

CO-OPERATIVES UK

 **ANNUAL REPORT**
2022 



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BUILDING A BETTER WORLD

We empower and support co-operative enterprise with specialist knowledge and expertise, to grow the co-operative economy and create a fairer society.

We are the voice of the Co-operative Movement. From football clubs and farms, to convenience stores and pubs, there are more than 7,000 co-operatives in the UK, each owned and controlled by their members and based on a set of shared principles and values. By promoting shared wealth through member ownership, we are committed to enable anyone in the UK to form, or join, thriving and sustainable co-operatives.

We are a co-operative. We are owned and controlled by our members, who are co-operatives and organisations that support the principles of co-operation. We have more than 900 co-operatives in direct membership, with a further 3,500 co-operatives and mutuals represented through our federal members. Our membership spans all areas of the economy.

1. CHAIR'S STATEMENT

People like the sound of a 'better world'. It sounds even more appealing when you are in the midst of a cost-of-living crisis, having not long adjusted to a world-wide pandemic which is now just a fact of life.

A better world is not only something we believe in, it is something within reach. It is right here. Co-operatives and co-operation can be that vehicle to deliver 'better'. Will it be easy? No. Will it be worthwhile? Absolutely.

The evidence is mounting. Co-operatives deliver good, sustainable jobs. Co-operatives are more resilient in times of stress and strife. We've evidenced that fact year-upon-year. In the UK, co-operatives were five times less likely to cease trading in 2021. It builds upon consistent evidence that new-starts are around twice as likely to survive those tough, first five years.

People ask 'how'? How can co-operatives do business better? Because ownership and control are shared between the members of co-operatives it stays true to its purpose. As a business, a co-operative has to work for its members, not distant shareholders. And as community rooted businesses, it makes sense that more money stays within the very communities in which they operate.

Can it be tough to operate as a co-operative? The simple answer is yes. Sometimes staying true to your values and principles isn't easy. It can mean tough decisions which may even give other businesses a competitive advantage.

However, if that competitive advantage involves a race to the bottom, it is one we're happy to cede. In a race to the bottom no-one wins in the end. Consumers know this and are increasingly going with the ethical option; with businesses that treat colleagues and customers well; that are sustainable; that have a purpose above and beyond pure profit.

Higher social and environmental standards come naturally to co-operatives. After all, co-operative values and principles are hard-wired into our very existence. But it is, at face value if nothing more, a crowded space to occupy. In many ways this is a positive. Co-operatives cannot combat the biggest challenges – anything from climate change to the cost-of-living crisis – alone. All moves to improve business standards must be encouraged. Yet we must also stand out from the crowd.

We worked hard in 2022 to ensure Co-operatives UK is in the best position to help empower you, our members. We do that in numerous ways: providing expert governance, membership, finance and HR advice; lobbying local and national government to give co-operatives the business platform they deserve; breaking new ground in co-operative development through externally funded programmes; raising awareness of co-operatives...

We are embracing tech and digital and also making great strides in bringing younger voices to the movement. We are also renewing efforts to bring the UK's co-operatives closer together, for increased trade and knowledge sharing.

We are not alone in these efforts. Our members are with us – but we must all do more. We can shout louder, collectively, and we can do more to empower our members. There is much to do but we are moving in the right direction. The world demands more of us so we cannot and will not stand still. Together we will help build a better world through co-operation.

Don Morris
Chair
Co-operatives UK



2. CEO'S STATEMENT

I've a real sense of hope as I reflect on 2022. Co-operatives offer individuals, communities and nations real hope and our members have demonstrated that fact, despite a macro-economic environment that is increasingly challenging.

Our members are an inspiration in terms of how they serve and respond to the needs of their own members, colleagues and communities. As a co-operative itself, Co-operatives UK also exists to serve member needs; and to empower those members to become the best version of themselves.

In 2022 we delivered a pre-tax surplus of £112,000. That surplus included equity investment funding provided by Power to Change, Open Society Foundations and The Architectural Heritage Fund. The funding – totalling £275,300 – has been invested in seven societies (see [page 83](#) for a breakdown of investments).

We are proud to invest in organisations like Stokes Croft Land Trust and the Ultimate Picture Palace, giving communities in Bristol and Oxford, respectively, co-operative ownership and control of much-valued local assets. It takes our equity investments since 2021 to nearly £3.5 million, an incredible figure. In time we hope to create a virtuous circle, with those successful businesses repurchasing shares, enabling new equity investments as we take community shares and co-operation to new markets and communities.

It does mean, after subtracting equity investments, that we operated at a deficit for 2022. This was a conscious and deliberate budget move – sanctioned at Board and senior management level. It was a necessary step to create the foundations for a modern-day Co-operatives UK. We must be a beacon for the movement, with the highest standards when it comes to serving member need – setting benchmarks around everything from sustainability to service delivery.

We invested significant time and development in designing and implementing a new organisation structure, capable of delivering an ambitious business plan. We're undergoing a digital transformation to ensure we deliver effectively for our members. We are further developing members services and have agreed a stretching set of KPIs to ensure we create the strong, sustainable and diverse Movement we – and future generations – need.

Change isn't easy, so I'd like to take the opportunity to thank colleagues for their support and continued hard work. Thanks also goes to our Board and members for valuable input and engagement.

Our capital position ensures we are on a sound footing to continue delivering for our members. It is an expanding network, with another year-on-year increase in the total number of co-operatives in membership. 378 of those members accessed advice service, while more than 1,300 delegates attended our events. But we know tough times are ahead.



Sadly, despite their resilience, co-operatives are not shielded from the ongoing cost-of-living crisis.

Our research shows many co-operatives, like businesses generally, are struggling. Crippling energy hikes, high inflation, reduced consumer spend. Times are tough. It means we must redouble our efforts to provide maximum member value in a turbulent economic environment.

We must also further empower members to engage and trade with one another in meaningful ways. That element is critical to our journey ahead. We have already taken great strides forward and in co-operation we will succeed. I'm looking forward to continuing that journey to a strong, sustainable and diverse Co-operative Movement in 2023.

Rose Marley
CEO
Co-operatives UK



3. OUR STRATEGY

Our mission is to empower and grow the UK's co-operative economy by being the voice of co-operation and member ownership.



EMPOWERING CO-OPERATION

3. OUR STRATEGY

By inspiring everyone to be a member of a co-op, and every co-op to be one of our members, we will help create a fairer society together.

Our vision is bold: To build a better world through co-operation. Our overarching aims and objectives are equally bold: To inspire everyone to be a member of a co-op and every co-op to be one of our members, we will help create a fairer society.

Our vision and aims are critical elements sitting at the head of our three-year strategy, running from 2022-24. Our members, partners, Board and colleagues were all instrumental in creating the strategy which has two clear objectives and a number of strategic themes.

Objective 1:
To build a strong, sustainable and diverse UK co-operative movement that positions co-operatives as a better way to do business and businesses that transform lives.

Objective 2:
To promote and embed the values and principles of co-operation across UK enterprise and communities.

STRATEGY THEMES

Empower young people: We inspire the next generation of co-operation to help secure a sustainable future for the movement and society.

Enable tech and digital: We innovate and disrupt just like our pioneers. By embracing and promoting the power of technology and the digital experience, we share knowledge, data, and expertise for the good of our members and society.

Lead a new era of co-operation: We facilitate and empower greater co-operation between co-ops to help grow a stronger, more connected, and sustainable co-operative movement.

Embed the values and principles: We act as a beacon of co-operation in everything we do, to grow the movement by supporting best practice in the principles and values of co-operation.

Inspire communities: We reach the right people with the right messages and the support they need to promote and embed the values and principles of co-operation across UK enterprise and communities.



3. Our strategy



Empowering young people is a key theme of our strategy. It ran through our activities in 2022, including the staging of our inaugural National Youth Summit >> uk.coop/YouthSummit

A modern Co-operatives UK for a modern Movement

The need for a strong and growing Co-operative Movement is clear. The economy is failing people and their communities, with income inequality in the UK among the highest when compared with developed nations the world over.

Co-operatives give people ownership and control; they do more for the communities in which they operate; they are more resilient than businesses generally; and offer a more ethical alternative. Yet the sector remains small and knowledge of co-operatives is low. To build the co-op economy and do more for our members, Co-operatives UK must also be fit for purpose.

Creating a strategy was just the start. In 2022 we also worked hard to build a new organisational structure capable of delivering on our vision and aims. Significant thought and investment went into the redesign – including our people – to ensure we have an organisation able to deliver against our strategy.

Our Board of Directors remains at the heart of the new structure; representing our membership and accountable to those same members. Our Leadership Team – comprising our three business area leads, Society Secretary and CEO – answers directly to the Board. Our three interlocking areas of business are: Member Services; Policy and Development; and Shared Services.



Our advice, communication and membership functions fall within the Member Services team. Externally funded programmes and our policy operations come together in Policy and Development. Shared Services brings together our finance and IT and digital teams, as well as those functions associated with the running of Holyoake House in Manchester.

The new structure provides improved clarity and increased synergy between teams. For example, connecting our policy and development functions ensures new funding bids and co-op development initiatives are aligned with our policy work and underpinned by our strategy. Ultimately, our development activity must work for members.

Measuring success

Our new key performance indicators (KPIs) enable our Directors to monitor progress against our bold vision – and indeed provide metrics which enable the Board to hold the organisation to account. Careful consideration went into the creation of our KPIs, which form an important element of our operational business plan and our ability to measure the value we are providing our members and the wider co-operative movement.

This report sets out our aims and progress against our three-year strategy, with a focus on key elements including: members and membership; advice services; policy campaigns; co-operative development; awareness raising; and our financial statements.

Read our strategy:
>> uk.coop/strategy

OPERATING PLAN PERFORMANCE

Our Board of Directors agrees key performance indicators (KPIs) as part of its role in setting strategy and monitoring performance. Created in the latter months of 2022 our KPIs mark a significant shift to strategy alignment.

The indicators, on [page 10](#), focus on three core areas: member value; co-operative development; and sustainability.

Member value

We exist to provide member value and actively track member satisfaction. We do this by asking – after key interactions – how likely members would be to recommend Co-operatives UK. Touch points include, but are not limited to: flagship events; advice delivery; training courses; membership add-on packages.

Our annual target around member satisfaction is a net promoter score (NPS) of +40. For 2022, as the indicator was only introduced in the final months of the year, the NPS score was limited to our flagship training and development event, Practitioners Forum, and a small number of advice services. Nevertheless, we surpassed our target with a NPS of +52.

With a baseline of 916, our target for the end of 2024 is to increase the number of Co-operatives UK members by 20%. After completing the first year of our new strategy, our membership increased by 6.1% (972 members). However, the cost-of-living crisis is expected to impact on this stretch target in future years, with businesses struggling to contend with inflation and high energy costs, alongside squeezed consumer spend.

We have a 2024 year-end target of a 45% increase in members engaging with our income generating member products and services (baseline 310 members). By the end of year one we have made good progress, with an increase of 22% to 378.

A further metric is focused on member voice, with a target of 1,000 instances of member engagement. Data is collected through member surveys, policy and campaign consultations, governance data (including AGMs). This KPI will be measured from 2023 onwards.

Co-operative development

Our development KPIs track growth in the number of co-operatives overall (births minus deaths) and also the percentage of existing co-operatives experiencing growth. As completely new KPIs, involving more intricate and detailed data previously not measured, these will also be captured for the final two years of our strategy (2023 and 2024).



+52

Member satisfaction net promoter score

Sustainability

For the first time, we have introduced specific sustainability KPIs to ensure Co-operatives UK is a beacon of good practice for the entire movement.

We will create and deliver a plan for Co-operatives UK to reach net zero. Initial work has focused around Holyoake House consultations and strategy work to improve the use and sustainability of the building.

We are striving to become a leading light for the Co-operative Movement in good employment. We will create an environment in which our people thrive and grow – with clear alignment to strategy delivery. Our KPI will be measured via colleague surveys with a net promoter score agreed by the Board and introduced in 2023.

Our final sustainability KPI is for our personnel costs to income ratio to be reduced to 60%. At 31 December 2022 this ratio stood at 64%. Our focus in 2023 will be on increasing income generation.

KEY PERFORMANCE INDICATORS

2022 – 2025 KEY PERFORMANCE INDICATORS

	MEMBER VALUE		DEVELOPMENT	SUSTAINABILITY	
	<p>+40</p> <p>Achieve a positive recommendation score of +40</p>	<p>20%</p> <p>Achieve a 20% increase in the membership of Co-operatives UK by the end of year three</p>	<p>INCREASE</p> <p>the number of co-ops (positive replacement rate – % increase to be defined)</p>	<p>ACHIEVE</p> <p>a net promoter score for Co-operatives UK colleagues</p>	<p>60%</p> <p>Reduce the personnel bill to income ratio to 60% (from 64%)</p>
	<p>45%</p> <p>45% increase in members benefiting from paid-for services</p>	<p>1,000</p> <p>Achieve 1,000 instances of democratic member engagement</p>	<p>INCREASE</p> <p>in the % of co-ops experiencing growth in membership and/or turnover – including a KPI for those that are members of Co-operatives UK – versus UK businesses experiencing growth</p>	<p>CREATE</p> <p>and deliver a plan for Co-operatives UK to achieve net zero</p>	

4. MEMBERSHIP MATTERS

Membership is key to building a strong, sustainable and diverse co-operative movement in the UK.



4. MEMBERSHIP MATTERS

Our network is extensive, with 972 direct members and a further 3,500 co-operatives represented through federal members.

Membership of Co-operatives UK is crucial to building a strong, sustainable and diverse movement in the UK. Whether lobbying government, communicating what it means to be a co-operative, or sharing best practice, our efforts are amplified when we work together.

Our member offer is strong. We act for and alongside our members to influence public policy – and achieve tangible results. We provide unrivalled training and advice at an unbeatable price-point. We attract millions of pounds in funding for co-op development. Our resource rich website is packed with member-only resources. We also boast an extensive events programme, bringing members together to learn, share and network.

Our member offer is strong – but do we do enough to vocalise, in a clear and concise manner, our value proposition? We have a bold ambition to grow the numbers in direct membership to 1,140 by the end of 2024 – an increase of 20%. Notwithstanding the poor economic outlook and cost-of-living crisis, it is a stretch target.

Our foundations are solid. For the fifth consecutive year we increased the number of co-operatives in direct membership, from 916 at the end of 2021 to 972 on 31 December 2022 – a 6.1% gain. To continue this positive trend in 2023 we will ensure our membership proposition; our on-boarding; our member journey; and our member communications are all fit for purpose.

Expanding our network

Organisations joining us in 2022 included award-winning financial services mutual, One Family, Belfast Student Housing Co-operative and Glasgow Credit Union, the UK's most financially successful credit union.

Of those joining Co-operatives UK, 7% were members that had previously lapsed. Returning members cited access to our advice services, including member-only resources, as primary reasons for rejoining.

6.1%

increase in Co-operatives UK members

972

organisations in direct membership

Housing co-operatives now represent the third largest sector in membership, following an influx of new registrations alongside the recruitment of a number of long-standing housing societies.

Federal members

Members of the Confederation of Co-operative Housing – one of our federal members – can join Co-operatives UK at a 50% discount. Building on our membership proposition for federals (and their members) is an important development area.

In 2022 we provided support to a new federal for worker co-operatives, named Workers.coop. Support ranged from the development of a dual membership offer to a dedicated awareness raising session at our annual Co-op Congress. Our worker co-op members were also invited to join the new federal as an important element of the renewals process. Those committing to join Workers.coop benefited from a 50% discount on standard membership.

Member groups

We have grown the number of member-interest groups as we look to share knowledge and expertise and collaborate over new solutions. For example, Treasurers Without Prejudice is for members looking to tackle (and save money on) society and co-operative-finance related issues.



50%

renewals discount for members of a federal

Our network boasts an array of member groups including: Co-operative Accounts Standards Committee; Diversity and Inclusion Forum; Governance Expert Reference Panel; Health and Safety Forum; International Co-operative Working Group; Joint Consumer Council; Membership and Communities Network and Society Secretaries Network.

We also host new member meetings on a monthly basis to create connections and improve our on-boarding process. Further communication and transparency is required to build upon this work and ensure maximum member value and inclusion.

Is there a group for you?
>> uk.coop/MemberGroup

YOUTH SUMMIT

Young people came together in July 2022, at The Studio in Manchester, to explore radical solutions to the big topics of the day – and discover how to create a fairer future.

The inaugural National Youth Summit brought together leaders, change-makers and creators to empower younger generations through the principles of co-operation. From job security to mental health to ethical working, it explored how co-operatives can enable today's youth to become the leaders of tomorrow.

It was the start of a journey that resonates through our events and advice offering. The 2023 National Youth Summit takes place on Wednesday 5 July in Birmingham.





CO-OP ↔ RETAIL CONFERENCE

It is an event beyond compare, with a unique audience and reputation for compelling content. The Co-op Retail Conference is primarily dedicated to our biggest members. It attracts the leaders, managers and directors from the UK's leading consumer retail societies and is an unrivalled learning and networking opportunity.

The Co-op Retail Conference is renowned for an incredible range of speakers and the 2022 event, sponsored by VME Coop, was no exception. The Head of Shopper Insight from the Institute of Grocery Distribution (IGD) opened the three-day event, while the richly diverse content also featured a former BBC's Blue Peter editor in a session on engaging younger people.

The desire and commitment of retail societies to share their expertise and knowledge is always evident at the conference. The CEOs of the Co-op Group, Central England Co-operative, Lincolnshire Co-operative and Midcounties Co-operative were just some of the retail society leaders putting Principle Six – co-operation among co-operatives – into practice.

Always a winner with audiences, the 2022 conference was rated good or excellent in every completed feedback form.

Discover more about the Co-op Retail Conference
>> uk.coop/CoopRetail

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MEMBERSHIP MATTERS

Bringing members together

Our events programme is extensive and crucial to our efforts in helping our members learn, network and do business with one another. National conferences, including the Co-op Retail Conference, are unique offerings that cater for specific sectors.

We held 21 training seminars, a mix of online and in-person, along with 17 webinars and a further 11 networking events – catering for new and existing members. In total our events programme boasted more than 1,300 delegates.

Economic pressures, including spiralling energy costs, are impacting on our members – particularly co-operative new-starts – and their ability to attend paid-for events. Covid also fundamentally changed our events programme, with increased hybrid and online only offerings. Our members broadly support a renewed focus on in-person events, though delegate numbers have yet to recover fully.

+46

Net promoter score for Practitioners Forum

Practitioners Forum and Congress

Practitioners Forum is our flagship training and development event, held annually in the final quarter of the year. Designed for people working in co-operative businesses, big and small, it offers 20 sessions across five specialist forums: membership; governance; finance; HR; and communications.

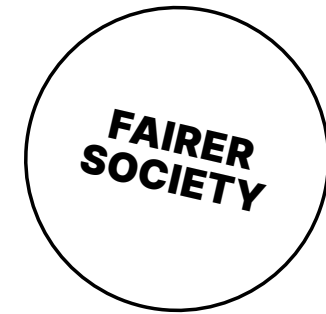
Delegates are able to mix and match across the five streams or attend one forum in a focused, full day of learning. We pivoted Practitioners Forum to an online event in 2020 and 2021 due to Covid. In 2022, due to member demand, it returned to an in-person event, at The Studio in Manchester.

Our core audience, including the society secretaries of our largest members, supported the move back to in-person and we responded to the cost-of-living crisis with dedicated content and a bursary ticket offer. While breaking even, delegate numbers were down from pre-pandemic levels by around 20%. However, delegates gave the event a positive net promoter score of 46. We aim to build on this positive feedback to return Practitioners Forum back to optimum delegate levels in 2023 and beyond.

Co-op Congress brought the wow factor with a speaker line-up ranging from MP Jess Phillips to Indie rock band Gomez's Tom Gray and from BBC presenter Dr George McGavin to Lord Victor Adebawale.



They were joined by hundreds of delegates; all working to build a fairer economy; to share ideas, get inspiration and take action. Congress in 2023 takes place on Friday 16 June.



INTERNATIONAL INFLUENCE

To 'build a better world through co-operation' we must look beyond our shores and we, as a Movement, are having real impact through disaster relief and uplifting international projects which improve people's livelihoods each and every day.

Our international work and influence is co-ordinated through the International Co-operative Working Group (ICWG). Chaired by our CEO, Rose Marley, the ICWG is made up of figures from leading UK co-operatives and infrastructure bodies, including the Co-operative College.

As part of the ICWG, our role has been to co-ordinate emergency aid relief in Ukraine, with more than £1 million raised by our members going directly to the DEC Ukraine Humanitarian Appeal.

The ICWG also worked in 2022 to support the local economy in Mexico. Migration, trafficking, lack of economic opportunities, climate change – all huge issues in Mexico which we're helping combat through the 'resiliencia cooperative, Mexico' project. In the heart of the Lacandona jungle, the project is enabling tourism routes in a sustainable and proficient way. Promoting fair trade coffee production is another way the project is helping transform ways of working.

Disaster relief was the initial focus in India with essential supplies, including masks, reaching co-operatives on the ground to help the fight against Covid. The ICWG is now helping empower young women in India to become more resilient to future crises.

SEWA, the Co-operative Federation in India, works with 106 women's co-ops. In 2022, through a partnership with SEWA, two new women's collectives were incubated. These collectives focus on grassroots researchers and communication to enable young women to enhance their skill set and work collectively with the principles of co-operation at their heart.

On the 100th International Day of Co-operatives (2 July 2022), one of our biggest members, Central England Co-operative, launched a new initiative which promises to be a real game-changer in one of Africa's poorest nations. The programme will directly support co-operatives in Malawi, with investment generated through a percentage of all Central England's Fairtrade product sales.

We showcased the work of the ICWG at our annual Co-op Congress event at an 'International Supper'. Speakers included Preet Kaur Gill, MP and Shadow Cabinet Minister for International Development and Central England Co-operative's CEO. We will build on that success at Congress 2023.

5. DELIVERING EXPERT ADVICE

We act as a beacon of co-operation in everything we do; to grow the movement by supporting best practice in the principles and values of co-operation.



5. DELIVERING EXPERT ADVICE

We deliver quality advice including best practice, standards and codes of conduct, so all potential and existing co-operatives can access advice that meets their needs.

We help ensure our members are governed effectively, to the highest standards, with policies and processes consistent with co-operative values. It is the co-operative element which sets us apart – and our collective values and principles are encapsulated in our advice offering.

We do not work alone. Our team of experts operate alongside delivery partners, including co-operative development bodies, to provide premium quality advice and training, at a price-point that works for our members. But we must do more.

A more effective member journey – using language that speaks to specific sectors of membership – will empower co-operatives to access the right advice at the right time. That support includes (but is not limited to): training; member-only resources; and paid-for advice services. It is an area of focus that we need to get right.

Creating new co-operatives

In 2022 we helped bring 124 new co-operatives into existence, an increase of 10% from the previous 12 months (113 in 2021), which itself was the highest since 2017. Kajans Community Housing Society in Birmingham, which provides affordable housing for young women, is just one example of a new business with co-operative values at its heart.

Our online tool, subsidised by The Co-operative Bank, which makes it simpler and cheaper to register co-operatives, is an important factor in the uplift. Housing co-operatives are taking advantage, with around 16% of new registrations in that area.

Community benefit society remains the most popular legal form at 41% of new registrations, followed by co-operative society (25%). It demonstrates the importance of ensuring we engage, using appropriate language and messaging, with all legal forms.

378

members accessed our advice services

10%

increase in new registrations

Expert advice

We continue to offer a wide range of governance, membership, HR and finance advice and have grown our capacity to provide additional governance expertise – specifically in the field of risk management and internal audit.

We also provide direct advice to organisations looking to undertake a share offer. This new element was complemented by our work in 2022 to develop new model rules, which enable Shariah compliant community share offers.

The breadth of our work is extensive. We undertook a comprehensive board appraisal for Chelmsford Star – one of the UK's largest independent co-operative retail societies. We provided a detailed report, which collated and analysed input from Directors and used that intelligence to provide assurances and priorities for next steps/continuous improvement.

For Clynderwen and Cardiganshire Farmers (CCF) we reviewed their existing data protection policies, provided advice on compliance and drafted new policies and procedures in the organisation's goal to be transparent in its use of personal data. They are just two examples out of the 378 member organisations that benefited from our expert advice in 2022.




15%

increase in members benefiting from the HR Package

We provide advice in numerous ways. Our website is resource rich with a combination of open-access and member-only resources. Members benefit from significant discounts when accessing bespoke, paid-for services. We deliver a programme of training, both online and in-person, and also offer an in-house service. Expert advice can also be accessed through our membership add-on packages.

The Contact Package

The number of members with the Contact Package – our versatile service offering help with governance, HR, membership and finance – dropped marginally, from 157 to 154. Priced at £210 (2023 pricing) the Contact Package continues to offer exceptional value.

We have helped our members with a range of issues, from running AGMs to understanding and amending governing documents; and from disciplinary and grievance issues to audit requirements.

HR PACKAGE

Our **HR Package** helps good employers become great employers. The support provides advice and guidance on all aspects of HR and employment law to our members. It is priced from £1,050 a year and enjoyed a 15% increase in subscriptions in 2022 (up to 38 members from 33).

In 2022 our HR team supported members with their handling of the cost-of-living crisis, which has significantly impacted on operating costs. Challenges have included major reorganisations, acquisitions and disposals for our larger members, including consumer retail societies.

With our help, many of our HR subscribers found ways to help employees and workers handle their domestic finances; focusing on lower paid colleagues more heavily affected by inflationary pressures in the areas of food, energy and housing.

These challenges continue to present a difficult outlook for 2023 and we expect demand for HR support to be high.

Benefits of the contact package:
uk.coop/ContactPackage



“Our Board appraisal was thorough, thought-provoking and actually, really challenging. It’s great that our directors were involved every step of the way, so engagement was high and remains high.

“We were delighted with the whole process; the level of detail and extensive report we received from Co-operatives UK. Conducting a board appraisal – and taking action on the findings – demonstrates our commitment to continuous improvement and achieving a high performing co-operative board of directors.”

Ellen Tredwin
Secretary and Head of Management Services
Chelmsford Star Co-operative Society



How can our expert advisors help your co-op?
Contact: advice@uk.coop



6. RAISING AWARENESS

We work for and alongside our members to demonstrate the benefits of co-operatives; encouraging members of the public to become members of co-ops and empowering our members to do the same.

6. RAISING AWARENESS

Co-operatives do business better, but still remain one of the UK's best kept business secrets.




The Rochdale Pioneers is a story of innovators; a story of visionaries; a story of radicalists. Their story is also borne out of desperate need to provide basic, unadulterated goods, that could not otherwise be afforded.

In 2022 we began a reset. Co-operatives are about people and how they are empowered through ownership and control, with values and principles at their heart. Just like the early pioneers, the impact on people can be profound, it can be life-changing. So we must talk about people as we pursue our members' desire for more visibility across news and other media outlets.

Telling stories

In our report, Offering Hope to Future Generations, we focused on young people whose lives have been transformed by co-operatives and co-operation. From mental health to good jobs to social and environmental concerns, our members – including Kocoon, Chapel Street Studios, Village Greens and Projekts Mcr – gave hope and solutions.

Our CEO, Rose Marley, amplified those stories on BBC Five Live, while media outlets including Forbes gave further coverage. We know co-operatives make a difference and do more for people and communities. We must do more to tell these stories, and to help our members vocalise the difference they are making.



22

“Every day I go into work, I come out feeling better, which I know is incredibly rare, knowing you’ve got a support network around you.”

Steph Rutherford
Village Greens



Co-op Fortnight

In our annual awareness campaign, Co-op Fortnight, we continued our storytelling theme. Running from Monday 20 June to Sunday 3 July 2022, we asked co-operatives of all shapes and sizes to come together to help #UnwrapCoops and celebrate why we love co-operatives so much.

Co-operatives were invited to share their reason for being a member of a co-op, and these submissions were turned into unique graphics, gifs and short videos. On Twitter alone the #UnwrapCoops hashtag was used 1,400 times with 4.4 million opportunities to see and a reach of 1.4 million.

“You can see how your community benefits, that’s a big thing, We help organisations to do amazing work that people would otherwise struggle without. The fact that we, as a co-op, can give that support is a great feeling.”

Harry Cairney
Scotmid Co-operative

Discover more about Co-op Fortnight:
>> uk.coop/CoopFortnight

Positioning co-operatives on climate

Our strategy has a focus on sustainability. It is imperative we position co-operatives as sustainable businesses, with co-operatives and co-operation at the forefront of climate action.

In October our burgeoning reputation with city regions and Metro Mayors came to fruition, with Co-operatives UK made a key partner in a new Green Energy Task Force. The taskforce is exploring whether sufficient green energy through wind, hydro, solar - and even grass - can be harvested to power the equivalent of Manchester and Liverpool city regions.

Our Head of Co-operative Advice, joined the Liverpool and Greater Manchester Mayors, Steve Rotheram and Andy Burnham, along with green entrepreneur Dale Vince, at Greater Manchester’s Green Summit to launch the taskforce. An important element of the taskforce’s work is around exploring the potential to unleash co-operative and community ownership of renewables. It drew the attention of UK media.

BBC News, the Evening Standard and a host of local media outlets from the Belfast Telegraph to the Oxford Mail ran with the story.

Representing fair and ethical business

We are often very good at speaking to ourselves – people from the Movement talking to people from the movement. Those conversations are important. Co-operation among co-operatives is one of the Movement’s seven principles.

Talking to our members remains a fundamental duty. It allows us to demonstrate value; to signpost important member-only resources; to increase engagement and participation; to help members through our advice and training; to connect co-operatives with one another. It is also a two-way process so we can understand and act on members’ needs.

We must continue to learn from one another, to co-operate with co-operatives. However, the Movement cannot afford to be insular. In 2022 we began to position ourselves as representing fair and ethical business.

Rose Marley featured on ITN News, Channel Five, BBC Radio Five Live and Radio Four, as well as a host of other media outlets. Our CEO spoke eloquently about a range of issues including the rail crisis, sustainability, football clubs and the climate emergency. To make co-operatives relevant we must increasingly bring co-operatives and co-operation into the relevant themes and issues of the day.

THE SKY IS THE LIMIT

Our CEO, Rose Marley, appeared on Sky News in January 2022 to explain how co-operatives offer hope to future generations. Using our research we demonstrated why co-operatives offer solutions to the biggest concerns of younger people.

In addition to Sky News, we generated coverage across a range of media outlets as we continue to increase awareness of co-operatives. With a remit from our members to ensure we reach new audiences, the coverage ranged from sector publications including the Wealth Tribune, Global Islamic Finance and Business Live, alongside local media outlets such as the Manchester Evening News.

Tell us how your co-operative is making an impact:
>> communications@uk.coop




“This is one of the most challenging times to be a young person in the UK. But there’s hope. Ownership and control aids mental health and well-being significantly. The co-operative movement is a beacon of hope for those who want more control of their future.”

Rose Marley
CEO
Co-operatives UK

7. INFLUENCING POLICY

To effect real-world change, we must create the right environment for co-operatives to form and thrive. We help create this environment by influencing public policy.



7. INFLUENCING POLICY

We are an authoritative, campaigning voice, working for and alongside members to influence public policy to benefit co-operatives.

We focus on delivering policy wins that meet the common needs and aspirations of our members. We also work hard to create the right environment for co-operatives to form and thrive. Building effective cross-party support for co-operatives and effective partnerships, to amplify our lobbying activity, are crucial to our efforts.

Shared Prosperity Fund

At the end of 2022 millions of pounds of new public funds were being allocated to local co-operative development across the country. This did not happen by chance. It followed a concerted lobbying effort at national and local government levels.

Our work centred around the £2.6 billion UK Shared Prosperity Fund, with an important first step of ensuring co-operative development was listed as a fundable intervention. It was only the beginning. We worked diligently with our partners in local government to ensure co-operative development featured in their funding plans.

Deepening partnerships at a local government level – including city regions such as Greater London Authority and combined authorities like West Yorkshire CA – have proved invaluable in ensuring co-operative development is at the forefront of local government strategies.

Our success in terms of the Shared Prosperity Fund demonstrates the power of persistence; of effective partnership working; of the power of member support and engagement. It was a campaign which began in 2020 which is now reaping huge rewards.

“Increasing the number of employee and worker owned businesses is a key part of my mission to build a better London for everyone – a safer, fairer, greener and more prosperous city for all.”

**Mayor of London
Sadiq Khan**





Landmark reform

Over many years we have lobbied for legislation giving co-operative societies the option of legally guaranteeing that some, or all, of their assets are held in common.

Government finally acted in 2022 over a priority area for our members in terms of creating better conditions for investment, innovation and growth. The potential new legislation was put through to committee stage after being included in a provision of Sir Mark Kendrick's Private Members' Bill.

The participation of our members, including through our consultations and direct interviews with officials, has been critical in convincing government to look at giving co-operatives the enabling legal framework they deserve.

Benefits will be wide-ranging:

- Housing co-operatives can hold high-value property and expand without worrying about future members succumbing to perverse incentives to demutualise

Read about the landmark reform and next steps:

>> uk.coop/LandmarkReform

- Worker and multi-stakeholder co-operatives can grow and take on investment with greater assurances that co-operative purpose and culture will be protected
- Consumer co-operatives will have a legal guarantee that future members will not seize common wealth built up over generations for short-term personal gain
- The co-operative society form being even more suited to co-operative buyouts of existing businesses

Success in Scotland

Our ongoing campaign to build and maintain cross-party support in Scotland has been a source of success. In 2022 the devolved government committed to a review of how to grow the co-operative sector in its National Strategy for Economic Transformation.

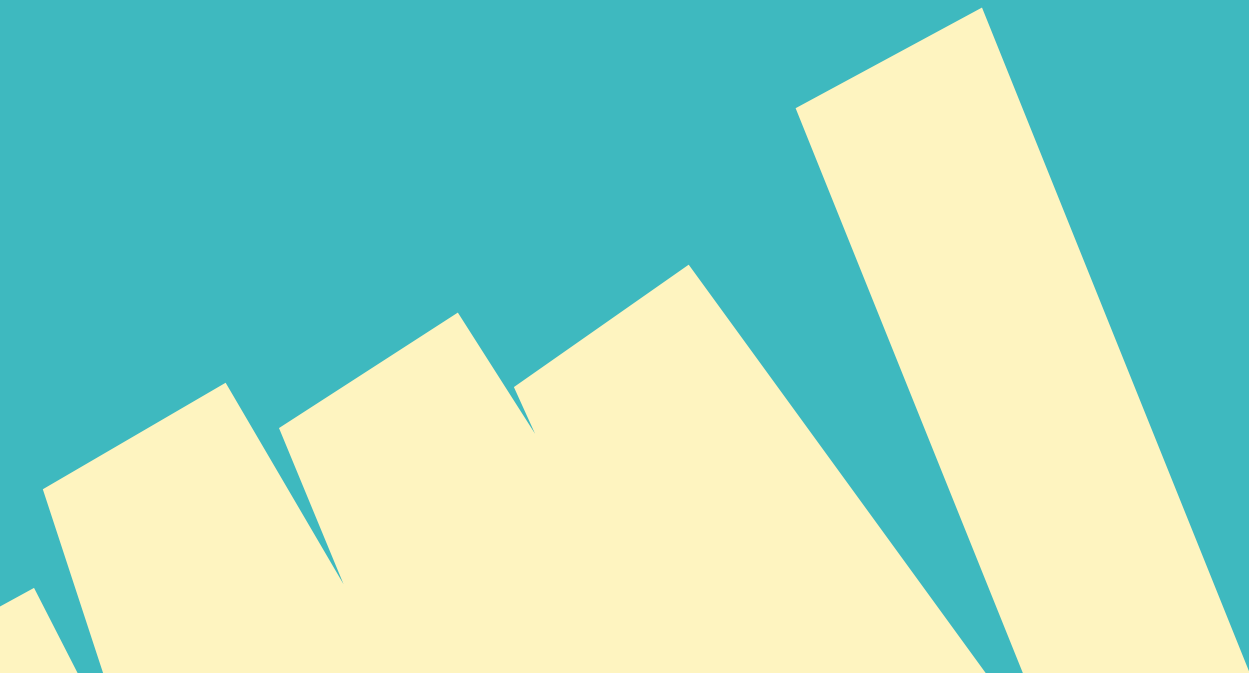
The strategy says Scottish government will “undertake and publish a review of how best to significantly increase the number of social enterprises, employee-owned businesses and co-operatives in Scotland, supporting regional regeneration and the wealth of local communities.”

2023 POLICY AIMS

- Secure resources for co-op development in Scotland and England city-regions. Work with partners in Wales and Northern Ireland to achieve the same results
- Ensure government passes common capital legislation that meets the needs and aspirations of co-operatives
- Work with members to develop further proposals for improving law and regulation for co-operative and community benefit societies
- Embed co-operative development in wider strategies for building high-wellbeing and low-carbon economies through partnerships with city-regions
- Secure a new tax relief for Scottish housing co-operatives
- Convince government to include a significant role for co-operative ‘one-stop-shops’ in energy efficiency, decarbonisation and retrofit schemes’
- Lobby for more effective policy to help co-operatives decarbonise and become more energy efficient
- Develop proposals for worker co-op conversions, focusing on reforming existing tax reliefs and plan to support worker-led buyouts and rescues restructures
- Developing credible policy proposals for ethical and co-operative data and tech; initially with a position on the Digital Markets, Competition and Consumer Bill

8. CO-OPERATIVE DEVELOPMENT

External funding enables us to break new ground in co-operative development. In line with our strategy and policy objectives, we seize upon opportunities and forge partnerships to deliver member value and economic growth.



8. CO-OPERATIVE DEVELOPMENT

Providing effective co-operative development initiatives and support is critical to our strategy. We focus on where we are most effective and most needed.

We have a fantastic track record in generating funds for co-operative development. In 2022 we attracted more than £1.2 million in external funding through projects including The Hive and Community Shares Booster Fund.

How we use external funding is crucial. We must focus on where we are most effective and where we are most needed. It is why we brought together our policy and development functions in 2022 – with a clear and direct link to strategy delivery. It is also why we monitor and evaluate our co-operative development programmes.

Co-operative support programmes

The Hive programme provided new and existing co-operatives with tailored business support from expert advisors and peer mentoring from experienced co-operatives.

Funded by The Co-operative Bank, the Hive has supported more than 1,200 groups since being launched in 2016 (140 in 2022). New co-operatives include Loco Home Retrofit, a Glasgow-based co-operative combating the climate emergency through retrofit services, and Sonas, a pioneering food co-operative in Northern Ireland.

Get support for your co-operative
>> uk.coop/Support

+1,200

groups supported through the Hive

Increasing awareness and understanding of co-operatives was also an important element of The Hive. We increased the number of free online events to 60; attended by more than 800 groups who wanted to know more about co-operatives and how to start one. In 2022 we focused on three key awareness-building areas: co-operatives and climate action; empowering communities; and giving young people a fairer future.

Community wealth-building co-operative Coalville CAN, is an example of The Hive's success at creating co-operative new-starts. Meanwhile, the support programme's online registration tool, subsidised by The Co-operative Bank, helped 124 co-operatives come into existence in 2022. But we can do more.

We undertook a full and extensive evaluation of The Hive in 2022. As a result a new, redesigned support programme, called [Business Support for Co-ops](#), was launched in early 2023.

LOCO HOME RETROFIT



“We want to help people get off fossil fuels and help bring to an end Glasgow’s contribution to climate change.” The lofty ambition belongs to Loco Home Retrofit (LHR) and its co-founder, Chris Carus. He added: “Since energy prices have gone up, we also want to reduce the cost of home heating to address the cost-of-living crisis.

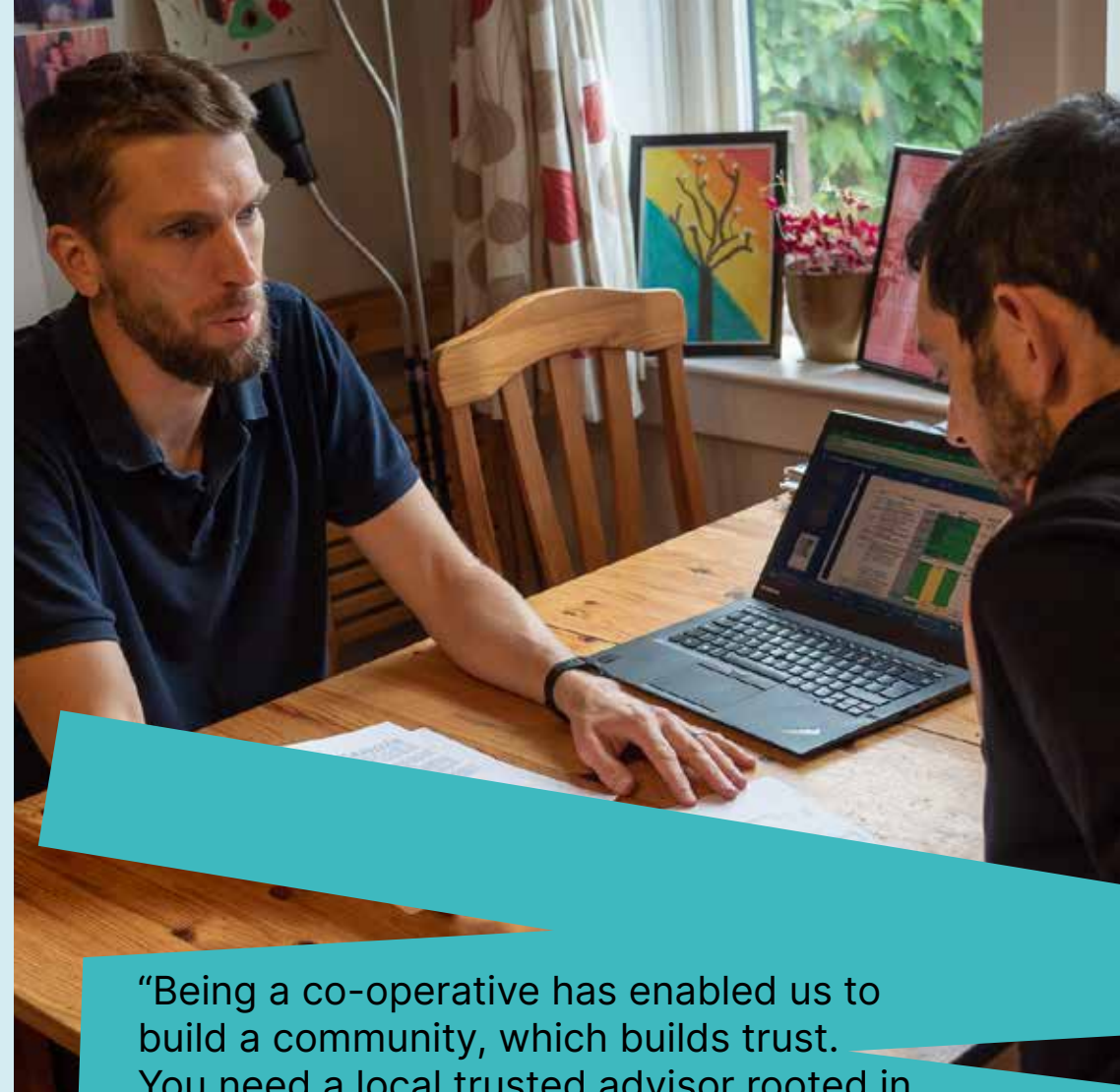
“We describe ourselves as a community-led intermediary for retrofit. Retrofit means insulating people’s homes and replacing gas boilers with zero emissions alternatives such as heat pumps.”

LHR began life when Chris discovered Manchester-based Carbon Co-op and its sister co-operative, People Powered Retrofit (PPR). He said: “We model ourselves on them. There were only two of us to start with, but we knew we wanted to be a co-op. So we began with two members and opened up membership to others six months after starting.

“It was important to us to be a co-op because people find it difficult to take action on retrofitting. It’s complicated, risky and expensive and it’s hard to find people to do the work to a good standard you can trust. Being a co-op has enabled us to build a community, which builds trust.”

The Co-operatives UK member had expanded to 130 members by the end of 2022 – made of employees, homeowners, contractors, architects, surveyors and other people who work in the sector.

Every day is all about empowering members of the community to cut their bills and carbon footprint. Chris said: “I will go into a person’s home and spend the best part of a day reviewing and surveying it. I make recommendations and provide guidance, leaving the householder with an outline plan for what they are going to do next.”



“Being a co-operative has enabled us to build a community, which builds trust. You need a local trusted advisor rooted in the community, like us and PPR (People Powered Retrofit) – and the co-operative model is the perfect way to do this.”

Chris Carus
Co-founder of Loco Home Retrofit

LOCO HOME RETROFIT

LHR is also working to grow the supply chain of contractors with retrofit skills and hosts an online chat group where people can learn from each other.

Chris and his co-founder Tom Nockolds received help from Co-operatives UK's business support programme, delivered in partnership with The Co-operative Bank, to set up LHR.

"We were mentored by co-op advisor Adrian Ashton," added Chris. "It was useful having someone familiar with co-ops to talk us through the governance issues we needed to think about at different stages – and it gave us a sounding board.

"Adrian helped us understand our year end accounts, tax return, CIC return and preparing for our AGM. That was daunting but he took us through it step by step and helped us figure things out.

"His support was really valuable. It gave us the confidence to keep going. In the start-up phase it would have been easy to reduce our ambitions or give up."

As part of Co-operatives UK support programme, LHR also received mentoring from fellow co-op People Powered Retrofit. "It paid for them to come to Glasgow and spend a day and a half just talking through issues and getting some coaching from them," said Chris.

"A lot of it was specific to retrofit, about understanding energy in buildings, how to ventilate properly and not taking risks on those things.

"Meeting them was inspiring. Our theory is that in each town or community you need a local trusted advisor rooted in that community, like us and PPR – and the co-op model is the perfect way to do this."

**PEOPLE
POWERED**



Creating a platform

Competing against digital start-ups backed by venture capital is tough. Our UnFound Accelerator programme takes on that challenge by helping create platform co-operatives – democratically owned and controlled businesses that use an online platform or mobile app to trade, connect people and/or pool resources.

In 2022 UnFound supported nine teams to transform their pioneering idea into a viable co-operative business, with three sharing a £10,000 start-up prize provided by The Co-operative Bank.

RIMA is designed to empower emerging creative practitioners; Kocoon works to equip younger people with the knowledge, skills and resources to improve their well-being; while The Learning Co-op is a global tuition service with an anti-establishment edge. We will continue to focus on tech and digital in 2023.

Working on worker ownership

Another focus area is worker ownership and we were delighted to launch our London Ownership Hub in 2022. We are now working with the Greater London Authority and Employee Owned Association to develop the networks, resources and conditions to help worker co-operative across London develop and thrive. It follows in the footsteps of our South Yorkshire Hub and demonstrates our increasing influence at local and regional government level.

Growing community ownership

We are proud to champion local ownership and control through community shares – a unique way for people to finance new and/or developing co-operatives. More than £210 million has now been raised by communities across the UK to save or create vital assets and businesses. It is people-powered, with 130,000 investors in 539 community businesses.

Each investor becomes an owner with an equal say, no matter how much they invest. With shares from as little as £10, it has the potential for mass appeal and to take co-operatives right into the national consciousness.

We work with partners including Locality and Plunkett Foundation and benefit from the support of institutional funders like Power to Change, the Architectural Heritage Fund and Access – the Foundation for Social Investment.

In 2022, we awarded £275,300 in matched investment to seven community co-ops and £94,862 in development grants to help groups to prepare their share offers. This support, through the Booster Fund, received a £2.2 million booster from The Access Foundation, announced early 2023. The Fund now offers earlier stage support and will enable further opportunities for harder to reach and more deprived communities.



BUSINESS SUPPORT FOR CO-OPS

Launched in 2023, the new Business Support for Co-ops programme (previously The Hive) will continue to provide support to start-ups, existing co-ops and conversions. It will expand to include a new support package for very early-stage groups with an ambition to include an external practitioner and co-op business representative on the assessment panel.

The 2023 programme is funded by The Co-operative Bank to the tune of £400,000. The latest cash injection takes the Bank's backing of fair and ethical business to £2.5 million through its partnership with Co-operatives UK since 2016.

Business Support for Co-ops will also explore areas of innovation to show the potential for worker or community ownership in sectors like arts and culture, fan ownership and ethical tech.

"As a business with deep and historic roots in the co-operative movement, we are committed to championing the future of this movement and cannot wait to see more inspiring examples coming through."

Nick Slape
CEO
The Co-operative Bank



ULTIMATE PICTURE PALACE

Empowering people and communities to take ownership and control of a business or a local asset is fundamental to our work. It is what we do when we help people set up a co-operative or convert to one. It is also demonstrated when we lobby government to make it easier to create co-operatives – and through our advice services when we ensure member voice is heard.

That same empowerment goal is achieved through community shares – a unique way for people to finance new and/or developing co-operatives. We have helped communities take control of everything from pubs to piers and from football clubs to farms. Even a local cinema has been saved...

A haven for film buffs and people passionate about movies, The Ultimate Picture Palace (UPP) is Oxford's only independent cinema and a thriving part of the local community.

It is one of the earliest cinemas in Britain, having opened in 1911. When its owner died in 2018, she expressed a wish in her will that it would become a community cinema, so a group of local people took action.

"If it had been sold on, it may not have remained as a cinema, let alone a rather quirky one," said UPP volunteer and former committee member Pat O'Shea. "We don't have a mainstream programme, in any sense, and we wanted to keep that independent spirit alive."

UPP is a 'second run cinema,' meaning it gets films a few weeks after release. This makes them much cheaper to rent, keeps ticket prices down and allows people to see movies they missed when they first came out.



ULTIMATE PICTURE PALACE

“We’re an alternative to mainstream venues,” said Pat. “We show a lot of foreign language and independent films – and we put on film seasons. The Ultimate Picture Palace is part of the thriving Cowley Road community. So we got together to look at how we could make it a community cinema.

“The first thing we did was look into the different kinds of bodies we could become. We eventually settled on a community benefit society (CBS).”

A former head teacher with a passion for cinema, Pat and her fellow film buffs recruited people with a range of skills needed to form a CBS and launch a community share offer. With the help of grants, including development funding from the Community Shares Booster Fund – a scheme to support new share offers managed by Co-operatives UK – the group put together a community shares offer.

Covid was a particular challenge, with the offer postponed several times. Pat said: “Until we had figures that showed some post-pandemic recovery, we didn’t feel we were able to launch.”

There were also challenges with the lease negotiations for the building but eventually, in April 2022, the share offer was launched, backed by a successful marketing campaign.

“We made a film trailer that was shown before every film in the cinema. We used our mailing list, spreading the word to friends and family.”

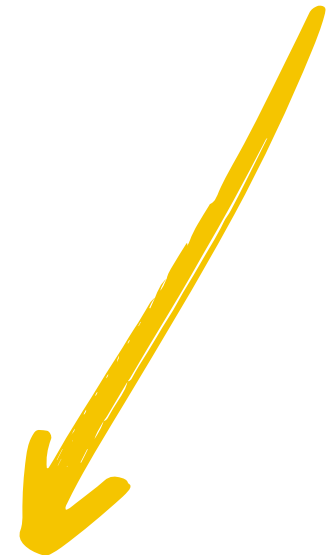
The share offer was so successful it closed early after achieving its maximum target. In total, £366,575 was raised from more than 1,300 investors – now the UPP owners. It included £20,000 matched funding from the Community Shares Booster Fund.

The minimum investment was £50, with a lower amount of £30 for young people and local residents. Pat said: “So we had lots of people putting in small amounts, as well as a few individuals who supported us very generously. That’s why we’ve so many members. It’s a broad, inclusive base, tapping into the affection the community of east Oxford has for the cinema.”

In November 2022, the business was purchased from the previous owner’s estate and staff retained their jobs. “We’ve also upgraded the salary and job description of the Director and Programmer. We’ve raised their professional level,” said Pat.

“This cinema is an institution and there’s a lot of affection for it. It’s in a commercial area but it’s also important that there are cultural things going on. It’s a facility people love and it’s important to the community. We were all keen on the idea of having an independent cinema. We all wanted it to carry on being there – and now it will.”


MEMBER-OWNED



What can community shares do for you?
>> uk.coop/CommunityShares

9. OUR PEOPLE AND PLACES

To lead a strong, sustainable and diverse Co-operative Movement we must ensure Co-operatives UK is strong, sustainable and diverse.





9. OUR PEOPLE AND PLACES

Co-operatives UK will be a beacon for the co-operative movement where our values allow our people to thrive, grow and achieve.

Co-operatives are about people. Realising the potential of people is fundamental to realising the potential of co-operatives. We must be a beacon for the Co-operative Movement in good employment, where our people thrive and have clear alignment with our strategy.

Our organisational restructure was a step towards our people goal; bringing teams together and also introducing a key performance indicator (KPI) that measures colleague satisfaction across a range of areas including strategy alignment.

Our 'people plan' is focused on our staff being aligned to and engaged in delivery of our strategy for members. It is also designed to ensure we provide rewarding and fulfilling work, with employees that are valued, recognised, appreciated, motivated and fairly rewarded.

We are taking steps to ensure we are more diverse. Diversity sparks innovation; it enhances creativity. It leads to better decision-making and problem-solving and improves team performance. In 2022 we signed up to the Diversity Forum Manifesto. This makes public our commitment to diversity, equality and inclusion (DEI) and that we are on a journey listening, adapting and improving our processes and outlooks to be more inclusive. Our DEI ambitions, ultimately, extend to the whole Co-operative Movement.

We are pleased to report that our gender pay gap has decreased to 15% (average hourly pay rate). In 2021 it was 18% and 32% one year earlier. The median pay gap (hourly rate) remains at 3%. While our employee numbers mean we fall outside the auditing requirements for gender pay gap, we report on the difference in remuneration to provide our members with added transparency ([see page 92](#)).

Our systems, from digital to finance to IT, must be fit for purpose in order for colleagues to thrive and provide the highest levels of member value. Our digital transformation gathered pace in 2022, providing colleagues with the tools and analytics to better understand and deliver on member need.

Where we work is also important. Flexible working practices allows work to work for our colleagues – and has enabled increased revenues through increased tenancy at Holyoake House, our Manchester base. The Grade II listed building is wholly owned by the Movement and has huge potential.

The vision for Holyoake House is to create a modern representation of its 'original intent and purpose' and transform the landmark into a beacon of co-operation. [Consultations around refurbishing Holyoake House](#), involving input from members, tenants and colleagues have taken place, while a report on energy efficiency is underway. We will report on progress in 2023 and beyond.



10. OUR GOVERNANCE

At the heart of the co-operative model is the principle of democratic member participation – the idea that a business can be run with a focus on the interests of members; people who in one way or another are involved directly in the business.

10. OUR GOVERNANCE



We are owned by our members who are all co-operative organisations or organisations which support co-operatives and co-operation. We operate for their benefit and the ownership and control of Co-operatives UK lies with our members.

We are owned and controlled by our members – those members are all co-operatives or organisations that support co-operative values and principles. While good governance takes care and effort in any enterprise, it has particular importance in co-operatives.

The co-operative values and principles are enshrined in our rulebook – the foundation for our governance and decision making – and are reflected in our policies, procedures and culture. Our rulebook aims to make it easy for members to understand the rights and responsibilities they have but also that they have delegated to our Board of Directors.

Co-operatives UK is a secondary co-op. Our members make decisions by voting on resolutions and in director elections (using a weighted system with vote allocations linked to subscriptions following a formula agreed by the Board). We'd love to see more of our members participating democratically – all members can attend and vote online in general meetings and vote electronically in elections to the Board. We contact all members directly and use social media to ensure that the people within our member organisations are aware of opportunities to have their voices heard.

Read our rulebook
>> uk.coop/Rulebook

For us, member participation extends much wider than voting. Our members engage and provide direction in a number of ways, including:

- Submitting resolutions to the AGM, attending and engaging in debate
- Nominating candidates to stand for election to the Board of Directors
- Participating in member groups that bring together co-operative expertise and shape our strategic priorities
- Responding to consultations – enabling us to represent member views to policy makers
- Attending events and networking with people from other co-operatives and colleagues
- Sharing co-operative stories and joining conversations on social media
- Providing feedback through member surveys
- Joining our campaigns and helping us to promote the co-operative model
- Accessing our specialist advice services designed to enable co-ops to thrive

Our Board

The Board of Directors makes key decisions and approves policies; it sets our strategic direction and holds the Chief Executive to account for performance against annual plans and budgets and provides guidance and direction to the Leadership Team.

Our Board is made up of individuals nominated, elected and appointed by our members. Its structure ensures the Board has knowledge and representation from across the breadth of the co-op movement.

Each year, the Board elects directors to be Chair and Vice-Chair. Directors serve three-year terms of office for a maximum of nine years. New directors receive a detailed induction outlining the role of the Board, its code of conduct, our policies, structure and information about our stakeholders.

A directors skills register is maintained and directors are offered opportunities for ongoing learning and development. Board members also complete periodic evaluations of the Board's effectiveness, appraisals of individual directors and the performance of subcommittees.

Discover more about our elections and how to join our Board of Directors: uk.coop/Elections

Our Board is supported by three subcommittees: the Audit and Risk Committee; Remuneration Succession and Appointments Committee; and the Governance Committee. The reports of our subcommittees can be found on pages 42 to 46. In addition, we have a Chair's Committee which deals with routine business requiring Board approval outside of our meeting schedule.

Internal audit

Co-operatives UK supports an approach to internal audit which encourages peer review, openness and transparency in how we work. Internal audits facilitate active engagement from colleagues in order to encourage innovation and focus on continuous improvement as our internal controls are put under scrutiny.

The purpose of our internal audit is to examine and challenge current organisational practices and procedures, compliance with internal policies and to identify and implement improvements.

The Audit and Risk Committee considers annually whether Co-operatives UK should continue to operate an internal audit function. The committee is accountable for in-house internal audit policy and for regularly monitoring its effectiveness.

In 2022, in line with the Committee's recommendation to obtain external scrutiny on some aspects of processes and internal controls, the interim Head of Finance (seconded from KPMG) led the internal audit during 2022.

The focus of the internal audit was an assessment of Co operatives UK's payroll system. Findings were reported to the Audit and Risk Committee, in line with our current Internal Audit Policy which requires the Committee to oversee the audit of at least one business area each year.

The Committee was informed of the outcome of this work, including areas requiring improvement as well as strengths within the processes.

Follow up actions to further improve processes will be taken forward during 2023 and reported to the Audit and Risk Committee. The Committee will keep under review whether there is a need for external assurance in relation to Internal Audit.



OBSERVING THE CO-OPERATIVE CORPORATE GOVERNANCE CODE

Co-operatives UK assesses its compliance against the Co-operative Co-operative Code of Governance by undertaking an annual gap analysis. As part of its remit, the Governance Committee provides scrutiny on governance processes and policies ensuring they are regularly reviewed and updated. The Committee has an annual plan to explore areas of non-compliance where we may need to take action or develop our practice.

We continually work to improve the format and information provided in our Annual Report to demonstrate best governance practice. We reported last year that an area of non-compliance with the Code related to the recommendation for a standalone conflicts of interest policy. During the course of 2022, the Governance Committee undertook work to introduce this with the support of the Society Secretary and this was subsequently approved by our Board.

In addition, this year we opted to include reports from each of our subcommittees within this Annual Report to highlight to our members the breadth of important work they undertake. We continue to make good progress in ensuring our governance standards exceed the minimum requirements set by the Code.

In 2022 we identified the following areas of non-compliance and potential action:

Co-operative Leadership and Purpose: The Board should assess and monitor the co-operative's culture using a variety of techniques and should ensure that practices and behaviours throughout the co-operative are aligned to its purpose, strategy and values. The annual report should explain the Board's activities in relation to culture and any actions it has taken to address dissatisfaction with alignment.

The Board does not currently receive detailed information on absenteeism and well-being. However, information is provided via highlights from colleague surveys, while the Remuneration Committee has been engaged in work with the Leadership Team on exploring ways of supporting colleagues through the cost-of-living crisis.

We have taken additional steps to address this gap. In October 2022 we introduced a new 'people' KPI: "Co-operatives UK will be a beacon for the co-operative movement in good employment where our people thrive and grow and have clear alignment to delivery of our strategy" which will be measured through HR metrics. Members will be updated on progress against this, as well as our other KPIs in next year's annual report.

Board Composition, Succession and Evaluation: There should be a documented succession plan for the Board, its Chair (and executive leadership if applicable) that is regularly reviewed, revised and ensures an appropriate balance of skills, knowledge and experience can be maintained within the co-operative and on the Board.

We do not have formal succession plans in place for the Board or the Chair, however, the Remuneration Committee periodically reviews the mix of skills, knowledge and experience on the Board and considers this in light of strategic priorities. There is still work to do on succession planning both at Board and Leadership Team level.

Board Composition, Succession and Evaluation:

The board should develop a structured training and development programme that should be completed by all directors. The programme should be informed by and reflect the results of the annual evaluation of the board, its committees and its directors. The board may also develop a programme for prospective directors to enable them to gain the skills they need to stand for election.

While directors do not have a formal training and development programme, training needs are kept under review and the Chair and Society Secretary would discuss any needs identified with individuals. Workshops and 'deep dive' presentations on specific areas of the business have taken place during the course of the year in order to enable informed decision-making. During 2022, topics included KPI setting, specific aspects of the co-operative sector and facilities management. Directors are also allocated a place at Co-op Congress. The Governance Committee continues to keep director training under review.

The Co-operative Code of Governance is a great tool for helping our members implement good governance and report compliance to their members.

Get the code >> uk.coop/Code



REMUNERATION, APPOINTMENTS AND SUCCESSION COMMITTEE REPORT

“On behalf of the Board, I am pleased to present the Remuneration, Appointments and Succession Committee’s (RemCo) annual report. As well as informing members of RemCo’s work during 2022, it also provides details of our approach to remuneration and other contractual terms to demonstrate that they are equitable, transparent and align with the International Co-operative Alliance (ICA) Values and Principles.”

Tanya Noon
Chair of the Remuneration, Appointments and Succession Committee

Composition

Committee members are appointed by and from the Co-operatives UK Board based on their skills and experience. Membership of the Committee was determined shortly after the annual elections process. The Directors who served on the Committee and their details can be found on pages [48 to 52](#).

Our Approach to Remuneration

We are committed to ensuring that our approach to remuneration is fair and transparent. The Committee works with our CEO and the HR and reward team to ensure our approach to remuneration is in line with our policies and recognises the effort and commitment of directors and colleagues. During the year, Co-operatives UK went through a restructure, an outcome of which addressed the fair implementation of pay and reward for colleagues.

We report the individual remuneration packages of the CEO, Society Secretary and members of the Leadership Team and the fees paid to our directors on pages [79](#) and [89](#).

REMCO PURPOSE

The purpose of RemCo is defined in its terms of reference which state:

“The Committee will support Co operatives UK’s Board in complying with corporate governance requirements by overseeing responsibilities in relation to all elements of remuneration, appointment and succession planning for directors, the CEO and Secretary and by agreeing the high level framework for reward and employee benefits.”

Board Fees

Our Directors receive an annual fee to cover reasonable expenses and, if applicable, an attendance allowance (also know as a loss of earnings allowance) when Directors perform additional duties. Our chair receives a higher fee, to reflect the additional responsibility and time commitment associated with this role.

In previous years, we have sought member approval at the Annual General Meeting to increase Board fees, usually in line with the retail prices index (RPI). For the last two years, there has been no proposal to increase board fees as the Board recognised the difficulties faced by many of our members due to the impact of Covid-19 and thereby considered it appropriate to freeze these fees.

In considering Board fees for 2023, the Committee assessed that an increase based on RPI was inappropriate given economic volatility during 2022. Instead, various percentage increases were considered by the Committee and a recommendation for a 2% increase agreed by the Board. This will be put to Members at the annual general meeting (AGM).

In its considerations about whether to propose a Board fee increase, feedback from members at the last AGM was taken into account. RemCo and the Board recognises that, as with the previous two years, 2022 was an extremely challenging year for our members and acknowledges the difficulties that members continue to face in light of the cost of living crisis. The Board acknowledges the balance between acting in solidarity with members and remunerating directors appropriately to reflect their time and commitment.

Leadership Team Remuneration

The remuneration packages of the Leadership Team, and the wider staff team, are governed by our Pay and Reward Policy. Any decisions made outside of this policy must be subject to Leadership Team approval. We work with the CEO and the Leadership Team to make sure that the policy is fit for purpose and reviewed regularly. Our policy is outlined below:

Co-operatives UK is committed to ensuring that its reward package is fair to employees and competitive within the labour market. In particular, we:

- Operate a pay and grading structure in line with market practice and standards
- Benchmark our pay and reward against other employers
- Conduct annual pay reviews for all employees through dialogue with our recognised trade union SATA

Our colleague remuneration policy's objective is to attract, retain and motivate high quality employees without remuneration being excessive and by having regard to the size, complexity, turnover and risk appetite of Co-operatives UK and to ensure alignment to long term strategic goals.

However, our approach is not only determined by external practices; through engagement with employees we seek to reflect the wishes of our team as to how we develop our approach to rewarding them.

A copy of our Pay and Reward Policy can be supplied upon request.

RemCo's Work in 2022

In line with the Committee's terms of reference and agreed policies, RemCo was involved in a wide range of activity in 2022, including:

- Reviewing the CEO's job description and remuneration package to reflect the additional responsibility of leading on international co-operative work (ongoing)
- Undertook appraisals of the CEO and the former Society Secretary
- RemCo members sat on the Society Secretary Recruitment Working Group, along with the CEO, which managed the recruitment, selection and appointment process for the new Society Secretary



- Made recommendations to the Board for appointments to Board subcommittees and working groups and appointments to external organisations including The Co-operative Heritage Trust and the International Co-operative Working Group (ICWG)
- Overseeing work to review our Board subcommittee's performance and effectiveness including a self-assessment of RemCo
- Monitored our pay and reward policy, working with the Leadership Team and HR to ensure the policy was adhered to and continued to oversee a Pay and Reward Review project designed to ensure that all staff are remunerated fairly and to address any historical anomalies
- Supported the Leadership Team in exploring support for colleagues due to the impact of the cost of living crisis
- Monitored principal risks of Co-operatives UK as they relate to this subcommittee, notably ensuring mitigation is in place in case of loss of key staff.
- Encouraged voluntary gender pay reporting

"The Committee has worked extremely hard this year and we have held a number of additional meetings beyond our annual schedule. I want to thank all Committee members for their support and valuable contributions during the year. I also hope that members will support and endorse the recommendations set out in the report."

Tanya Noon
Chair of the Remuneration, Appointments and Succession Committee

Join us at our 2023 AGM
>> uk.coop/OurAGM



AUDIT AND RISK COMMITTEE REPORT

“I am pleased to introduce the annual report of the Audit and Risk Committee on behalf of the Board. I want to acknowledge my fellow Committee members for their support and valuable contributions during what has been a challenging year. My thanks also go to the CEO and Finance team for their efforts.”

Eddie Thorn
Chair of the Audit and Risk Committee

PURPOSE

The purpose of the Audit and Risk Committee, as defined in our terms of reference is:

“The Audit & Risk Committee will support Co-operatives UK’s Board in complying with corporate governance requirements by overseeing responsibilities in relation to financial reporting, the system of internal controls, risk management, internal and external audit.”

Composition

Committee members are appointed by and from the Co-operatives UK Board based on their competence relevant to skills and experience required by the Committee. Membership of the Committee was determined in 2022 following the annual elections process.

The Directors who served on the Committee and attendance details can be found on pages [48 to 52](#). Audit and Risk Committee meetings were also attended by the CEO, Society Secretary, Interim Heads of Finance and other Society management from time to time as required.

Our Approach to Audit and Risk

The Board of Directors is responsible for Co-operatives UK’s system of internal control. The Committee monitors and reviews the effectiveness of the internal control and systems that identify, assess, manage and monitor risks. The Leadership Team is responsible for the implementation, day to day operation and management of internal controls. An overview of our risk management and internal controls processes can be found on pages [38 to 41](#).

Audit and Risk Committee’s Work in 2022

In line with the Committee’s terms of reference and agreed policies, the Audit and Risk Committee was involved in a wide range of activity in 2022, including:

- Impairment review of our equity investments in co-operative societies and community benefit societies
- Received updates and provided scrutiny on our Community Shares Booster Fund Portfolio
- Received and scrutinised reports on financial performance
- Reviewed and recommended the draft annual report and financial statements and ancillary documents including the External Auditor report for the year ended 31 December 2021
- Received reports relating to risk management and internal audit
- Reviewed the risk handling policy
- Reviewed and recommended the three-year indicative budget

GOVERNANCE COMMITTEE REPORT

Composition

Committee members are appointed by and from the Co-operatives UK Board. Membership of the Committee was determined following the annual elections process. The Directors who served on the Committee and their attendance details on pages [48 to 52](#). Governance Committee meetings were also attended by the CEO and Society Secretary.

“I am pleased to report on the work of the Governance Committee for the year ended 31 December 2022. I would like to thank my fellow Committee members for their support and valuable contributions during the year.”

Cheryl Barrott
Chair of the Governance Committee

Governance Committee's Work in 2022

In line with the Committee's terms of reference and agreed policies, the Governance Committee undertook key items of work during the year including:

- Reviewed and recommended guidance on suspension of a director (brought to the 2022 AGM as a proposed rule change and agreed by members)
- Reviewed the Society's elections guidance and processes for the appointment of Chair and Vice Chair
- Reviewed compliance with the Co-operative Corporate Governance Code
- Conducted a review of the Board Code of Conduct
- Considered and made recommendations on worker owned co-operative representation on the Board following incorporation of the worker co-op federal

PURPOSE

The purpose of the Governance Committee, as defined in our terms of reference is:

“The Governance Committee has been established to have ongoing oversight of the internal governance of Co-operatives UK. The Committee will support Co-operatives UK's Board in complying with corporate governance requirements and best practice by providing a mechanism for detailed work to be completed (under the delegation of the Board) and to monitor the effectiveness of the organisation's governance structure, systems and processes.”

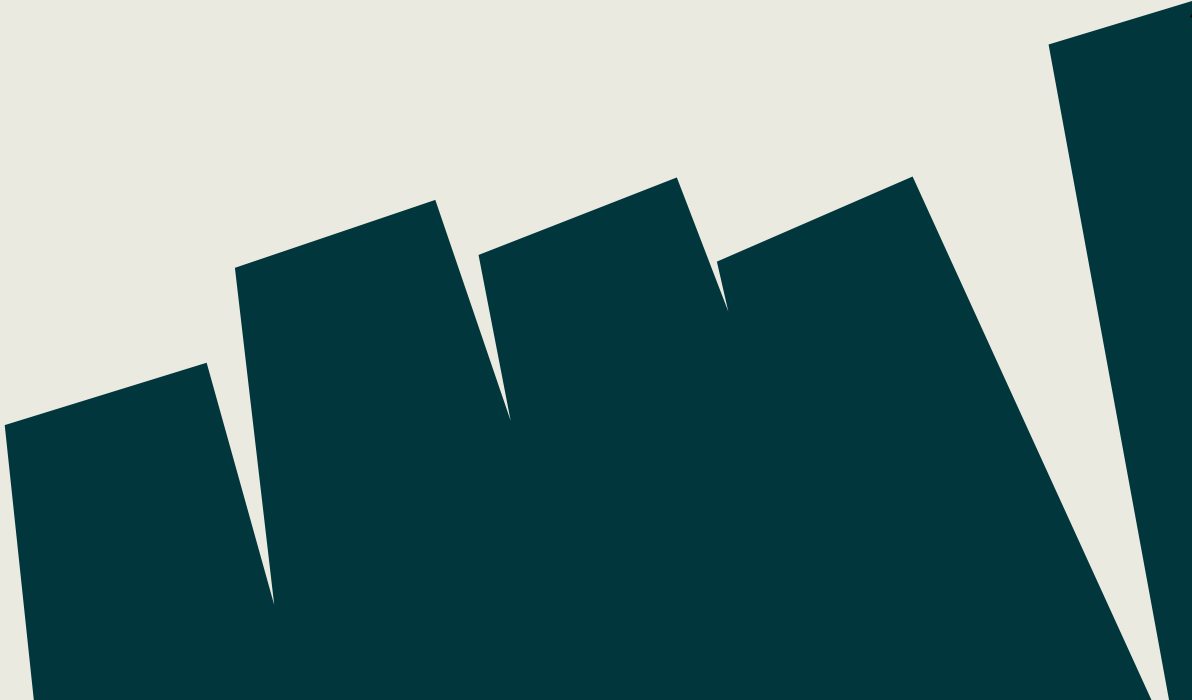
The full terms of reference are available to any member on request.

Co-operatives UK strives for good governance. For a comprehensive breakdown on our approach to governance see pages [38 to 41](#).

11. BOARD OF DIRECTORS

Members of the Board of Directors as at 31 December 2022. The Board has three subcommittees that meet regularly: Audit and Risk; Remuneration, Appointments and Succession (RemCo); and Governance.*

*The Board also has a Chair's Committee which does not meet but can call urgent Board meetings or provide Board level approval between meetings.



11. BOARD OF DIRECTORS



DON MORRIS (Chair)

Nominating organisation
Radstock Co-operative Ltd

Current (3-year) term of office began
2020

Attendance
Board 6(7); RemCo 1(3);
Governance 3(4)

Fees £5,217	Seat gained via Uncontested election (Retail Consumer Co-operatives – National)
-----------------------	--



CHERYL BARROTT (Vice chair)

Nominating organisation
The Co-operative Party

Current (3-year) term of office began
2020

Attendance
Board 7(7); RemCo 3(3);
Governance 1(1)

Fees £1,711.92	Seat gained via Uncontested election (Mixed Ownership Co-operatives)
--------------------------	---



DAVE BOYLE

Nominating organisation
Principle 6

Current (3-year) term of office began
2022

Attendance
Board 3(3)

Fees £855.96	Seat gained via Contested election (Co-operative Development Bodies)
------------------------	--



JOHN BOYLE

Nominating organisation
Co-operative Group Ltd

Current (3-year) term of office began
2021

Attendance
Board 7(7)

Fees £1711.92	Seat gained via Appointed by Co-operative Group Ltd
-------------------------	---



DANNY CREAK

Nominating organisation
Co-operative Group Ltd

Current (3-year) term of office began
2021

Attendance
Board 4(7)

Fees £0*	Seat gained via Appointed by Co-operative Group Ltd
--------------------	---

*Waived



EILEEN DRIVER

Nominating organisation
Co-operative Group Ltd

Current (3-year) term of office began
2020

Attendance
Board 6(7); Governance 3(4)

Fees £1,711.92	Seat gained via Appointed by Co-operative Group Ltd
--------------------------	---



ROBIN FIETH

Nominating organisation
Building Societies Association

Current (3-year) term of office began
2021

Attendance
Board 7(7); Audit 4(4)

Fees £1,711.92	Seat gained via Contested election (Federals)
--------------------------	--



PAUL GERRARD

Nominating organisation
Co-operative Group Ltd

Current (3-year) term of office began
2021

Attendance
Board 3(7); Audit 4(4)

Fees £0*	Seat gained via Appointed by Co-operative Group Ltd
--------------------	---

*Waived



PHIL HARTWELL

Nominating organisation
HF Holidays

Current (3-year) term of office began
2021

Attendance
Board 6(7); RemCo 2(3);
Governance 3(4)

Fees £1,711.92	Seat gained via Uncontested election (other consumer owned co-operatives)
--------------------------	--



ROSS HODGSON

Nominating organisation
SUMA Wholefoods

Current (3-year) term of office began
2020

Attendance
Board 7(7)

Fees £1,711.92*	Seat gained via Appointed by Worker Co-op Council
---------------------------	--

*Paid to nominating organisation



EMMA HOWARD

Nominating organisation
East of England Co-operative

Current (3-year) term of office began
2021

Attendance
Board 7(7); Audit 4(4)

Fees £1,711.92	Seat gained via Uncontested election (Retail Consumer Co-operative - Southern)
--------------------------	---



JEEVAN JONES

Nominating organisation
Co-operative Group Ltd

Current (3-year) term of office began
2022

Attendance
Board 2(2)

Fees £713.30	Seat gained via Appointed by Co-operative Group Ltd
------------------------	---



CATH MULLER

Nominating organisation
Footprint Workers Co-operative

Current (3-year) term of office began
2022

Attendance
Board 6(7)

Fees £1,711.92*	Seat gained via Appointed by Worker Co-op Council
---------------------------	--



TANYA NOON

Nominating organisation
Central England Co-operative

Current (3-year) term of office began
2020

Attendance
Board 6(7); RemCo 3(3)

Fees £1,711.92	Seat gained via Appointed by Central England Co-operative
--------------------------	---



JANE POWELL

Nominating organisation
Lincolnshire Co-operative Ltd

Current (3-year) term of office began
2021

Attendance
Board 6(7); Audit 0(1); RemCo 3(3)

Fees £1,711.92	Seat gained via Contested election (Retail Consumer Co-operatives – Midlands)
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FIONA RAVENSCROFT

Nominating organisation
The Midcounties Co-operative

Current (3-year) term of office began
2022

Attendance
Board 3(3)

Fees £855.96	Seat gained via Appointed by The Midcounties Co-operative
------------------------	---

*Paid to nominating organisation



EDDIE THORN

Nominating organisation

Scottish Midland Co-operative Society Ltd

Current (3-year) term of office began
2021

Attendance

Board 7(7); Audit 4(4)

Fees

£1,711.92

Seat gained via

Uncontested election
(Retail Consumer
Co-operatives –
Scotland and North)



JENNY DE VILLIERS

Nominating organisation

Co-operative Group Ltd

Current (3-year) term of office began
2022

Attendance

Board 2(2); RemCo 2(2)

Fees

£1,349.78

Seat gained via

Appointed by
Co-operative Group
Ltd

STEPPED DOWN IN 2022

Lois Hill

Nominated by: Co-operative Group Ltd.
Term began: 2019.
Attendance: Board 0(2).
Fees: £713.30.
Seat gained via: Appointed.

Martyn Johnston


Nominated by: Bradford Co-operative Association.
Term began: 2020.
Attendance: Board 5(6).
Fees: £1711.92.
Seat gained via: Contested election.

Mark Simmonds

Nominated by: Co-op Culture
Term began: 2021.
Attendance: Board 3(3); Audit 2(2);
Governance 3(3).
Fees: £855.96.
Seat gained via: Uncontested election.

Vivian Woodell

Nominated by: The Midcounties Co-operative.
Term began: 2019.
Attendance: Board 3(3); Governance 2(3).
Fees: £855.96.
Seat gained via: Appointed.



Each board member discloses positions as director or trustee of other entities. The following pages also include employment and membership information, where they are deemed to be positions of influence relevant to Co-operatives UK.

DIRECTOR DISCLOSURES

DON MORRIS (Chair)

Director of
Paulton (Elder) Ltd

Employee of
Radstock Co-operative Ltd

CHERYL BARROTT (Vice chair)

Director of
Sheffield Co-operative Development Group

Member of
Co-operative Group Ltd's National Member Council; The Co-operative Party dis(Ability) Network

DAVE BOYLE

Director of
The Community Shares Company; Principle 6

JOHN BOYLE

Director of
Revolver Co-operative; Kandoroo CIC
Co-operative

Trustee of
The Co-operative College; Co-operative
Heritage Trust

Employee of
The Co-operative Party

Member of
Co-operative Group Ltd's National Member
Council

DANNY CREAK

Employee of
Co-operative Group Ltd

EILEEN DRIVER

Member of
Co-operative Group Ltd's National Member
Council

ROBIN FIETH

Director of
RPF Consultancy Ltd

Employee of
Building Societies Association

Member of
CBI Presidents and Chairs Committee;
CBI Trade Association Council; European
Association of Co-operative Banks General
Assembly

PAUL GERRARD

Director of
The Phone Co-op Foundation for Co-operative
Innovation

Trustee of
Co-operative Heritage Trust

Employee of
Co-operative Group Ltd

PHIL HARTWELL

Director of
Harwich Connexions Transport Co-operative
Limited; Co-operative Press

Trustee of
Harwick Electric Palace Trust

Member of
Co-operative Group Ltd's National Member
Council

ROSS HODGSON

Director of
Workers.coop Ltd

Employee and member of
Triangle Wholefoods Collective Ltd

EMMA HOWARD

Director of
East of England Co-operative Society Ltd

Employee of
Open Data Services Co-operative

Member of
Association of Accounting Technicians

JEEVAN JONES

Employee of
Ofwat

Member of
Central England Co-operative's Regional Council; Co-operative Group Ltd's National Member Council; The Co-operative Party

CATH MULLER

Director of
Footprint Workers Co-operative Ltd; Platform 6 Development Co-operative Ltd; Bread Club Ltd; Knott Wood Coppicers Ltd; Permafutur Agroecology Ltd; Workers.coop Ltd

Member of
Cornerstone Housing Co-operative Ltd; Radical Routes Ltd; A Commune in the North Ltd

TANYA NOON

Director of
Central England Co-operative; Ramstrust (Derby County Supporters Trust); Kandaroo

Trustee of
Co-operative Heritage Trust

Member of
The Co-operative Party; The Co-operative College; Co-operative Group Ltd's National Member Council

JANE POWELL

Director of
The Co-operative Loan Fund

Trustee of
Lincoln Diocesan Trust and Board of Finance Ltd

Member of
The Law Society

FIONA RAVENSCROFT

Director of
Midcounties Co-operative; Ravenscroft Ltd; Osney Island Boat Club Ltd

Trustee of
Long Mead Foundation

EDDIE THORN

Director of
Scottish Midland Co-operative Society

Trustee of
Northfield & Willowbrae Community Services Group; Blackhall St Columba's Church of Scotland; The Presbytery of Edinburgh and West Lothian

Member of
The Co-operative Party NEC; Labour Party

JENNY DE VILLIERS

Trustee of
The Co-operative College

Member of
Co-op Group Ltd's National Member Council; Co-operatives East Midlands

12. FINANCIAL STATEMENTS

The formal records of the business activities and financial position of Co-operatives UK for the year ending 31 December 2022.



12. FINANCIAL STATEMENTS

Our financial performance in 2022 has delivered a pre-tax surplus from ordinary activities of £112,396 (2021 - £965,753). The overall surplus includes the receipt of equity investment funding from Power to Change, Open Society Foundations and The Architectural Heritage Fund. Co-operatives UK has invested this funding in various societies (See [note 8](#) for a complete list).

Project income decreased by £(85,886) following on from close down of completed projects, combined with delays in the commencement of some planned activity. We continued our efforts to bring in funding which enables us to deliver better value for our members and emerging co-operatives and community enterprises.

Our Balance sheet has increased, largely due to equity investments made in the year, with reserves of £4,167,211 (2021 - £4,044,125) and a healthy level of net liquid assets.

Statement of responsibilities of the Board (Directors' responsibilities)

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under that law it has elected to prepare the financial statements in accordance with UK accounting standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

In preparing the Society's financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

- Assess the Society's ability to continue as a going concern, disclosing as applicable matters related to going concern
- Use the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that Co-operatives UK fulfils its commitment to be a co-operative. The Board will ensure that in carrying out its business activity, the Leadership Team maintains the co-operative identity values and standards of Co-operatives UK and that its obligations to its members and others, in particular employees, customers, suppliers and the community, are understood and met.

The Board is responsible for developing and deciding the strategy of Co-operatives UK, in consultation with the Leadership Team, which is responsible for its implementation and delivery, and taking into consideration the views of members and wider stakeholders.

The Board ensures that the controls and systems of risk management are robust and defensible.

Internal controls

The Board is ultimately accountable for Co-operatives UK's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. Co-operatives UK's Audit and Risk Committee has reviewed and reported on internal controls in accordance with the Co-operative Corporate Governance Code. The process used by the Board to review the effectiveness of the system of internal control includes the following:

- The effectiveness of risk management processes are reviewed at least annually by the Board and the Audit and Risk Committee.
- Considering reports from the Leadership Team, internal and external audit on the systems of internal control and any material control weaknesses.
- In line with the Internal Audit Policy, the Audit and Risk Committee oversees the audit of at least one business area each year with in-house responsibility for compliance testing and continuous improvement activity.

- The Board receives a report of each meeting of the Audit and Risk Committee, including verbally from its Chair, and directors have timely access to the minutes of all subcommittee meetings.
- A programme of governance process improvements has been implemented in order to ensure periodic review of policies and internal controls.
- Annual budgets are reviewed by the Audit and Risk Committee and approved by the Board. Performance against budget and forecasts are reviewed at least quarterly by the Board and twice each year by the Audit and Risk Committee, with any significant variances considered and remedial action taken where appropriate.
- A schedule of matters reserved for decision by the Board is followed and provides limits to the spending and decision-making delegated to the Leadership Team.
- During the induction process all employees are given adequate information and training on Co-operatives UK's strategic plan, internal controls and policies.
- Our colleague code of conduct is put into everyday practice accompanied by supportive policies which enable colleagues to report any serious wrongdoing.

Co-operatives UK has adopted an internal control framework that contains the following key elements:

Control environment

- An organisational structure is in place with clearly defined lines of reporting, accountability and responsibility for planning, executing, controlling and monitoring business operations.
- The Board and our colleagues work together in developing the strategic objectives of the organisation to deliver on its mission. Employee engagement with and understanding of our strategic objectives are regularly monitored and operational planning ensures alignment between our strategy and day-to-day activity.

Risk identification

- Risk management is an important element of our internal controls and the Board is accountable for these processes. The Leadership Team has the primary responsibility for identifying the key risks to the business with each employee taking responsibility for raising any risks associated with their area of work. Risk processes embedded within the culture of the organisation involve regular consideration of risk.
- Risk management procedures include systems for the identification, evaluation and management of risks to the business. Each risk is allocated an owner and scored in terms of its likelihood and impact before and after documented mitigating actions.
- A central risk register is maintained and periodically shared with the Audit and Risk Committee and the Board. Additional operational risk registers relating to specific areas of the business are also maintained. The most significant risks arising from these are placed on the central risk register for Board visibility.
- The most significant risks to the business have contingency plans in place.

- As in 2021, during this financial year, the principal risks to the business have been identified as concerning the potential impact of any significant loss of income from subscriptions or advice services; the risk that our work is affected by the trading or financial position of a leading co-op; and the risk of costs arising in relation to the beneficial ownership of Holyoake House.
- An emerging risk during 2022 has been the impact of the cost of living crisis and economic downturn impacting on our members.

The knock-on effect of Covid-19 remains challenging for many of our members and continues to impact the markets they operate in. The situation continues to evolve and we will continue to monitor emerging risks and the impact on the Society during this period. We are also carefully monitoring the financial resilience of the Society, including the potential impact on variable income, from lettings, conferences/events and chargeable services work.

With the above as context, and acknowledging the uncertainty that this creates, the Board still targets making progress delivering the objectives of our new strategy.

Control activities

- Co-operatives UK has implemented control activities designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties, reviews by management and internal audit to the extent necessary to arrive at their audit opinions.
- A comprehensive suite of policies and procedures is in place across the organisation. It is regularly reviewed, compliance is monitored and we provide thorough inductions for new members of staff.
- A process of control self-assessment and reporting has been established which provides for an auditable trail of accountability.

Information and communication

- Regular communication with our members uses a variety of channels including member groups, publications, social media, e-bulletins and our website (www.uk.coop). This includes transparent sharing of key decisions of the Board.

- Co-operatives UK communicates with colleagues via regular meetings and email updates on strategic matters. Staff members use our intranet which provides a platform for our suite of applications, online learning resources, policies and procedures.
- An annual appraisal scheme is in place for all employees, and includes monitoring alignment between individual roles and strategic objectives.
- The Board ensures the views of members and other key stakeholders are taken into consideration when it makes decisions. Providing leadership to the co-operative movement is at the heart of the corporate strategy and its delivery monitors the direct and indirect value provided to members.

Monitoring

- There are clear and consistent procedures in place for monitoring the system of internal financial controls. The Audit and Risk Committee meets at least three times per year and, within its remit, reviews the effectiveness of the system of internal financial controls.

- The Internal Audit Policy requires the audit of at least one business area each year. The programme of audits focuses on business risk and priority. The Internal Audit Lead works collaboratively with members of staff to complete the required reviews of control activities, compliance testing and recommendations for improvement. Responsibility and time-scales for remedial actions are agreed with the Leadership Team and evidence of completion is provided to the Audit & Risk Committee.
- In 2022 an internal audit of our payroll system took place, in line with our Internal Policy to assess at least one business area per year. Further details of this activity can be found on [page 39](#).
- As part of its remit, the Audit & Risk Committee annually monitors and reviews the independence, objectivity and effectiveness of our internal audit approach.
- The Board monitors performance of the leadership team and delivery of operational and strategic plans. Progress is assessed against Key Performance Indicators and financial targets agreed annually.

- Compliance with the Co-operative Corporate Governance Code has been assessed by the Governance Committee and areas of non-compliance or in need of improvement are disclosed in this Annual Report.

Creditor payment policy

It is the policy of Co-operatives UK to:

- Agree the terms of payment at the start of business with that supplier. On average, the terms of payment are payment within 30 days from the invoice date.
- Ensure that suppliers are aware of the terms
- Pay in accordance with its contractual and other legal obligations

Disclosure of information to auditor

The directors who held office at the date of approval of this Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the Society's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

Auditors

Pursuant to S93(1) Co-operative and Community Benefit Societies Act 2014, the auditor will be deemed to be reappointed and Crowe UK LLP will therefore continue in office

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Board prepared budgets and cashflow forecasts for the forthcoming 12 month period which indicate that Co-operatives UK has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. The directors consider that the Society's cash investments can be realised quickly and as a result, along with a prudent programme of cost management, the Board considered it was well placed to manage its business risks successfully in the current economic climate.



The Society has started 2023 well, moving into the second year of our three year strategy covering the period 2022 to 2024. During the first year, we invested significant time and development in designing and implementing a new organisation structure, capable of delivering an ambitious business plan. The deficit for Core Activities during 2022 resulted from a conscious and deliberate budget plan to deliver against the strategic objectives for the year. Our strong capital position ensures we are on a sound footing to continue delivering for our members, including the development of new products and markets during years two and three of our strategy.

The Board believes that the Society is equipped to deal with the key risks and our forecasts indicate that, taking into account the Society's strong opening balance of cash in hand and cash equivalents which, by their nature, can be realised quickly, the Society is able to withstand further possible downside scenarios.

For these reasons the Board has a reasonable expectation that the Society has adequate resources to continue in operational existence and meet its liabilities as they fall due for payment for at least 12 months from the balance sheet date and consequently they consider that it is appropriate to adopt the going concern basis of preparation in these financial statements.

Board certification

The accounts and notes on pages 67 to 91 are hereby signed on behalf of the Board pursuant to the Co-operative and Community Benefit Societies Act 2014.



Don Morris, Chair



Cheryl Barrott, Vice Chair



Claire Dalton, Society Secretary

19 April 2023



AUDITOR'S REPORT

Independent auditor's report to the members of Co-operatives UK Limited.

Qualified opinion

We have audited the financial statements of Co-operatives UK Limited for the year ended 31 December 2022 which comprise of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- Give a true and fair view of the state of the society's affairs as at 31 December 2022 and of its surplus 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 Co-operative and Community Benefit Societies Act 2014

Basis for qualified opinion

At 31 December 2020 equity investments were stated at £2,161,988 after recognising an impairment charge of £240,221, being 10% of their carrying value. The directors were unable to provide reliable evidence to support the judgement that the recoverable amount of these investments was £2,161,988. We were unable to obtain sufficient, appropriate audit evidence to form a conclusion that the recoverable amount of these investments at 31 December 2020 was free from material misstatement by performing other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary. The audit opinion on the financial statements for the year ended 31 December 2020 was modified accordingly. Our opinion on the current period's financial statements is also modified solely because of the possible effect of this matter on the comparability of the corresponding year's figures.



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 society 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the equity investment balance of £2,161,988 held at 31 December 2020. We have concluded that where the other information refers to the equity investment balance as at 31 December 2020, it may be materially misstated for the same reason.

Matters on which we are required to report by exception

Arising solely from the limitation of scope of our work in respect of equity investments, referred to above as at 31 December 2020:

- We have not received all the information and explanations we require for our audit; and
- The society has not kept proper accounting records.

Except for the matter described in the basis for qualified opinion section of our report, we have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- A satisfactory system of controls over transactions has not been maintained; or
- The society has not kept proper accounting records; or
- The financial statements are not in agreement with the books of account; or
- We have not received all the information and explanations we require for our audit.



Responsibilities of the Board

As explained more fully in the Board's responsibilities statement, set out on pages 57 and 58, the Board is 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 Board determines 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 Board is responsible for assessing the society'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 Board either intends to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Co-operative and Community Benefit Societies Act 2014 and Taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, impairment of equity investments and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing the impairment assessment performed by management for evidence of bias and under impairment, sample testing income from the Salesforce database to the nominal ledger and financial statements and reviewing accounting estimates for biases.

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

Use of our report

This report is made solely to the society's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
The Lexicon Mount Street Manchester M2 5NT

20 April 2023



INCOME STATEMENT

Year ended 31 December 2022

	Note	2022			2021		
		Core Activities £	Booster Investment £	Total £	Core Activities £	Booster Investment £	Total £
Income	2	3,717,950	-	3,717,950	3,742,806	-	3,742,806
Expenditure	2	(3,840,951)	-	(3,840,951)	(3,460,131)	-	(3,460,131)
Surplus/(Deficit) before interest and taxation		(123,001)	-	(123,001)	282,675	-	282,675
Interest receivable and fair value movements on investments	7	52,797	-	52,797	48,453	-	48,453
Equity investment additions	8	-	275,300	275,300	-	808,737	808,737
Equity investment movement	8	-	(92,700)	(92,700)	-	(174,112)	(174,112)
Surplus before taxation		(70,204)	182,600	112,396	331,128	634,625	965,753
Taxation	10	17,454	-	17,454	(79,327)	-	(79,327)
Surplus and total comprehensive income transferred to reserves		(52,750)	182,600	129,850	251,801	634,625	886,426

The above relates entirely to continuing operations.
The statutory accounts are rounded to the nearest pound.

The notes, on pages 72 to 91 form part of
these financial statements.

BALANCE SHEET

as at 31 December 2022

Note	2022			2021			
	Core Activities £	Booster Investment £	Total £	Core Activities £	Booster Investment £	Total £	
Fixed assets							
Tangible assets	6	270,963	-	270,963	261,237	-	261,237
Investments	7	305,255	-	305,255	315,255	-	315,255
Equity investment	8	-	2,952,434	2,952,434	-	2,776,613	2,776,613
		576,218	2,952,434	3,528,652	576,492	2,776,613	3,353,105
Current assets							
Debtors	9	760,175	-	760,175	169,967	-	169,967
Investments	7	1,463,601	-	1,463,601	1,435,809	-	1,435,809
Cash at bank and in hand		510,052	-	510,052	651,815	-	651,815
		2,733,828	-	2,733,828	2,257,590	-	2,257,590
Current liabilities							
Creditors: Amounts falling due within one year	11	(2,051,291)	-	(2,051,291)	(1,522,740)	-	(1,522,740)
Net current assets		682,537	-	682,537	734,850	-	734,850
Total assets less current liabilities		1,258,755	2,952,434	4,211,189	1,311,342	2,776,613	4,087,955
Non-current liabilities							
Provisions: Amounts falling due after more than one year	11	(43,978)	-	(43,978)	(43,830)	-	(43,830)
Net assets		1,214,777	2,952,434	4,167,211	1,267,512	2,776,613	4,044,125
Financed by:							
Share capital	12	243	-	243	228	-	228
Reserves		1,214,534	2,952,434	4,166,968	1,267,284	2,776,613	4,043,897
		1,214,777	2,952,434	4,167,211	1,267,512	2,776,613	4,044,125

These financial statements were approved by the Board of Co-operatives UK on 19 April 2023 and were signed on its behalf by:



Don Morris
Chair
Co-operatives UK

The notes, on pages 72 to 91, form part of these financial statements.

CASH FLOW STATEMENT

Year ended 31 December 2022

	2022			2021		
	Core £	Booster Investment £	Total £	Core £	Booster Investment £	Total £
Cash flows from operating activities						
Surplus for the year	(52,750)	182,600	129,850	251,801	634,625	886,426
Adjustments for:						
Depreciation, amortisation and impairment	67,639	92,700	160,339	70,403	174,112	244,515
Interest receivable and similar income	(52,797)	-	(52,797)	(48,453)	-	(48,453)
Taxation	148	-	148	4,629	-	4,629
(Increase)/decrease in trade and other debtors	(590,208)	-	(590,208)	583,906	-	583,906
Increase/(decrease) in trade and other creditors	528,551	-	528,551	(641,873)	-	(641,873)
Change in liquidity (Non-Current Investment to Current Investment)	10,000	-	10,000	15,000	-	15,000
Net cash from operating activities	(89,417)	275,300	185,883	235,413	808,737	1,044,149
Cash flows from investing activities						
Interest received	52,797	-	52,797	48,453	-	48,453
Purchase of tangible fixed assets	(77,366)	-	(77,366)	(17,206)	-	(17,206)
Purchase of equity investments	-	(275,300)	(275,300)	-	(808,737)	(808,737)
Net cash from investing activities	(24,569)	(275,300)	(299,869)	31,247	(808,737)	(777,490)
Cash flows from financing activities						
From the issue of share capital	40	-	40	43	-	43
From the cancellation of share capital	(25)	-	(25)	(21)	-	(21)
Net cash from financing activities	15	-	15	22	-	22
Net increase/(decrease) in cash and cash equivalents	(113,971)	-	(113,971)	266,682	-	266,682
Cash and cash equivalents at 1 January	2,087,624	-	2,087,624	1,820,942	-	1,820,942
Cash and cash equivalents at 31 December	1,973,653	-	1,973,653	2,087,624	-	2,087,624

The notes, on pages 72 to 91, form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Earnings - Core Activities	Retained Earnings - Booster Investment	Total Equity
Balance at 1 January 2021	206	1,015,483	2,161,988	3,177,677
Surplus	-	251,801	634,625	886,426
Total comprehensive income for the period	206	1,267,284	2,796,613	4,064,103
Issue of shares	43	-	-	43
Cancellation of shares	(21)	-	-	(21)
Booster Equity Investments Repaid	-	-	(20,000)	(20,000)
Balance at 31 December 2021	228	1,267,284	2,776,613	4,044,125

	Share Capital	Retained Earnings - Core Activities	Retained Earnings - Booster Investment	Total Equity
Balance at 1 January 2022	228	1,267,284	2,776,613	4,044,125
Surplus	-	(52,750)	182,600	129,850
Total comprehensive income for the period	228	1,214,534	2,959,213	4,173,975
Issue of shares	40	-	-	40
Cancellation of shares	(25)	-	-	(25)
Booster Equity Investments Repaid	-	-	(6,779)	(6,779)
Balance at 31 December 2022	243	1,214,534	2,952,434	4,167,211

The notes, on pages 72 to 91, form part of these financial statements.

NOTES

The notes on pages 72 to 91 communicate information necessary for a fair presentation of financial position and results of operations. They form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

Basis of accounts

Co-operatives UK Limited (the “Society”) is a co-operative society registered in the UK. The registered number is IP002783R and the registered address is Holyoake House, Hanover Street, Manchester, M60 0AS.

These financial statements were prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement basis

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: other investments (see note 7).

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Board has prepared budgets and cashflow forecasts for the forthcoming 12 month period which indicate that Co-operatives UK has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. The directors consider that the Society’s cash investments can be realised quickly and as a result, along with a prudent programme of cost management, the Board considered it was well placed to manage its business risks successfully in the current economic climate.

The Society has started 2023 well, moving into the second year of our three year strategy covering the period 2022 to 2024. During the first year, we invested significant time and development in designing and implementing a new organisation structure, capable of delivering an ambitious business plan. The deficit for Core Activities during 2022 resulted from a conscious and deliberate budget plan to deliver against the strategic objectives for the year. Our strong capital position ensures we are on a sound footing to continue delivering for our members, including the development of new products and markets during years two and three of our strategy.

The Board believes that the Society is equipped to deal with the key risks and our forecasts indicate that, taking into account the Society’s strong opening balance of cash in hand and cash equivalents which, by their nature, can be realised quickly, the Society is able to withstand further possible downside scenarios.

For these reasons the Board has a reasonable expectation that the Society has adequate resources to continue in operational existence and meet its liabilities as they fall due for payment for at least 12 months from the date on which these financial statements are signed and consequently they consider that it is appropriate to adopt the going concern basis of preparation in these financial statements

Income

All income is shown exclusive of value added tax. Subscription income includes all amounts receivable for the year. Income from chargeable services represents the amount invoiced for services rendered during the year together with the cost value of uncompleted work not invoiced at the year end. Lettings income includes all amounts receivable for the year and is accounted for on an accruals basis. Events and conferences income is recognised in the period the event took place.

Project income is recognised when the conditions for its receipt have been complied with and there is reasonable assurance that the income will be received.

BASIC FINANCIAL INSTRUMENTS

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss.

Community Shares Booster Programme investments are measured at cost less impairment. Under the Community Shares Booster Programme, the Society receives external funding for investment in other co-operative or community benefit societies. On receipt of this funding a corresponding liability is recognised to reflect the restrictive nature of these funds, however there is no obligation for funds received to be refunded or withdrawn under any circumstances.

Investment income is recorded at the point of making an equity investment in a co-operative or community benefit society. The equity investments are measured at cost and are subsequently assessed for impairment on an annual basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all deposits. Bank overdrafts that are repayable on demand and form an integral part of the Society's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement. Investments that are highly liquid are also included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example, land is treated separately from buildings. The Society assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Fixtures and fittings: 5-10 years
- Computer equipment: 2-4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Society expects to consume an asset's future economic benefits.

Leased assets

Rentals due under operating leases are charged to income and expenditure in the year that the cost accrues. The future commitment relating to operating leases is based on the minimum amounts payable.

Taxation

Tax on the surplus or deficit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable surplus or deficit for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the Society is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Repairs

Repair expenditure is charged to the income statement in the year that the cost is incurred or accrued.

Accounting estimates and judgements

In the application of the society's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

One of the most significant judgements is the assessment as to whether there is an impairment in the Community Shares Booster Programme investments. This assessment is made by the directors using historical experience and relevant information available at the Balance Sheet date, pertaining to the ongoing financial performance of each investment. Investments are assessed on an annual basis to determine whether circumstances exist that indicate the investment is impaired. Circumstances have been identified that suggest this is the case for several of our investments and the resulting impairment charge is detailed in note 8 to the financial statements.

Pensions

Co-operatives UK Limited was previously a participating employer within the Co-operative Group PACE scheme. Employer contributions for the PACE Complete scheme were increased from 1 July 2014 by 2% up to 18%. The PACE DB (defined benefit) Complete scheme was closed to future accruals from 28 October 2015. All employees were transferred to membership of the PACE defined contribution scheme from October 2015. This scheme was closed in May 2019 to all Co-operatives UK employees. All employees were transferred to membership of the Co-operatives UK Limited defined contribution scheme from May 2019. Contributions are recognised by Co-operatives UK and charged through the income statement on a monthly basis.

Funds

Funds are shown as long-term liabilities and are subject to a variety of restrictions in respect of their usage.



2. INCOME AND EXPENDITURE

	2022		2021	
	£	£	£	£
Income - core activities				
Subscriptions		1,407,861		1,381,357
Chargeable services		473,059		346,876
Projects (note 3)		1,284,010		1,369,896
Lettings		318,324		324,660
Conferences/events		155,930		62,920
Miscellaneous		78,766		246,819
Government Grants		-		10,278
Total Income		3,717,950		3,742,806
Expenditure - core activities				
Personnel costs (note 4)		1,346,338		1,393,857
Establishment:				
Rates and insurance	183,186		122,900	
Light, heat, cleaning	163,338		59,534	
Repairs, renewals	148,660		79,661	
Information technology and telephones	140,956		116,436	
		636,140		378,531
Administration:				
Printing, stationery, postage and publications	13,653		17,149	
Auditor's fees				
- for audit	24,900		22,500	
- for other work	5,775		2,695	
Professional fees	42,562		33,288	
Consultancy fees	158,183		144,224	
Travel costs	7,855		3,196	
Miscellaneous	9,763		24,611	
		262,691		247,663
Congress and committee expenses:				
Conferences/events	151,167		60,588	
Board and committees	49,870		38,676	
		201,037		99,264
Grants and subscriptions (note 5)		43,096		7,804
Project expenditure (note 3)		1,284,010		1,262,609
Depreciation (note 6)		67,639		70,403
Total expenditure		3,840,951		3,460,131

3. PROJECT INCOME

During the course of the year project income was received from a number of sources. Income and expenditure have been recognised on actual work completed to the end of December 2022. The balance of debtors carried forward (note 9) is £21,983 (£34,989 included in trade debtors in 2021).

	2022					2021
	The Co-operative Bank	Power to Change	Open Society Foundations	Miscellaneous Projects	Total	Total
	£	£	£	£	£	£
Income						
Deferred income at 1 January	261,085	178,368	166,663	154,415	760,531	1,010,199
Payments requested in year	826,974	886,012	8,594	59,766	1,781,346	1,151,802
Deferred income at 31 December	(795,013)	(213,067)	(60,547)	(142,395)	(1,211,022)	(760,531)
Total income	293,046	851,313	114,710	71,786	1,330,855	1,401,470
Income recognised in Chargeable Services	(48,008)	(40,482)	-	(3,960)	(92,450)	(42,360)
Strategic Grant Deferred Income Release	-	45,605	-	-	45,605	10,786
Total project income recognised	245,038	856,436	114,710	67,826	1,284,010	1,369,896
Expenditure						
Consultancy	61,242	410,771	3,260	6,389	481,662	655,309
Grants	-	83,697	9,549	42,140	135,386	87,150
Meeting costs	18,050	47,029	64	550	65,693	60,636
Personnel costs	141,415	297,087	100,115	23,742	562,359	442,020
Printing and stationery	11,379	12,360	-	-	23,739	1,411
Travel	4,849	8,612	1,710	-	15,171	16,083
Total expenditure	236,935	859,556	114,698	72,821	1,284,010	1,262,609
Net income	8,103	(3,120)	12	(4,995)	-	107,287

4. EMPLOYEES

The average number employed by the society was:

	2022	2021
	Number of	Number of
Full time	28	30
Part time	12	12
	40	42

The costs incurred in respect of these employees were:

	2022	2021
	£	£
Salaries	1,446,555	1,476,339
Social security costs	144,181	134,948
Pension costs	148,456	152,675
Other costs	169,505	71,915
	1,908,697	1,835,877
<i>Less charged to Projects</i>	(562,359)	(442,020)
	1,346,338	1,393,857

Our approach to remuneration and reward forms part of our Trade Union agreement which is approved by the Remuneration Committee. Employee remuneration, including for members of the Management Team, is in line with our pay and reward policy. Each year, the Remuneration Committee also approves the funds available for any incremental salary increases and the formula for distribution across the staff team.

Co-operatives UK did not make any bonus payments in 2021 or 2022.

4. EMPLOYEES (CONTINUED)

Total remuneration of Leadership Team employees was as follows:

Job Title	Contracted Weekly Hours	Salary Paid £	2022 Total Remuneration £	2021 Total Remuneration £	Employers' contributions	Employers' contributions
					2022 paid to DC Pension £	2021 paid to DC Pension £
Chief Executive Officer	35	97,651	97,651	92,000	4,845	4,217
Member Services Lead	35	58,607	58,607	53,395	7,590	6,941
Policy and Development Lead (c)	35	47,797	47,797	-	6,214	-
Society Secretary (e)	35	4,133	4,133	-	-	-
Members of former management team						
Former Head of Finance (a)	35	-	-	36,431	-	4,746
Interim Head of Finance (b)	35	-	-	24,385	3,501	1,951
Former Society Secretary (d)	35	17,818	17,818	31,980	1,885	3,907
Former Head of Membership (f)	28	25,808	25,808	39,210	3,529	5,097
Former Head of Development (g)	35	5,361	5,361	46,428	0	6,036
Former Head of Digital (h)	35	35,561	35,561	43,851	3,538	4,385
Former Head of Communications (i)	35	15,783	15,783	54,064	1,802	5,406
Former Head of Culture (j)	21	6,890	6,890	31,698	689	4,509
		315,409	315,409	453,442	33,593	47,195

a) Leaver 05 August 2021

c) Member of the Leadership Team from 10 March 2022

e) Starter 5 December 2022

g) Leaver 4 February 2022

i) Leaver 17 April 2022

b) Leaver 31 August 2022

d) Society Secretary until 30 June 2022

f) Leaver 16 August 2022

h) Leaver 17 August 2022

j) Leaver 12 March 2022

One member of staff employed at senior management level although they are not a member of the Leadership Team. In 2022 they received remuneration of £63,188 (2021 - £ 63,188) including a travel allowance.

Co-operatives UK Limited has a defined contribution (DC) scheme which is open to all employees. The scheme started in May 2019 upon new eligibility requirements for the PACE Defined Contribution Scheme. PACE had a defined contribution (DC) section and a defined benefit (DB) section (for eligible employees). Actual contributions to the PACE DB scheme for its employees during 2021 were £nil (2021 - £nil). There were no outstanding or prepaid contributions at either the beginning or end of the financial year. The DB section closed for future benefit accrual in October 2015 and the DC section closed May 2019. Members of the DB and DC PACE schemes have the option of paying additional voluntary contributions within the tax rules. Neither these contributions nor benefits arising from them are shown in the figures on this page.

5. GRANTS AND SUBSCRIPTIONS

	2022 £	2021 £
CECOP subs	7,096	7,804
Co-operative educational grant	36,000	28,000
Accruals Released in 2021	-	(28,000)
	43,096	7,804

6. FIXED ASSETS (TANGIBLE)

	Land & Buildings Freehold £	Fixtures & Fittings £	Total £
Cost			
1 January 2022	59,743	807,764	867,507
Additions	-	77,366	77,366
31 December 2022	59,743	885,130	944,873
Depreciation			
1 January 2022	59,742	546,528	606,270
Charge for year	-	67,640	67,640
31 December 2022	59,742	614,168	673,910
Net book value - 1 January 2022	1	261,236	261,237
Net book value - 31 December 2022	1	270,962	270,963

Capital commitments

As at 31 December 2022 there were capital commitments of £nil (2021 - £40,285).

Capital expenditure authorised but not committed amounted to £nil (2021 - £nil).

Holyoake House was built using funds from Co-operative UK Limited's members in 1911 with a substantial extension built in 1933.

The land under Holyoake House is in two plots: the first is owned outright by Co-operatives UK Limited; the other half of the land is subject to a 1931 trust between the Co-operative Wholesale Society (now Co-operative Group Limited) and the Co-operative Union (now Co-operatives UK Limited). The trust deeds give Co-operatives UK Limited exclusive use of the land but state that should Co-operatives UK cease to occupy Holyoake House or cease to perform its organisational purpose, ownership of the land and any buildings will revert to the Co-operative Group Limited. Income and expenditure relating to the ongoing use of Holyoake House are recognised in Co-operative UK Limited's financial statements. The original cost of the building was effectively fully depreciated in 1987 and is included in tangible assets with a carrying value of £1.

7. INVESTMENTS

	Fixed Asset Investments			Current Asset Investments			
	The Co-operative Group	Other Co-operative Shares	Total	The Co-operative Group	Other Co-operative Shares	Royal London Ethical Bond (Class M)	Total
	£	£	£	£	£	£	£
Value at 1 January	4,210	311,045	315,255	917,578	265,000	253,231	1,435,809
Additions (a)	-	-	-	6,959	-	-	6,959
Disposals	-	-	-	-	-	-	-
Reclassification (b)	-	(10,000)	(10,000)	-	10,000	-	10,000
Change in market value	-	-	-	-	-	10,833	10,833
Value at 31 December	<u>4,210</u>	<u>301,045</u>	<u>305,255</u>	<u>924,537</u>	<u>275,000</u>	<u>264,064</u>	<u>1,463,601</u>
Interest received	-	8,432	8,432	6,959	10,795	4,423	22,177
Fair value losses on investments	-	-	-	-	-	10,833	10,833
	<u>-</u>	<u>8,432</u>	<u>8,432</u>	<u>6,959</u>	<u>10,795</u>	<u>15,256</u>	<u>33,010</u>

(a) Interest payable on our investment with The Co-operative Group is re-invested in additional shares at the point that interest comes receivable.

(b) £300,000 of our investment in Chelmsford Star Co-operative was reclassified as a non-current investment in 2020 due to criteria imposed by the society limiting the allowable withdrawal amount in the year. The society has notified us that the allowable withdrawal amount has increased to £25,000 in 2022 (2021: £15,000).

Interest payable of £6,959 from our investment with The Co-operative Group was re-invested in additional shares at the point that interest became receivable.

The value of investments in co-operative societies is valued at the purchase price, the value of other investments is the market valuation at the financial year end of Co-operatives UK Limited.

8. EQUITY INVESTMENTS

	2022 £	2021 £
Brought forward at cost - 1 January	3,190,946	2,402,209
Disposals	(6,779)	(20,000)
Additions	275,300	808,737
Carried forward at cost - 31 December	<u>3,459,467</u>	<u>3,190,946</u>

	2022 £	2021 £
Impairment - 1 January	414,333	240,221
Impairment charge in year	92,700	174,112
Impairment - 31 December	<u>507,033</u>	<u>414,333</u>

NBV (net book value) - 31 December 2021
NBV (net book value) - 31 December 2022

<u>2,776,613</u>
<u>2,952,434</u>



8. EQUITY INVESTMENTS (CONTINUED)

	2022 £		2022 £		2022 £
Bamford Community Society Limited	10,000	Hulme Community Garden Centre Limited	100,000	Reading Hydro CBS Limited	95,941
Bradford Community Energy Ltd	30,000	Involve at Lincoln Limited	50,000	Saffron Walden Community Pub Ltd (b)	50,000
Brighton Energy Limited	100,000	Jubilee Pool Penzance Limited	150,000	Sedburgh & District Arts Heritage Trust	100,000
Bythams Community Shop Limited	18,460	Kindling Farm Limited	100,000	Shotley Pier Heritage Group	62,015
Calder Valley Community Land Trust Limited	50,000	Kirkoswald Community Shop Limited	25,000	Smarden Store Limited	85,325
Colne Valley Equitable Care Society Ltd	75,000	Leeds Action to Create Homes Limited	100,000	Southwold & Waverley Valley RS Limited	100,000
CREW Energy Limited	20,540	Leeds Community Homes Limited	100,000	Sutton Community Farm Limited	48,731
Dane Valley Community Energy Ltd	57,000	Lowther Arms Community Project Limited	100,000	The Eden Rose Community Limited	42,850
Equal Care Co-op Limited	100,000	Marsden Grocery Community BS Limited	6,650	The Exchange Erith Limited	71,120
Equal Care Co-op Limited (a)	73,870	Mustard Seed Property Limited	50,000	The St Helens Book Stop Limited	45,000
Friends of Stretford Public Hall Limited	100,000	Nenthead Chapel Enterprises Limited	13,805	Warwick Bridge Corn Mill Limited	57,200
Friends of the Earth Birmingham Limited	100,000	North Kensington Community Energy Limited	14,646	Wath Hall Preservation Society Limited	93,200
Future Wolverton Limited Limited	50,000	Nudge Community Builders Limited	90,000	White Lion Ash Community Pub Limited	25,000
George St. Community Bookshop Limited	24,850	Parracombe Community Trust Limited	72,250	Whistlewood Common Limited	81,000
Grimsby Community Energy Limited	22,050	People, Places & Participation Limited	11,630	Wythenshawe AFC Limited	47,105
Headingley Community Trust Limited	100,000	Projekts Mcr Limited	67,194	Yorspace CLT Limited	100,000
Holmfirth Tech Limited	75,000	Queen Camel Community Land Trust Ltd.	21,735		
				Total before additions in year	3,184,167
New in 2022:	£		£		
East Marsh Community Limited	25,000	Stokes Croft Land Trust	75,000		
Heptonstall Community Assets Limited	10,300	The Ultimate Picture Palace Community Cinema Limited	20,000		
Kingsley Holt Centre Limited	20,000	Zion Bristol Limited	25,000		
Nudge Community Builders Limited	100,000				
		Total additions in 2022	275,300		
		Total Investments carried forward at cost at 31 December			
		2022	3,459,467		

Booster programme equity investments are shown at cost net of any equity repaid.

Each investment is reviewed individually for any indication that impairment may be required, following a process approved by the Board. The impairment charge in the year is disclosed as an aggregate amount to avoid any adverse impact of disclosing accounting judgements on the societies or their members.

9. DEBTORS

	2022	2021
	£	£
Trade debtors	635,633	57,016
Prepayments	68,157	64,289
Project Debtors	21,983	34,989
Corporation tax	17,602	-
Other debtors	16,800	13,673
	760,175	169,967

Debtors are shown after making a provision for bad debts of £nil (2021 - £nil).

10. TAXATION

	2022 £	2021 £
Analysis of tax charge for the period		
<i>Current tax</i>		
UK Corporation tax at 19.00% (2021 - 19.00%)	-	71,344
Adjustments in respect of prior periods	(17,602)	3,354
Total current tax charge	<u>(17,602)</u>	<u>74,698</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	112	(8,352)
Adjustment in respect of previous periods	-	457
Effect of tax rate change on opening balance	36	12,524
Total deferred tax (credit)/charge	<u>148</u>	<u>4,629</u>
Tax on profit on ordinary activities	<u>(17,454)</u>	<u>79,327</u>
Provision for Deferred Tax		
Fixed asset timing differences	43,978	43,830
Short term timing differences	-	-
Total deferred tax liability	<u>43,978</u>	<u>43,830</u>
<i>Movement in provision</i>		
Provision at start of period	43,830	39,201
Deferred tax charged to income statement for the period	148	4,629
Provision at end of period	<u>43,978</u>	<u>43,830</u>
Deferred tax (asset)/liability not recognised	<u>-</u>	<u>-</u>

There is a deferred tax liability of £43,978 consisting of a liability in respect of fixed asset timing differences. These balances have been calculated at 19% as it is expected that this will be the rate at which these balances will reverse. The liability has been provided in the accounts and disclosed separately in the creditors disclosure note (see note 11).

10. TAXATION (CONTINUED)

	2022	2021
	£	£
FRS 102 reconciliation of current tax (credit)/charge		
Surplus before tax	112,396	965,753
Tax at 19.00%/19%	21,355	183,493
Other fixed asset differences, adjustments and movements	(82)	919
Expenses not deductible for tax purposes	17,613	-
UK dividend income not subject to tax	-	614
Income not subject to tax	(55,205)	(119,307)
Losses carried back	16,431	-
Adjustments to tax charge in respect of previous periods	(17,602)	3,354
Depreciation in excess of capital allowances	36	5,625
Depreciation in excess of capital allowances for assets eligible for capital allowances	-	(6,437)
Adjustments to tax charge in respect of previous periods - deferred tax	-	457
Effects of change in tax rate on deferred tax	-	10,519
Total tax (credit)/charge	<u>(17,454)</u>	<u>79,237</u>

The primary reason for the difference between the expected current tax charge and the actual current tax charge is due to the Power to Change Equity Investment grant receipt of £275,300 being non-taxable for corporation tax purposes. This receipt is included within the income statement.

10. TAXATION (CONTINUED)

Deferred Tax Provision

	Gross Amounts £	Tax Amount £	Deferred Tax Assets/ Liabilities not Recognised £	Provision Required £
Closing provision at 25% liability/(asset)				
Fixed asset timing differences	175,319	43,978	-	43,978
Short term timing differences	-	-	-	-
Losses and other deductions	-	-	-	-
Unrealised capital gains on investments	-	-	-	-
	175,319	43,978	-	43,978
Opening provision at 25% liability/(asset)				
Fixed asset timing differences	175,319	43,830	-	43,830
Short term timing differences	-	-	-	-
Losses and other deductions	-	-	-	-
Unrealised capital gains on investments	-	-	-	-
	175,319	43,830	-	43,830
Movement - charge/(credit)				
Fixed asset timing differences	594	148	-	148
Short term timing differences	-	-	-	-
Losses and other deductions	-	-	-	-
Unrealised capital gains on investments	-	-	-	-
	594	148	-	148

11. CREDITORS

	2022 £	2021 £
Amounts falling due within one year		
Trade creditors	72,089	79,669
VAT	29,729	32,660
Income tax and social security	37,164	36,051
Corporation tax	-	74,698
Accruals and deferred income	679,305	504,143
Project deferred income	1,233,005	795,519
	2,051,291	1,522,740
Provision amounts falling due after more than one year		
Deferred tax	43,978	43,830

12. MEMBER SHARE CAPITAL

	2022 £	2021 £
Balance at 1 January	228	206
Movements during year:		
Issued	40	43
Cancelled	(25)	(21)
	243	228
Balance at 31 December		

The share capital represents shares with a nominal value of 25p each.

Total number of members at the year end was 971 (2021 - 916).

The issued shares relates to the 159 (2021 - 171) members whose membership of Co-operatives UK Limited started in 2021.

The cancelled shares relates to the 99 (2021 - 84) members whose membership of Co-operatives UK Limited lapsed in 2022.

13. OPERATING LEASE COMMITMENTS

At 31 December 2022 Co-operatives UK Limited had total future commitments under non-cancellable operating leases in respect of fixtures and fittings as follows:

	2022 £	2021 £
In year one	6,103	6,194
In the second to fifth year inclusive	21,492	15,823
Above five years	-	-
	27,595	22,017

14. RELATED PARTY TRANSACTIONS

The following are related parties together with details of notable transactions:

(a) Directors of Co-operatives UK Limited

Co-operatives UK Limited Board members were entitled to a fee of £1,712 p.a. in 2022 (2021 - £1,712 p.a.). The fee offered to directors is agreed by members. Danny Creak and Paul Gerrard chose to waive their entitlement to a board fee in the current year.

The Chair received a sum of £5,217 in 2022 (2021 - £5,217 p.a.) as agreed by members. Board members, excluding those nominated by the Co-operative Group, are also reimbursed for expenses incurred on Co-operatives UK Limited business.

(b) Control by Member Societies

The standard requires disclosures of any entity which exercises significant control over Co-operatives UK Limited. For this purpose significant control represents 20% or more of Co-operatives UK Limited voting rights. There is one member society, Co-operative Group Limited, which has total voting rights of 40%. In addition, two member societies have total voting rights which exceed 10% - Midcounties Co-operative Society Limited and Central England Co-operative Society Limited.

Related party transactions are at arm's length where those terms can be substantiated.

Board Remuneration

Related party transactions are at arm's length where those terms can be substantiated.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

Directors of Co-operatives UK during 2022

Director	Nominating Organisation	Member	Delegate	Client	Supplier	Tenant	Investment
Robin Fieth	The Building Societies Association	Yes	-	-	-	-	-
Tanya Noon	Central England Co-operative Ltd	Yes	Yes	Yes	-	-	-
Mark Simmonds	Co-op Culture	Yes	Yes	-	Yes	-	-
Jenny de Villiers	Co-operative Group Ltd	Yes	Yes	Yes	Yes	Yes	Yes
Eileen Driver							
John Boyle							
Lois Hill							
Paul Gerrard							
Danny Creak							
Jeevan Jones							
Cheryl Barrott	Co-operative Party Ltd	Yes	Yes	Yes	-	-	-
Emma Howard	East of England Co-operative Society	Yes	Yes	Yes	-	-	-
Cath Muller	Footprint Workers' Co-operative Ltd	Yes	Yes	-	-	-	-
Phil Hartwell	HF Holidays Limited	Yes	Yes	Yes	-	-	-
Jane Powell	Lincolnshire Co-operative Ltd	Yes	Yes	Yes		-	-
Vivian Woodell	The Midcounties Co-operative Ltd	Yes	Yes	Yes	Yes	Yes	Yes
Fiona Ravenscroft							
Dave Boyle	Principle 6	Yes	Yes	Yes	Yes	-	-
Don Morris	Radstock Co-operative Society Ltd	Yes	Yes	Yes	-	-	-
Eddie Thorn	Scottish Midland Co-operative Society Ltd	Yes	Yes	Yes	-	-	-
Ross Hodgson	Triangle Wholefoods Collective Ltd	Yes	Yes	Yes	-	-	-
Martyn Johnston	Bradford Co-operative Association	Yes	-	-	Yes	-	-

The data details the economic relationships between the directors' nominating organisation and Co-operatives UK during 2022.

15. NET DEBT RECONCILIATION

	1 January 2022	Cash flows	Other non-cash changes	31 December 2022
	£	£	£	£
Cash at bank and in hand	651,815	(141,763)	-	510,052
Current investments	1,435,809	-	27,792	1,463,601
Net debt	2,087,624	(141,763)	27,792	1,973,653

Non-cash movements relate to revaluation of investments.

There are no restrictions over the use of the cash and cash equivalents balances which comprises cash at bank and in hand plus current investments.

GENDER PAY GAP REPORTING (UNAUDITED)

Co-operatives UK is committed to transparent reporting to members and has taken the decision to make additional voluntary disclosures around gender pay.

Gender Pay Gap reporting is a statutory requirement for businesses employing 250 people or more.

Co-operatives UK employs around 40 people and is therefore under no statutory requirement to publish a snapshot of Gender Pay Gap data taken in April each year. However, the Board has taken the decision to voluntarily report this data to members. Our Gender Pay Gap report does not form part of our audited financial statements.

The Board and Leadership Team are committed to pay fairness and ongoing positive action to address disadvantages faced by employees sharing protected characteristics including through membership of the Working Forward Initiative.

Gender pay gap

Median pay gap in hourly rate

Average pay gap in hourly rate

	2022	2021	2020
	%	%	%
Median pay gap in hourly rate	3%	3%	3%
Average pay gap in hourly rate	15%	18%	32%

Pay quartiles

Proportion of women employed in each pay quartile:

Top pay quartile

Upper middle pay quartile

Lower middle pay quartile

Lower pay quartile

Top pay quartile	60%	44%	30%
Upper middle pay quartile	30%	70%	80%
Lower middle pay quartile	30%	70%	70%
Lower pay quartile	45%	60%	50%

Discover more about gender pay gap reporting:
>> uk.coop/GenderPayGap

No bonus payments were made in 2022, 2021 or 2020 and there is therefore no data to report and no difference in bonus pay. No future bonus payments are planned. Co-operatives UK employed 40 people in 2022. As a result, our data is far more heavily impacted by single changes in role holder (entry or exit) or in pay, than businesses with a statutory requirement to report on gender pay gaps (those with 250 people or more).

CO-OPERATIVES UK

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