signed up to the IVAR principles of open and trusting grant making. It was a decision that helped us support our partners with true flexibility as they moved into a world beyond Covid. And it was a decision that would set us on course to build on and share the co-operative values we hold so dearly.

It was a highlight among many as we combined our commitments to strengthen the Foundation's capacity and culture, deliver on our funding commitments, develop a strategy that would have long-lasting impact, and react to external challenges.

We reacted to one such challenge in September when we awarded our largest single grant to date - £250k to Refugee Action to respond to the Afghan refugee crisis. Our grant was awarded in just eight days. It was unrestricted and totally flexible, which meant our new partner could do what mattered most for the people they wanted to help. We committed to learning from them, too, as they provided emergency support to refugees fleeing the Taliban and funded lived experience experts to advise on their work.

Lived experience was also key to our continued support for Getting on Board and Action for Trustee Racial Diversity. Our grant giving allowed their teams to create an incredible guide to help charities recruit Black and Asian Trustees. It aligned, too, with further funding for the Young Trustees Movement and the efforts we made internally to increase the age, gender and ethnic diversity of our own Board. We recognise we have more to do to extend this work, including building Board representation from the LGBTQ+ community.

Youth funding and campaigns, led by young voices, were also important in 2021. We continued to support our #iwill partners to help make social action a way of life for young people. It's incredible to think that more than 13,000 young people have now taken part in projects we've funded. Our own social action project, Lonely Not Alone, also enjoyed a show-stopping year. Young co-designers built a digital universe for their peers to share stories of loneliness and tackle stigma. 3.1m 10 to 25-year-olds have now seen their work.

And finally, our Carbon Innovation Fund allowed us to break new ground, delivering more value for Members by partnering with Co-op and reminding us all of the importance of tackling the climate emergency.

Everything we learned in 2021 will help us to build a stronger Foundation for the future. Key to this will also be our brilliant new strategy where we imagine what future communities could look like if they were fair and built on co-operative values. I am unashamedly excited about the potential impact of this work. For the past two years, we've listened and learned from our partners, colleagues and Co-op. From next year, we'll see the early shoots of what this vision could achieve.

Thank you to all our talented and committed Foundation colleagues and Trustees, many of whom are new to the team this year. And thank you to everyone who supported us in 2021, including our long-term benefactor Allan Leighton who, once again, donated to our work. We could not have achieved what we did without you.

I hope you're ready for what 2022 will bring. I certainly cannot wait.

## Trustees' report

The Trustees, who act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Reference and administrative details

Co-operative Community Investment Foundation is a company limited by guarantee, registered with Companies House (number 4117665). Its registered office is 1 Angel Square, Manchester M60 0AG. It is registered as a charity in England and Wales (number 1093028) and Scotland (number SC048102).

Its day-to-day working name is the Co-op Foundation. In this report, it is referred to simply as 'the Foundation'.

The following people served as Trustees of the Foundation during the year:

Jamie Ward-Smith (Chair)

Sharon Jones (Vice Chair)

Michael Fletcher (appointed 23 April 2021)

Saleem Chowdhery (Treasurer) (Resigned 17 February 2022)

Daniel Crowe (Resigned 22 April 2022)

Lois McClure

Sheila Jane Malley

Sarah Woodcock (resigned 21 June 2021)

Hope Levy-Shepherd (appointed 1 October 2021)

George Imafidon (appointed 1 October 2021)

Surojit Majumder (Treasurer) (appointed 18 April 2022)

## Key personnel

Chief Executive – Nick Crofts

## Bankers

Barclays Bank PLC, 1 Churchill Place, London, E14 5HP

## Legal advisers

Brabners LLP, Horton House, Exchange Flags, Liverpool L2 3YL

## Auditor

Sayer Vincent LLP, Invicta House, 108-114 Golden Ln, London EC1Y 0TL

## Trustees' report (*continued*)

### Objectives

The Co-op Foundation's formal objects are described in its governing document. These are to support, through donations from co-operative organisations, members, customers and employees, projects that contribute to relief of poverty, advancement of education or other such charitable purposes and which will benefit communities in which the businesses of Co-operative Group Limited operate.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

### New Foundation strategy

2021 saw the development of a new five-year Foundation strategy. The development work was designed to further bring to life the co-operative ethos of the Foundation as a funder and to enable the organisation to maximise its impact.

A collaborative co-design process was entered into with sectoral consultants Impact Works Associates, drawing together Foundation Trustees and team members, along with key stakeholders at Co-op and our funded partners.

The draft strategy was approved at our November Trustee Board meeting and will be launched in autumn 2022, following additional work to operationalise the strategy and turn it into a delivery plan.

This has been a tremendously exciting piece of work, reflective of the Foundation's ambition to maximise its impact on people's lives and their communities, and its determination to 'punch above its weight' by influencing the wider funding sector.

The Co-op Foundation is proud to be a contributor to the Co-op's wider commitment to racial equality and inclusion. The issues of racial justice are systemic, deeply entrenched, and knotty. The Co-op Foundation believes that being not racist is not enough; we strive to be anti-racist. This means that we'll work to eliminate individual, institutional and systemic racial inequalities that currently exist.

During the year, we have made meaningful improvements to the diversity of both our team and our Trustee Boards. There remains, however, more work to do; currently, our leadership team is all white.

## Activities and achievements

### Flexible funding

2021 was a year of real change for the Foundation. We left behind some of the pre-pandemic ways of working and found a 'new normal' where we pledged to be better, more co-operative and more responsive than ever. During the year, we joined with a group of pioneering funders committed to 'open and trusting' grantmaking. Co-ordinated by the Institute for Voluntary Action Research (IVAR), our commitments demonstrated our determination to be the best funder we could be. This is helping us to shape lives in our co-operative image, and influence other funders, too.

*"The Co-op Foundation is a funder with a co-operative difference. We care deeply about how our funding can empower people and we trust our partners to do what matters most. By building relationships, by being honest and open, by learning and by accepting appropriate risk, we will support our partners to make an even greater impact tackling inequality and strengthening communities."* **Jamie Ward-Smith, Chair of the Co-op Foundation**

## Trustees' report *(continued)*

As a result, we made the following eight commitments:

### **1. Don't waste time**

For open funds, we will ensure that clear, plain English guidance is published and we will be available for questions and clarifications. We will use a two-stage application system so ineligible applicants do not spend undue wasted time applying. When working with strategic partners on solicited applications, we will keep open communication with our Trustees to ensure proposals are only progressed when they are likely to succeed.

### **2. Ask relevant questions**

We will always keep our questions to the minimum needed to make a decision. We will act on feedback from current and former partners to ensure our application processes are straightforward and proportionate.

### **3. Accept risk**

We will work with our Trustees to agree an approach to risk that ensures we fund a range of organisations, including smaller grassroots groups that may inherently carry more risk. We accept that, even when things don't go to plan, this represents a learning opportunity rather than 'failure'. In our investments, we will seek to make further equity investments and interest-free loans to community organisations, accepting a meaningful share of risk alongside our partners.

### **4. Act with urgency**

We will seek to work at a pace that works for applicants. We will publish our timelines when announcing a fund and stick to them. We will build strong relationships with our funded partners, so we can respond with urgency to any issues they may face.

### **5. Be open**

We will publish our approach to funding and be open about chances of success when we launch a fund. Funds will be as targeted as possible to reduce likelihood of high volumes. We will publish reasons for rejection and give more detailed feedback wherever possible. We will continue to share all our funding data via 360Giving.

### **6. Enable flexibility**

We will work with partners, supporting them to respond as flexibly as required on funded projects. We will seek to keep funding as flexible as possible and offer unrestricted funding where we can. When working in partnership with other funders, we will be clear about how we fund, and seek to influence others to also fund in flexible and responsive ways. We will set out our expectations clearly at the beginning of partnerships and not be afraid to move away if we feel our approaches cannot align.

### **7. Communicate with purpose**

We will continue to be a relational funder and will invest time in building strong partnerships. We will trust our partners to know how best to deliver positive change in their area of expertise. We will make it clear to partners at the start of a funding relationship what they can expect of us, and what we will expect of them.

### **8. Be proportionate**

Our reporting will always be proportionate, and we will be clear with partners exactly what we hope to learn from each fund and what information we will need from them. We will always seek to make reporting light touch and accessible.

## Trustees' report *(continued)*

### Grantmaking activity

#### Acting fast to help refugees

The Foundation was able to make an urgent response to the Afghan refugee crisis in September 2021 by awarding our largest single grant to date, £250,000, to Refugee Action. The funding we awarded was unrestricted, which meant it could be spent where their team felt it would make the most impact. In the initial days of our partnership, our grant helped to provide emergency support for Afghans arriving in the UK before going on to make a longer-term difference to refugee children and their families. This funding was delivered in alignment with our flexible funder commitments, and saw a very rapid turnaround, with a decision to award funding being made in just eight days.

Our grant also contributed towards Refugee Action's wider goals, allowing them to create a new senior leadership role to shift power and focus to those with lived experience of the refugee system. As a result of our funding, two 'Experts by Experience' network members recently joined the Refugee Action Board of Trustees. 60% of its Board is now made up of people from a refugee background. This is a massive step forward in Refugee Action's long-term commitment to shift power to people with lived experience.

#### Carbon innovation Fund

Co-op Foundation launched the Carbon Innovation Fund in November 2021.

The Carbon Innovation Fund is a multi-year partnership between the Co-op and the Co-op Foundation. It's funded through Co-op donations raised from the sale of compostable carrier bags in the UK and topped up with the Co-op Foundation's own funds, to a total of £1m for the first pilot year.

The purpose of the Carbon Innovation Fund is to fund organisations in the UK and overseas that are making exciting, alternative and different developments to reduce greenhouse gas emissions within the food and farming sector. We were on the lookout for innovative projects, movements or inventions that not only delivered an environmental good, but contributed to real systems change and demonstrated a positive impact for people and communities. Organisations could request between £75,000 and £100,000 for their project, and we planned to fund at least 10 organisations.

We were delighted with the level of interest in the fund, having received 232 applications, in total. We managed the burden on potential partners by adopting a light-touch two-stage application process, in line with our IVAR commitments.

In 2022, we will be creating a shortlist and holding assessment calls with each organisation to discuss projects in more detail. We will then convene a decision panel comprised of relevant specialists with differing views and expertise to mutually agree on who the Foundation will fund and why. We envisage round two of the Carbon Innovation Fund to launch in late 2022 or early 2023.

#### Supporting youth mental wellbeing

Research over the past year consistently showed that young people were bearing the brunt of the covid pandemic. Our One Small Step research found a 25% increase in chronic youth loneliness. 85% of this group said loneliness negatively impacted on their mental wellbeing. The Co-op's 'Shadow on a young generation' report also found children as young as 10 feel permanently disadvantaged by the pandemic. We sought to help through campaigns that tackled youth loneliness and funding that put young people in control.

## Trustees' report *(continued)*

### **A stellar Lonely Not Alone campaign**

Young people created something out of this world for year three of our Lonely Not Alone campaign to tackle the stigma of youth loneliness and boost mental wellbeing.

Working with our specialist co-design partner, Effervescent, a group of young volunteers developed a new digital universe at [lonelynotalone.org](https://lonelynotalone.org) for their peers to share the One Small Step they'd taken to tackle loneliness. This created a supportive community of young people who felt lonely and built empathy about youth loneliness. Work aligned to the 'connect' phase of our Theory of Change.

Brave lonely young people added stories to our site from October. Our research shows that 3.1m young people have now seen Lonely Not Alone and 70% of this group say they feel less alone in their loneliness after seeing it.

### **Making voices matter**

2021 was about more than listening. It was about raising voices and influencing change, particularly for communities who are heard the least. We have been working to help deliver systemic change in the wider voluntary sector, specifically by supporting work to increase the diversity on charity boards, so they can make their work more reflective of the communities they support.

We were delighted to confirm long-term funding for the Young Trustees Movement and Getting on Board in 2021. Getting on Board is a long-term partner of Action for Trustee Racial Diversity (ATRD). In 2021, we supported the launch of the ARTD guide, 'From Here to Diversity'. This is a practical tool to help charities recruit Black and Asian Charity Trustees so they can take positive and sustainable steps to increase racial diversity within their Boards.

The advice, case studies and quotes in the Guide provide invaluable learning and support as well as stimulating discussion at diversity and inclusion events and training.

### **#iwill Fund**

The #iwill Fund was launched in November 2016, with the aim to make social action the norm for young people aged 10 to 20-years-old. Social action refers to activities such as volunteering, campaigning and peer support. It involves young people supporting other young people and authentically connects them to wider issues that they want to address. From the end of 2020, the #iwill Campaign became known as the #iwill Movement. The #iwill Movement is UK-wide whereas the #iwill Fund only funds projects that are delivered in England.

The Co-op Foundation is proud to be an #iwill Fund match-funder administering an overall fund of £5.6m. We've been match funding since 2017 and have successfully delivered a £2m England-wide grants programme, which used youth social action to address youth loneliness (a strategic focus for us).

We've expanded our #iwill Fund work and we're currently delivering our £3.6m extended #iwill Fund (2019-23) to support social action that draws upon young people's own lived experience through peer support, youth voice and youth-led advocacy. From 2017 to date, we've supported 58 England partners to support 13,819 people through £4.1m #iwill Funds.

In 2021, our grant-making focussed on three strands – community spaces, young people's bereavement and school transitions. We're proud to have funded 45 partners. 39 are funded through the #iwill Fund in England while another six partners have been funded in the devolved nations under our Co-op Foundation Bereavement Fund, made possible through £120,000 of Co-op Funeralcare investment.



## Trustees' report *(continued)*

- Community Spaces

Our #iwill community spaces projects aim to deliver a youth-led advocacy project to improve community spaces and to help make social action part of life for as many 10 to 20-year-olds as possible.

- Young People's Bereavement

Our #iwill bereavement projects aim to give young people the skills and support they need to provide peer support and/or become advocates for improved bereavement support for other young people.

- School Transitions

Our #iwill school transitions funding has been helping young mentors build confidence and leadership skills by supporting younger peers to move up schools. They also found young people showing incredible resilience throughout the covid lockdowns.

Understanding the importance of this work, we commissioned IFF to conduct a formal evaluation of our #iwill Fund as part of our commitment to be world-class at learning. You can read our full #iwill Fund interim learning report at [www.coopfoundation.co.uk](http://www.coopfoundation.co.uk)

### **Federation programme - increasing equality through tech**

Tech impacts on us all, but how can we be sure it tackles rather than amplifies inequality? Our Federation programme is working on solutions thanks to our partnership with Luminate.

A previous phase of this work saw us bring together Greater Manchester social enterprises in a co-operative hub so they could share learning and networks, and grow in collaboration with each other. In 2021, we agreed a further two-year funding package of \$675k. The objectives are:

- Supporting social enterprises, activist organisations and communities to grow the impact of this early work.
- Creating communities to drive meaningful change in the digital technology space.
- Collaborating with Greater Manchester leaders and the digital tech community to understand how technology can be used in a more ethical way to tackle inequality, put society first and tackle the erosions of rights and trust. This includes continuing to increase the impact of the Greater Manchester Responsible Tech Collective formed in phase one.

### **New partnership – Astra Foundation**

We have embarked on a new and exciting match funding partnership with Astra Foundation in 2021. Astra is a family foundation whose mission is to advance the efforts to combat loneliness in young adults, empower youth to reach their potential regardless of their circumstances and to reduce plastic pollution. They fund in the UK, France and across Africa.

There is strong alignment with our own strategic funding themes and, to date, we've co-funded two projects. The first is 'The Belong Collective' which is three-year partnership between UK Youth and Youth Focus: North East. We previously supported these organisations through learning and support contracts from the Building Connections Fund that also funded 22 projects addressing youth loneliness in collaboration with the Department of Digital, Culture, Media and Sport and The National Lottery Community Fund. This new project focuses on continued support, convening youth sector organisations and developing youth sector resources to support conversations between youth sector practitioners and young people.

## Trustees' report (continued)

The second project is working with DePaul UK over a three-year period. Funding is for two programmes. The first of these is the National Schools programme, which focuses on preventing homelessness and avoiding loneliness in young people, co-developed and delivered by young people. The second programme is Steps to Success, which empowers young people to achieve their potential and live fulfilling, connected and independent lives via tailored, one-to-one support, working towards being education or work-ready.

## Challenges and lessons learned

2020 saw the departure of a significant number of our former team members. This had a significant impact on our ability to deliver the levels of customer service that we would have wished to our existing partners, and led to a prioritisation of all other activity.

We were not able to deliver all the new funding partnerships that we would have wished. A key lesson is to ensure we retain a sufficient element of flexible capacity in our team so we can respond when opportunities arise. We took the opportunity to revise our team structures ahead of our recruitment, to bring in a wider set of skills and capabilities, alongside significant extra capacity, to ensure we would not be in a similar situation again.

## Financial review

The Foundation's total income in 2021 was £4,536,087. This was an increase on 2020 of £1,141,927. The main reason for this is a relative increase in donations within Restricted funds primarily in relation to 2 new income streams: (i) the Carbon Innovation Fund (£578,634) and (ii) the Luminare grant (£486,376).

Expenditure decreased to £3,121,245 (2020: £3,933,844). The main driver of this was a reduction in the charitable activity expenditure on Youth programmes of £1,243,114 off-set by increased spend on Community Spaces (£182,171 increase), Equal voices (£128,199 increase) and New strategic initiatives (£100,000 increase).

Net income for the year, before investment gains, was £1,414,842 (2020: £539,684 net expenditure). The Foundation also made investment gains of £3,014,324.

The Foundation also holds a small social investment portfolio. £1,040,256 of assets were held in mission-related investments at year-end (2020: £1,306,971).

## Reserves

In line with the new policy agreed in 2020, the Foundation's target reserves level were set as a ratio of annual support costs.

This represented a change from the previous policy, under which target reserves were set in relation to total budgeted expenditure (for both programme and support costs) taking into account the level of income budgeted from sources that were not yet secured. This change of approach is based on the principle that, for the remainder of our 2020-22 plan:

- The Foundation will only commit to new programme expenditure once income sources are identified with a high level of confidence
- New programme expenditure is phased to be cashflow positive.

The approved policy sets out:

- a central reserves target equivalent to six months' support costs (c.£280k based on a budgeted support cost of £560k)

## Trustees' report (continued)

- a range of tolerance up to three months either side of this central target (i.e. at any given time, reserves would be maintained at a level between three and nine months' support costs) to allow for expected fluctuations in the phasing of income and expenditure.

Reserves at 2021 year-end were within this range, at £995,166 (2020: £562,165).

Endowments, restricted fund balances and designated funds are excluded from the definition of reserves. The total value of all assets held by the Foundation at year-end was £28,915,497 (2020: £24,486,331). This provides a strong financial position from which to deliver our existing plans for 2022 and beyond, as we launch and begin to implement the Foundation's longer-term strategy.

The Trustees believe that the Foundation is well placed to manage its business risks successfully. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Foundation financial statements.

## Risks

In 2020, the Foundation established a new Audit, Risk and Finance sub-committee of the Board. This Committee reviewed the Foundation's risk framework and recommended various improvements, which were approved by the Board. A revised framework was then adopted in November 2020.

The main risks identified by the Foundation and mitigating actions taken in 2021 are summarised below:

Main risks	Controls
The impact of Covid-19 on partners and the wider community leads to fewer outcomes delivered by The Co-op Foundation's funding	Agreed approach with Board of Trustees and funding partners to support partners through Covid-19 with greater flexibility
Loss of key personnel from Foundation team	Capabilities, structures, grade and reward review half done. Focus on improved culture and wellbeing.
Failure to agree an updated Co-op Foundation Strategy leads to lack of direction in grant making	Strategic refresh undertaken following appointment of new CEO
Failure to access significant new income streams in line with strategic ambitions	High-level engagement with senior Group stakeholders, support from Group fundraisers to develop opportunities
Issues raised with Foundation staff or trustees do not follow the Whistleblowing policy, as appropriate	Whistleblowing policy reviewed. Policy in place and staff and trustees made aware of it. Whistleblowing contact in place
Failure to meet filing deadlines with fully compliant, audited report and accounts	Secretary maintains compliance calendar; timetable for accounts preparation agreed w/ Finance and auditors.
Foundation funds used for activities outside of charitable objects	Policy on grants to non-charities approved following review of legal advice
Reliance on in-kind administrative support from Group results in failure to meet key Foundation needs	Situation formalised via the successful signing of the Master Agreement with the Co-op
Financial performance of investments fails to meet objectives	Regular monitoring of income and valuation. Developed plan for full review of investment policies and management arrangements.
Foundation fails to meet data protection requirements under GDPR	Drafted risk and remediation plan in consultation with Group Risk

Loans and investments to community organisations are unable to be repaid, making this programme unsustainable	Loans are interest-free and blended with grants where necessary to reduce risk of overstretching recipients. Business plans are reviewed in depth by advisory partner. Further support grants being made available to loan partners to support them to survive through this difficult period and ultimately thrive.
Security breach on website	Website is hosted through our developer Wilson Cooke. They follow ISO27001 procedures, approved by Co-op's Information Security team. Wilson Cooke handle all back-ups, security and updates ensuring maintenance is fully up to date
Colleague personal social media posts bring Co-op Foundation into disrepute	Co-op social media policy has been shared with all staff through social media guide.
Co-op does not deliver on its stated commitment to donate agreed funding to the Foundation	Ongoing dialogue with Rebecca Birkbeck, Director of Membership & Community in respect of Co-op Funding

## Post-balance sheet events

The value of the Foundation's investments has been impacted by the global market turbulence of the first part of 2022. This is not expected to impact on the delivery of the Foundation's strategy, as there were no plans to draw down on its investments in the medium term.

## Investments

The Trustees have set the following objectives for the Foundation's long-, medium- and short-term investments.

Fund	Objectives	Benchmarks
Main endowment	To maximise total return over the long-term (five to 10-year horizon) and generate a steady income stream, while investing in accordance with the UN Principles for Responsible Investment	Consumer Price Index +3% per annum (of which 2% realised as income)
Environmental endowment	To maintain the real value of capital over the long term and generate a steady income stream, while investing in accordance with the UN Principles for Responsible Investment, and where practical giving additional weight to investments with a positive environmental impact.	CPI + 2% per annum
Income funds for medium-term investment	To maintain the real value of funds over the medium term, while investing in accordance with the UN Principles for Responsible Investment.	CPI + 1% per annum
Income funds for short-term needs and contingencies	To maintain the nominal value of the funds and ensure sufficient liquidity to meet all spending requirements, while investing in accordance with the UN Principles for Responsible Investment.	CPI

Following a review of the Foundation's investments in 2019, with advice from an independent investment consultant (Gemmell's), in 2020 the investment portfolio was reallocated to better fit with the Trustees' risk and return objectives for each fund.

## Trustees' report *(continued)*

This included the drawdown of £2.2million from the unrestricted and restricted income funds, which the Foundation had invested in Royal London since 2017. We also redistributed some of our remaining funds within Royal London's suite of sustainable investment funds, as follows:

- Main endowment transferred from Sustainable Diversified Trust to Sustainable World Trust (a higher risk fund, reflecting the long-term nature of these investments)
- Restricted income funds were transferred from Sustainable Diversified Trust to Sustainable Manager Growth trust (a slightly lower risk fund reflecting the medium-term nature of these investments)
- A portion of our unrestricted reserves was transferred from Sustainable Diversified Trust to Sustainable Managed Income Trust (a lower risk fund, reflecting the potential need to draw on reserves at short notice in response to unforeseen events).

Despite the significant market uncertainties caused by Covid 19, our investments performed well in 2021. Investment gains for the year were £3m and total returns amounted to 15%, favourable to the benchmark.

## Fundraising

The Foundation does not undertake widespread fundraising from the general public and does not use professional fundraisers or commercial participators. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Foundation's Board.

The income of the Foundation is not bound by any regulatory scheme, and the Foundation does not consider it necessary to comply with any voluntary code of practice relating to fundraising. We have received no complaints in relation to any fundraising activities. As we do not approach individuals for the purpose of raising funds, we do not have specific requirements related to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

## Plans for future periods

The impact of the global pandemic has shown that the need for co-operation is greater than ever before. The Foundation undertook a review of its long-term strategy in 2021, to make sure it is best positioned to maximise its impact in the post-pandemic world. Implementing this new strategy is a key area of activity for 2022.

In addition, specific plans for 2022 include:

- Continuing to deliver our new #iwill Fund strands focusing on community spaces, bereavement and school transitions
- Reviewing our community spaces loan programme, and our wider approach to social loans in the context of the new strategy
- Reviewing options to support youth sector infrastructure, working in collaboration with other funders
- Delivering our new Carbon Innovation Fund, funded by a proportion of the sale of compostable carrier bags in Co-op Food stores, and launching its second round of funding
- Implementing the DEI Data Standard
- Building new partnerships to tackle longstanding inequalities

## Trustees' report (*continued*)

### Structure, governance and management

The Foundation is governed by its Memorandum and Articles of Association ('Articles').

Trustees are appointed by Co-operative Group Limited ('Co-op'). The Co-op is currently the Foundation's sole Member. With the Co-op Board's approval, Trustees may co-opt a new Trustee to fill a vacancy at any time. Co-opted Trustees may then be elected at the next AGM.

Currently, two Trustees are senior Co-op colleagues. Two are elected members of the Co-op National Members' Council. Six are recruited through open advertisement.

New Trustees are inducted by the Foundation CEO and the Secretary. This covers their legal and regulatory duties and the Foundation's governance, finances and strategy. The Board maintains a skills matrix based on each Trustee's self-assessment of their experience and expertise. This is updated every year and informs priorities for succession planning and further training and development.

Trustees are not paid and do not receive any benefits. They are reimbursed for expenses incurred on Foundation business.

Trustees are responsible for decisions on policy, strategy and allocation of resources. This includes approving the annual operating budget and major grant awards. Day-to-day running of the Foundation is delegated to the Foundation CEO. The Foundation CEO and Foundation team work within the policy, strategic and financial frameworks set by Trustees.

The Foundation team is employed by the Co-op, but reports to the Board of Trustees. The Foundation CEO's pay is set by the Trustees, who consult with the Co-op to establish suitable salary benchmarks. The Co-op provides various support services to the Foundation. The Foundation reimburses the Co-op for salary costs of the Foundation team, whose time is spent only on Foundation work. The Co-op does not charge the Foundation for the cost of Co-op colleagues who support the Foundation as part of wider roles in the Co-op. This includes the Foundation Secretary. Nor does the Co-op charge for office space and other facilities that it provides for the Foundation's use. The Trustees have considered the recognition of a gift in kind but feel the amount is immaterial.

#### **Compliance with the Charity Governance Code.**

The Board agrees that the principles in the Charity Governance Code ('the Code') represent best practice. It aims to apply these where appropriate and practical. The following is a summary of the Foundation's compliance with the Code.

##### **1. Organisational Purpose**

The Board reviews the Foundation's purpose as part of their annual strategy day. The Board has adopted a Values Framework which is used to ensure that all decision making and planning aligns to the Foundation's mission and values.

##### **2. Leadership**

When considering new appointments during the year, the Board paid particular attention to how it could improve its diversity and reinforce key areas of expertise.

##### **3. Integrity**

The Board has adopted a Code of Conduct. This outlines the standards and behaviours expected from the Board. The Foundation also has a Conflicts of Interest Policy. The Trustees acknowledge their accountability to a range of stakeholders. They ensure that appropriate stakeholder engagement is factored into all the Foundation's activities.

## Trustees' report *(continued)*

### **4. Decision Making, Risk and Control**

The Board has 'matters reserved' and a financial delegated authorities framework. These act as effective delegation and control. 2021 was the second year of the Audit, Risk and Finance Committee, which is responsible for overseeing the risk management framework and assessing the effectiveness of internal controls. The Committee Chair provides an update to the Board on items discussed at each meeting.

### **5. Board Effectiveness**

The Board holds at least four meetings each year. The Secretary maintains a forward planner, which is presented at each Board meeting. This ensures that Trustees have enough time to explore key issues and reach well-considered decisions.

### **6. Equality, Diversity and Inclusion**

The Foundation is committed to promoting equality and preventing discrimination and to reviewing the diversity of the Board. It aims to create an inclusive environment, where everyone can contribute their best work and develop to their full potential. The Foundation treats its Board, colleagues and partners as individuals, allowing them to be themselves regardless of age, gender, disability, race, religion or sexual orientation. It also values different social and educational backgrounds, life experiences, career paths and diversity of thought.

### **7. Openness and Accountability**

The Board of Trustees identifies key stakeholders at its annual strategy day. It ensures that regular and effective communication with these stakeholders forms part of its plans.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Co-operative Community Investment Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, 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 in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees' annual report has been approved by the trustees on 14 July 2022 and signed on their behalf by

Jamie Ward-Smith

Chair



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CO-OPERATIVE COMMUNITY INVESTMENT FOUNDATION (A COMPANY LIMITED BY GUARANTEE)

### Opinion

We have audited the financial statements of Co-operative Community Investment Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Co-operative Community Investment Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### **Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit, risk and finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)  
15 August 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

## Statement of Financial Activities (incorporating the income and expenditure account)

for the year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	2020 Total Funds £
<b>Income and endowment from:</b>						
Donations, grants and legacies	3	667,320	3,708,363	-	<b>4,375,683</b>	3,085,416
Investments	3	86,801	73,603	-	<b>160,404</b>	308,744
<b>Total income</b>		<b>754,121</b>	<b>3,781,966</b>	-	<b>4,536,087</b>	3,394,160
<b>Expenditure on:</b>						
Raising funds	4	(35,168)	-	-	<b>(35,168)</b>	(15,468)
Charitable activities	4	(542,018)	(2,544,059)	-	<b>(3,086,077)</b>	(3,918,376)
<b>Total expenditure</b>		<b>(577,186)</b>	<b>(2,544,059)</b>	-	<b>(3,121,245)</b>	(3,933,844)
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		176,935	1,237,907	-	1,414,842	(539,684)
Net gain on investments	8	(5,186)	56,957	2,962,553	<b>3,014,324</b>	2,373,051
Transfers between funds		(5,463)	5,463	-	-	-
<b>Net movement in funds</b>		<b>166,286</b>	<b>1,300,327</b>	<b>2,962,553</b>	<b>4,429,166</b>	1,833,367
<b>Reconciliation of funds:</b>						
Total funds brought forward	11	1,869,136	3,709,919	18,907,276	<b>24,486,331</b>	22,652,964
<b>Total funds carried forward</b>		<b>2,035,422</b>	<b>5,010,246</b>	<b>21,869,829</b>	<b>28,915,497</b>	24,486,331

All income and movement in funds arise from continuing operations. There are no gains or losses other than those recognised in this statement of financial activities.

Movement in funds are disclosed in Note 11.

The notes to the accounts form an integral part of the financial statements.

## Balance Sheet

as at 31 December 2021

	Notes	2021 £	2020 £
<b><u>Fixed assets:</u></b>			
Investments	8	23,359,220	20,344,896
<b>Total Fixed assets</b>		<b>23,359,220</b>	<b>20,344,896</b>
Debtors: amounts receivable after more than one year	9	1,088,687	1,026,944
<b><u>Current assets:</u></b>			
Debtors: amounts receivable within one year	9	1,065,285	998,398
Cash at bank and in hand		3,902,490	17,871,842
<b>Total Current assets</b>		<b>4,967,775</b>	<b>18,870,240</b>
<b><u>Liabilities:</u></b>			
Creditors: amounts falling due within one year	10	(500,185)	(15,755,749)
<b>Net current assets</b>		<b>4,467,590</b>	<b>3,114,491</b>
<b>Total net assets</b>		<b>28,915,497</b>	<b>24,486,331</b>
<b><u>The funds of the charity:</u></b>			
<b><u>Endowment</u></b>			
Environmental	11	4,899,158	4,412,958
Main endowment	11	16,970,671	14,494,318
Restricted income	11	5,010,246	3,709,919
<b><u>Unrestricted funds</u></b>			
General fund	11	995,166	562,165
Designated	11	1,040,256	1,306,971
<b>Total charity funds</b>		<b>28,915,497</b>	<b>24,486,331</b>

The notes to the accounts form an integral part of the financial statements.

These financial statements were approved by the Trustees on 14 July 2022 and were signed on their behalf by:

Jamie Ward-Smith  
 Chair of Trustees  
 Company registered number: 4117665

## Statement of cashflows

for the year ended 31 December 2021

### Reconciliation of net movement in funds to net cash flow provided by / (utilised in) operating activities:

	2021	2020
	£	£
Net movement in funds	4,429,166	1,833,367
Gain on investments	(3,014,324)	(2,373,051)
Deduct interest income shown in investing activities	(160,404)	(308,744)
Decrease in accrued income	227,863	933,563
Increase in trade and other receivables	(356,493)	(204,801)
Increase / (decrease) in creditors*	<u>(15,255,564)</u>	<u>14,201,188</u>
<b>Net cash from operating activities</b>	<b><u>(14,129,756)</u></b>	<b><u>14,081,522</u></b>

\* In December 2020, Royal London made a payment of £14,497,402 to the Foundation in error. The amount was repaid to Royal London on 13 January 2021.

### Cashflows from investing activities:

Interest income	160,404	308,744
Investment drawdowns	-	2,199,999
<b>Cash provided by investing activities</b>	<b><u>160,404</u></b>	<b><u>2,508,743</u></b>
<b>Net cash provided by financing activities</b>	<b><u>-</u></b>	<b><u>-</u></b>
(Decrease) / increase in cash and cash equivalents in the year	(13,969,352)	16,590,265
Cash and cash equivalents at the beginning of the year	17,871,842	1,281,577
Total cash and cash equivalents at the end of the year	<b><u>3,902,490</u></b>	<b><u>17,871,842</u></b>

## Notes (forming part of the financial statements)

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements except as noted below. The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### Basis of preparation

Co-operative Community Investment Foundation is a registered charity and a company limited by guarantee incorporated in England. The registered office is 1 Angel Square, Manchester, M60 0AG.

These accounts have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)' and the Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP and the special nature of the Charity's activities. The Charity is a public benefit entity.

#### Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2021, the Trustees are required to consider whether the Foundation has sufficient resources to continue in operational existence for the foreseeable future. The Foundation generated net income in the year ended 31 December 2021 of £4,429,166 (2020: net income of £1,833,367) and at the balance sheet date holds net assets of £28,915,497 (2020: £24,486,331).

The Trustees have concluded that it is appropriate to adopt the going concern basis, following an assessment of the financial forecasts and financial assets available to the Foundation. Management has funds to satisfy the future liabilities that they are aware of now and assets remain in place and available to meet future liabilities until at least the end of July 2023.

Therefore, after conducting the financial projections exercise set out above and making all appropriate inquiries, the Trustees have a reasonable expectation that the Foundation has access to adequate resources to enable it to continue in operational existence for the

#### Income

All income is recognised once the Charity has entitlement to it, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability. Committed grant income not yet received is recognised as an asset on the balance sheet. If grant income is receivable in less than one year it is classified as short term and if receivable in more than one year as long term.

#### Grant expenditure

Grants made by the charity are recognised when there is a constructive obligation to pay. Grant expenditure is recognised when grants are approved by the Trustees, notified and accepted by the organisations concerned, payment is probable, it can be measured reliably, and all conditions have been met. Grant expenditure not yet paid is recognised as a liability on the balance sheet. If grants are payable in less than one year they are classified as short term and if payable in more than one year, then they are classified as long term.

#### Other expenditure

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation committing the Charity to the expenditure, payment is probable, and it can be measured reliably. Costs have been directly attributed to a particular heading in the Statement of Financial Activities on a headcount basis or on a time basis consistent with the use of the resource.

This includes the cost of monitoring and evaluating projects to ensure the money is being used to maximum effect and ensuring that grant making is supported, processed and governed responsibly. This also includes costs of staff who support the grant making process, cost of meetings and other expenditures incurred in this process.

Cost of raising funds includes fees in relation to investment management as well as costs incurred by the Charity in encouraging organisations and individuals to make voluntary contributions or to organise a fundraising event. This includes all costs of production and distribution of publicity materials, the costs of staff and other expenditure incurred in communicating with fundraisers and donors and the cost of Charity organised events and challenges.

#### Taxation

The Co-operative Community Investment Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Nature of funds

Unrestricted income relates to funds available for use at the discretion of the Trustees in furtherance of the general objects of the charity. The charity has a number of restricted income and endowment funds received for specific purposes, which are documented and used accordingly. A restricted income and endowment fund arises from monies received that are communicated to the Charity for specific uses outlined in grant agreements and grant letters.

## Notes (continued)

### Financial assets

Basic financial assets represents investments, accrued income, trade debtors including amounts due by related parties, sundry debtors and cash and bank balances that are initially recognised at transaction price. Investments are subsequently measured at fair value with all adjustments going through the Statement of Financial Activities. At 31 December 2021, the Foundation had only financial assets classified as basic financial instruments. Debtors receivable in less than one year are recorded at transaction price. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

### Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The Foundation does not acquire put options, derivatives or other complex financial instruments.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### Financial liabilities

Basic financial liabilities represents creditors, including amounts owed to related parties and accruals, are initially recognised at transaction price. At 31 December 2021, the Foundation had financial liabilities classified as basic financial liabilities. Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### Accrued income

Accrued income is received by the charity and accounted for when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

### Apportionment of expenses

Support costs have been allocated across the programmes of the charity. In 2021 there were 6 programmes (2020: 5 programmes). Expenses which directly relate to a particular programme have been charged to the relevant programme on a 100% basis, while costs relating to the overall management and governance of the charity (e.g. payroll costs) have been apportioned based on estimated time allocation.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

### Loans and other repayable finance for charitable purposes

Loans to charities are recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments, adjusted for any impairment and net of any bad debt provision. Loans to charities are non-interest bearing and no bad debt provision has been made in 2021.

### Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

When assessed as material; then on receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



## Notes (continued)

### 2. Detailed comparatives for the statement of financial activities

for the year ended 31 December 2020

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
<b><u>Income and endowment from:</u></b>				
Donations, grants and legacies	499,232	2,586,184	-	3,085,416
Investments	221,556	87,188	-	308,744
<b>Total income</b>	<b>720,788</b>	<b>2,673,372</b>	<b>-</b>	<b>3,394,160</b>
<b><u>Expenditure on:</u></b>				
Raising funds	(15,468)	-	-	(15,468)
Charitable activities	(895,207)	(3,023,169)	-	(3,918,376)
<b>Total expenditure</b>	<b>(910,675)</b>	<b>(3,023,169)</b>	<b>-</b>	<b>(3,933,844)</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>	<b>(189,887)</b>	<b>(349,797)</b>	<b>-</b>	<b>(539,684)</b>
Net gain on investments	164,497	202,533	2,006,021	2,373,051
<b>Net movement in funds</b>	<b>(25,390)</b>	<b>(147,264)</b>	<b>2,006,021</b>	<b>1,833,367</b>
<b><u>Reconciliation of funds:</u></b>				
Total funds brought forward	1,894,526	3,857,183	16,901,255	22,652,964
<b>Total funds carried forward</b>	<b>1,869,136</b>	<b>3,709,919</b>	<b>18,907,276</b>	<b>24,486,331</b>

### 3. Income

The Foundation has recognised the following income in 2021 and 2020:

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
<b>Donations, grants and legacies</b>						
Welsh carrier bag levy	-	118,568	<b>118,568</b>	-	234,868	234,868
Carbon Innovation Fund	-	578,634	<b>578,634</b>	-	-	-
Salvation Army	412,395	-	<b>412,395</b>	228,952	-	228,952
National Lottery Community Fund #iwill grant	-	-	-	-	30,000	30,000
Luminate grant	-	486,376	<b>486,376</b>	-	-	-
Local Community Fund	-	2,500,000	<b>2,500,000</b>	-	2,321,316	2,321,316
Other donations	254,925	24,785	<b>279,710</b>	270,280	-	270,280
<b>Total voluntary income</b>	<b>667,320</b>	<b>3,708,363</b>	<b>4,375,683</b>	<b>499,232</b>	<b>2,586,184</b>	<b>3,085,416</b>
<b>Investment Income</b>	<b>86,801</b>	<b>73,603</b>	<b>160,404</b>	<b>221,556</b>	<b>87,188</b>	<b>308,744</b>
<b>Total</b>	<b>754,121</b>	<b>3,781,966</b>	<b>4,536,087</b>	<b>720,788</b>	<b>2,673,372</b>	<b>3,394,160</b>

## Notes (continued)

### 4. Expenditure

2021	Raising Funds £	Charitable Activities £	Governance Cost £	Support Cost £	Total Cost £
Youth programmes	(14,067)	(1,210,510)	(4,460)	(216,867)	<b>(1,445,904)</b>
Community spaces	(14,067)	(785,950)	(4,460)	(216,867)	<b>(1,021,344)</b>
Equal voices	(3,517)	(272,200)	(1,115)	(54,217)	<b>(331,049)</b>
Federation Phase 1 (Digital capacity building)	(3,517)	(2,500)	(1,115)	(54,217)	<b>(61,349)</b>
Federation Phase 2 (Digital capacity building)		(161,600)			<b>(161,600)</b>
New Strategic Initiatives		(100,000)			<b>(100,000)</b>
<b>Total</b>	<b>(35,168)</b>	<b>(2,532,760)</b>	<b>(11,150)</b>	<b>(542,167)</b>	<b>(3,121,246)</b>
Support cost		(542,167)			
Governance cost		(11,150)			
<b>Total</b>	<b>(35,168)</b>	<b>(3,086,077)</b>			<b>(3,121,246)</b>

All grants awarded (in both the current and prior years) were to institutions rather than individuals. Grants awarded and included in the table below > £100,000 in 2021 related to: Refugee Action (£250,000), Co-operative Alternatives (£119,750), Young Scot (£104,940). The prior year item >£100,000 related to Young Scot (£145,000).

Number of grants awarded:	2021	2020
<£10,000	99	141
£10,001 - £25,000	6	24
£25,001 to £50,000	29	56
£50,001 to £100,000	3	3
>£100,000	3	1
<b>Total</b>	<b>140</b>	<b>225</b>

2020	Raising Funds £	Charitable Activities £	Governance Cost £	Support Cost £	Total Cost £
Volunteering programme		(5,858)			(5,858)
Youth programmes	(6,187)	(2,492,796)	(6,000)	(184,035)	(2,689,018)
Community spaces	(6,187)	(642,950)	(6,000)	(184,036)	(839,173)
Digital capacity building	(1,547)	(147,889)	(1,500)	(46,009)	(196,945)
Equal voices	(1,547)	(153,794)	(1,500)	(46,009)	(202,850)
<b>Total</b>	<b>(15,468)</b>	<b>(3,443,287)</b>	<b>(15,000)</b>	<b>(460,089)</b>	<b>(3,933,844)</b>
Support cost		(460,089)			
Governance cost		(15,000)			
<b>Total</b>	<b>(15,468)</b>	<b>(3,918,376)</b>			<b>(3,933,844)</b>

Support costs, governance costs and costs of raising funds have been allocated across the programmes using the percentages in the table below. The split in costs is based on estimated colleague time spent on each programme. Support costs primarily relate to people related costs incurred by Co-op Group employees who worked for the Foundation during the year and occasionally third party advice sought by the charity. The Trustees do not receive any remuneration or benefit from the charity for their service.

Allocation of Costs	2021	2020
Equal voices	10%	10%
New Strategic Initiatives	0%	0%
Volunteering	0%	0%
Youth	40%	40%
Community spaces	40%	40%
Federation Phase 1 (Digital capacity building)	10%	10%
Federation Phase 2 (Digital capacity building)	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Notes (continued)

### 5. Net income / (expenditure) for the year

Net income / (expenditure) for the year is stated after charging auditor remuneration of £11,150 excluding VAT (2020: £15,000).

### 6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2021	2020
	£	£
Salaries and wages	275,834	325,429
Social security costs	23,330	25,340
Employer's contribution to defined contribution pension schemes	42,650	35,079
<b>Total</b>	<b>341,814</b>	<b>385,848</b>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021	2020
£60,000 - £69,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £X (2020: £X).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £535 (2020: £422) incurred by 2 (2020: 5) members relating to attendance at meetings of the trustees.

### 7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 9 (2020: 9).

### 8. Investments

	2021	2020
	£	£
Fair value at the start of the year	20,344,896	20,171,844
Additions at cost	-	-
Disposal proceeds	-	(2,199,999)
Net gain / (loss) on change in fair value	3,014,324	2,373,051
Fair value at the end of the year	<b>23,359,220</b>	<b>20,344,896</b>

All investments are held in Unit Trust investments by Royal London.

## Notes (continued)

### 9. Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Amounts due from related parties	352,006	150,647
Loans and other repayable finance for charitable purposes	263,286	169,895
Amount due from Co-operative and Community Finance	17,317	-
Grant income due within less than one year	250,054	602,899
Donation income	170,467	24,471
Investment income due from Royal London	12,155	50,486
	<u>1,065,285</u>	<u>998,398</u>

All amounts due from related parties are repayable on demand and no interest is payable.

	2021	2020
	£	£
<b>Amounts falling due after more than 1 year:</b>		
Loans and other repayable finance for charitable purposes	<u>1,088,687</u>	<u>1,026,944</u>
	<u>1,088,687</u>	<u>1,026,944</u>

These loans are repayable between 5 and 20 years.

#### Loans and other repayable finance for charitable purposes (as above)

	2021	2020
	£	£
Amounts falling due within one year	263,286	169,895
Amounts falling due after more than one year	<u>1,088,687</u>	<u>1,026,944</u>
<b>Total</b>	<u>1,351,973</u>	<u>1,196,839</u>

## Notes (continued)

### 9. Debtors (continued)

Repayable loans made were as follows:

	2021			2020
	Initial loan	Repayments	Net balance	Net balance
	£	£	£	£
Anti tribalism	50,000	(7,292)	42,708	50,000
Ballymacash Sports Academy	50,000	-	50,000	50,000
Beechbrae	50,000	(1,042)	48,958	50,000
Bramley elderly action	50,000	(10,417)	39,583	50,000
Centre4	50,000	(15,625)	34,375	45,833
Felix Road	50,000	(12,500)	37,500	50,000
Friends of Stretford Public Hall	50,000	(20,833)	29,167	45,833
FROG	50,000	-	50,000	50,000
Future Wolverton	50,000	(8,854)	41,146	46,876
Granby Four Streets	50,000	(2,083)	47,917	50,000
Heeley Development	50,000	(25,000)	25,000	38,542
Highbury Roundhouse	50,000	(15,741)	34,259	45,370
Hulme Community Garden Centre	50,000	-	50,000	-
Jubilee Farm	50,000	-	50,000	50,000
Jubilee Pool Penzance	50,000	(12,500)	37,500	50,000
Norton Sports Charity	50,000	-	50,000	-
Projekts Mcr	50,000	-	50,000	50,000
Rotherham Rise	50,000	(3,125)	46,875	50,000
RUSS	50,000	-	50,000	50,000
Seagulls Re-Use Limited	50,000	-	50,000	-
Sudbury Gasworks Restoration Trust	50,000	-	50,000	-
Todmorden Learning Centre	50,000	(6,666)	43,334	-
Urban Biodiversity	50,000	(12,500)	37,500	50,000
Walled Garden Project	50,000	(13,542)	36,458	47,917
Welcome to our Woods	50,000	(14,500)	35,500	46,958
White Rock Neighbourhood Ventures	50,000	-	50,000	50,000
Constitution Hill	30,000	(8,750)	21,250	28,750
Iona Village Hall	30,000	(2,500)	27,500	30,000
Newnham on Severn CBS	30,000	-	30,000	30,000
Oban Communities Trust	30,000	-	30,000	30,000
Circus Eruption	30,000	-	30,000	-
The Star Tree Studio CIC	26,500	-	26,500	-
Coedwig community Woodland	22,000	(917)	21,083	22,000
October Books Limited	20,000	(2,667)	17,333	-
11th Folkstone Scouts	15,000	(6,065)	8,935	12,372
Church Aston	10,000	(3,200)	6,800	9,200
Creative Health CIC	10,000	(521)	9,479	10,000
Element Society	7,500	(2,187)	5,313	7,188
<b>Total</b>	<b>1,561,000</b>	<b>(209,027)</b>	<b>1,351,973</b>	<b>1,196,839</b>

The Foundation trustees have assessed the recoverability of all outstanding loan balances and are satisfied that all balances are fully recoverable. As such there is no bad debt provision in place as at 31 December 2021 (2020: nil).

## Notes (continued)

### 10. Creditors

Amounts falling due within one	2021 £	2020 £
Amounts due to Royal London	-	14,497,402
Grants payable	424,040	1,196,347
Accruals	76,145	62,000
	<u>500,185</u>	<u>15,755,749</u>

In the prior year (December 2020), Royal London made a payment of £14,497,402 to the Foundation in error. This had the effect of inflating our cash at bank in hand and also our creditors as at the prior period balance sheet date. The amount was repaid to Royal London on 13 January 2021.

#### Funding commitments

The Foundation has made the following commitments to match funding partners, which will be met in future periods:

£40,000 match funding for Space to Connect, which runs until January 2022. This will be paid from future income received from through the Co-op's Membership scheme.

£1,098,310 to match fund the #iwill Fund, until December 2022. This includes £497,281 of existing balances held as restricted funds. The remaining £601,029 will be paid from future income received through the Co-op's Membership scheme.

## Notes (continued)

### 11. Movement in funds

2021	Fund balances b/f	Income	Expenditure	Transfers	Gains and losses	Fund balances c/f
	£	£	£	£	£	£
<b>Restricted funds:</b>						
Environmental	551,657	73,603	(131,301)	-	6,126	<b>500,085</b>
Community Fund	285,356	-	(232,742)	-	-	<b>52,614</b>
Britannia	543,795	-	-	-	22,716	<b>566,511</b>
Big Lottery Fund #iwill grant	202,222	-	(93,733)	-	-	<b>108,490</b>
Luminate	1,382	486,376	(166,300)	-	-	<b>321,458</b>
Funeralcare	44,537	-	(50,000)	5,463	-	-
Welsh carrier bag levy	1,027,922	118,568	(98,215)	-	28,115	<b>1,076,390</b>
Co-operate	1,053,048	2,500,000	(1,751,769)	-	-	<b>1,801,280</b>
DCMS	-	24,785	(20,000)	-	-	<b>4,785</b>
Carbon Innovation Fund	-	578,634	-	-	-	<b>578,634</b>
<b>Total Restricted funds</b>	<b>3,709,919</b>	<b>3,781,966</b>	<b>(2,544,059)</b>	<b>5,463</b>	<b>56,957</b>	<b>5,010,246</b>
<b>Unrestricted funds:</b>						
General funds	562,165	754,121	(565,653)	249,719	(5,186)	<b>995,166</b>
Designated funds	1,306,971	-	(11,533)	(255,182)	-	<b>1,040,256</b>
<b>Total Unrestricted funds</b>	<b>1,869,136</b>	<b>754,121</b>	<b>(577,186)</b>	<b>(5,463)</b>	<b>(5,186)</b>	<b>2,035,422</b>
<b>Endowment fund:</b>						
Environmental	4,412,958	-	-	-	486,200	<b>4,899,158</b>
Main endowment	14,494,318	-	-	-	2,476,353	<b>16,970,671</b>
<b>Total endowment funds</b>	<b>18,907,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,962,553</b>	<b>21,869,829</b>
<b>Totals funds</b>	<b>24,486,331</b>	<b>4,536,087</b>	<b>(3,121,245)</b>	<b>-</b>	<b>3,014,324</b>	<b>28,915,497</b>
<b>2020</b>						
	Fund balances b/f	Income	Expenditure	Transfers	Gains and losses	Fund balances c/f
	£	£	£	£	£	£
<b>Restricted funds:</b>						
Environmental	498,274	65,860	(49,940)	-	37,463	551,657
Community Fund	348,881	4,363	(113,696)	-	45,808	285,356
Britannia	488,344	6,442	-	-	49,009	543,795
Big Lottery Fund #iwill grant	1,326,745	30,000	(1,154,523)	-	-	202,222
Luminate	329,431	-	(328,049)	-	-	1,382
Funeralcare	121,519	-	(76,982)	-	-	44,537
Welsh carrier bag levy	713,365	245,391	(1,087)	-	70,253	1,027,922
Co-operate	-	2,321,316	(1,268,268)	-	-	1,053,048
DCMS space to connect	30,624	-	(30,624)	-	-	-
<b>Total Restricted funds</b>	<b>3,857,183</b>	<b>2,673,372</b>	<b>(3,023,169)</b>	<b>-</b>	<b>202,533</b>	<b>3,709,919</b>
<b>Unrestricted funds:</b>						
General funds	840,687	720,788	(476,236)	(687,571)	164,497	562,165
Designated funds	1,053,839	-	(434,439)	687,571	-	1,306,971
<b>Total Unrestricted funds</b>	<b>1,894,526</b>	<b>720,788</b>	<b>(910,675)</b>	<b>-</b>	<b>164,497</b>	<b>1,869,136</b>
<b>Endowment fund:</b>						
Environmental	3,944,753	-	-	-	468,205	4,412,958
Main endowment	12,956,502	-	-	-	1,537,816	14,494,318
<b>Total endowment funds</b>	<b>16,901,255</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,006,021</b>	<b>18,907,276</b>
<b>Totals funds</b>	<b>22,652,964</b>	<b>3,394,160</b>	<b>(3,933,844)</b>	<b>-</b>	<b>2,373,051</b>	<b>24,486,331</b>

## Notes (continued)

### 11. Movement in funds (continued)

#### Restricted funds:

*Environmental* – this is the income received from our restricted Environment Fund endowment following the merger of United Co-operatives Ltd and Co-operative Group Ltd in 2007 (see below for further details)

*Community* - the Community Fund is the remaining balance of funds that were donated through the Co-op's membership scheme prior to 2014. These funds are now being used for the Foundation's Community Spaces programme, which awards grants that are consistent with the original purposes of the Community Fund to support voluntary, self-help or not-for-profit groups to address community issues, provide long-term benefits to the community, support co-operative values and principles, and ideally be innovative in their approach.

*Britannia* - the Britannia Fund was transferred following the closure of the Building Charitable Foundation and is restricted for use on financial education or numeracy projects.

*Big Lottery Fund #iwill grant* - this is to be used to deliver a youth-focused grants programme using social action to tackle loneliness among disadvantaged young people.

*Luminate* - is to be used to support a programme based at Federation Manchester to contribute to a more inclusive digital economy for Manchester and the North West of England.

*Funeralcare* – this fund was donated to support projects focusing on youth loneliness and bereavement.

*Welsh carrier bag levy* – this fund was donated to support projects with an environmental benefit in Wales.

*Co-operate* - these are the funds that we receive from the Co-operative Group Ltd in furtherance of our charitable purposes.

*DCMS Building Connections* – used to deliver a grant programme addressing youth loneliness.

*DCMS Lonely Not Alone* – for a campaign to reduce the stigma of youth loneliness.

*Carbon innovation* - this is a fund that aims to fund organisations delivering innovative project activities that lead to carbon reduction.

#### Designated funds:

These are multiple funds that we have chosen to set aside for particular projects or grants, from both restricted and unrestricted sources. Designated funds have been committed as future grant payments or repayable finance for charitable purposes.

#### Endowment funds:

The Environment Fund was a scheme set up following the merger of United Co-operatives Ltd and Co-operative Group Limited in 2007. In 2007, £2,000,000 was granted to the Co-operative Foundation by United Co-operatives, to be "ring fenced" with the annual return being used to fund environmental projects within the United Region.

The investment is shown as Endowment funds and income from the investment is shown as Restricted. In 2016 the Trustees received legal advice suggesting that this fund is permanent endowment.

The Main Endowment fund of £16,970,671 (2020: £14,494,318) is an expendable endowment held to generate investment income to be distributed in line with the objects of the charity.

### 12. Analysis of net assets between funds

	Endowment	Unrestricted	Restricted	Total
<b>2021</b>				
Investments	21,869,829	276,892	1,212,499	<b>23,359,220</b>
Debtors	-	935,090	1,218,882	<b>2,153,972</b>
Cash	-	899,585	3,002,905	<b>3,902,490</b>
Liabilities	-	(76,145)	(424,040)	<b>(500,185)</b>
Net assets at 31 Dec 2021	<u>21,869,829</u>	<u>2,035,422</u>	<u>5,010,246</u>	<u><b>28,915,497</b></u>
<b>2020</b>				
Investments	18,907,276	282,078	1,155,542	20,344,896
Debtors	-	789,684	1,235,658	2,025,342
Cash	-	15,316,779	17,052,465	32,369,244
Liabilities	-	(22,004)	(15,733,745)	(15,755,749)
Net assets at 31 Dec 2020	<u>18,907,276</u>	<u>16,366,537</u>	<u>3,709,920</u>	<u>38,983,733</u>



## Notes (continued)

### 13. Financial instruments

	Note	2021 £	2020 £
<b>Financial assets at fair value through the statement of financial activities</b>			
Investments	8	<b>23,359,220</b>	20,344,896
		<b>23,359,220</b>	20,344,896

### 14. Related party transactions

The Co-op Foundation paid Co-operative Group Limited £418,096 (2020: £385,848) for Foundation staff salaries and other costs directly attributable to Foundation activities. The Trustees consider that the support provided by Co-operative Group Limited represents the best value for money for the charitable company, and that it would not be financially beneficial to employ staff directly.

In regard to gifts in kind, the Co-op Foundation relies heavily on Co-operative Group Limited to provide necessary administrative support for additional staff resources, space and related services. This support includes Co-operative Group costs that are not directly attributable to Foundation activities and are not easily monitored. The Trustees' view that value is not easily quantified. This amount was not included as donations as in the Trustees' view, it is not material in either the current or preceeding financial period.

Co-operative Group Limited donated £250,000 in fees which were waived by its Group Chair, Allan Leighton (2020: £264,423).

In the prior year the Co-op Foundation received an interest-free loan of £1,000,000 from the Co-operative Group Limited in May 2020. This was settled with the LCF payment received in November 2020 for £2,300,000.

At the year-end £352,006 (2020: £150,647) was due from the Co-operative Group Limited.

During the financial year, the Trustees of the board have not received either remuneration or benefits, however two (2020: five) Trustees were reimbursed for both their travel and hotel expenses totalling £535 (2020: £422).

### 15. Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

Co-op Foundation is a working name of Co-operative Community Investment Foundation, a charity registered in England and Wales (1093028) and Scotland (SC048102).

Registered office: 1 Angel Square, Manchester M60 0AG



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Foundation