

Society no. IP27915R

ICOF Community Capital Limited
Annual Report and Audited Financial
Statements
31 December 2016

ICOF Community Capital Limited

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For the year ended 31 December 2016

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ICOF Community Capital Limited

Legal and administrative details

For the year ended 31 December 2016

Status	The organisation is a co-operative and community benefit society registered on 14 January 1994.
Society number	IP27915R
Registered office and operational address	Brunswick Court Brunswick Square Bristol BS2 8PE
Chairperson	J White
Directors	J Atherton T Blanc R Crook (resigned 17 June 2016) A Harrison D Hollings V Knott A Love J McColl (resigned 17 June 2016) B Titley G Turnbull (resigned 17 June 2016) S Whellens J White B Wood
Society secretary	A Demontoux
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor, Mariner House 62 Prince Street Bristol BS1 4QD

ICOF Community Capital Limited

Report of the directors

For the year ended 31 December 2016

ICOF Community Capital Limited is a Co-operative and Community Benefit Society domiciled in England and Wales. The directors present their report with the audited accounts for the year ended 31 December 2016.

Principal activity and business review

The principal activity of the society is that of the provision of loans to social economy businesses.

Directors

The directors in office in the year were as follows:

J Atherton		J McColl	(resigned 17 June 2016)
T Blanc		B Titley	
R Crook	(resigned 17 June 2016)	G Turnbull	(resigned 17 June 2016)
A Harrison		S Whellens	
D Hollings		J White	
V Knott		B Wood	
A Love			

Directors' responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period.

The society financial statements are required by law to present fairly the financial position and the performance of the society. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the society will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the society and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It has general responsibility for taking reasonable steps to safeguard the assets of the society and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the society's auditors are aware of that information. The members confirm that there is no relevant information that they are aware of and which they know the auditors are unaware of.

ICOF Community Capital Limited

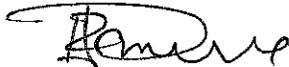
Report of the directors

For the year ended 31 December 2016

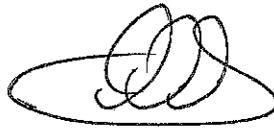
Auditors

During the year Godfrey Wilson Limited were re-appointed as the society's auditors. In accordance with the Co-operative and Community Benefit Societies Act 2014, a resolution for the reappointment of Godfrey Wilson Limited as auditor of the society and a resolution to authorise the directors to fix their remuneration are proposed at the next Annual General Meeting.

Approved by the directors on 8 March 2017 and signed on behalf of the society by



A Demontoux
Society Secretary



B Titley
Director



T Blanc
Director

Independent auditors' report

To the directors of

ICOF Community Capital Limited

We have audited the financial statements of ICOF Community Capital Limited for the year ended 31 December 2016 on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 that 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, or the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board Ethical Standards for Auditors including, where applicable, Auditing Practices Board Ethical Standard - Provisions Available for Small Entities (Revised).

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the society's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the society's affairs as at 31 December 2016 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Practice applicable to smaller entities; and
- Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Independent auditors' report

To the directors of

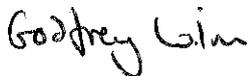
ICOF Community Capital Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control 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.

Date: 8 March 2017



Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor, Mariner House
62 Prince Street
Bristol
BS1 4QD

ICOF Community Capital Limited

Profit and loss account

For the year ended 31 December 2016

	Note	2016 £	Restated 2015 £
Turnover	2	27,726	35,107
Administrative expenses		<u>(34,813)</u>	<u>(18,690)</u>
Operating profit / (loss)	3	(7,087)	16,417
Income from investments		860	1,859
Interest receivable		355	378
Finance income		5,254	4,957
Interest payable		<u>(384)</u>	<u>(485)</u>
Profit / (loss) on ordinary activities before taxation		(1,002)	23,126
Tax on profit / (loss) on ordinary activities	4	<u>-</u>	<u>-</u>
Profit / (loss) on ordinary activities after taxation		<u>(1,002)</u>	<u>23,126</u>

All activities of the society are classed as continuing.

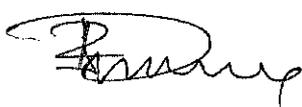
ICOF Community Capital Limited

Balance sheet

As at 31 December 2016

	Note	£	2016 £	Restated 2015 £
Fixed assets				
Investments	5		112,823	107,569
Current assets				
Debtors due within one year	6	61,189		62,132
Debtors falling after one year	6	555,141		522,300
Cash at bank and in hand		50,911		105,536
			<u>667,241</u>	<u>689,968</u>
Creditors: amounts due within 1 year	7	<u>(97,280)</u>		<u>(1,860)</u>
Net current assets			<u>569,961</u>	<u>688,108</u>
Total assets less current liabilities			<u>682,784</u>	<u>795,677</u>
Creditors: amounts due after 1 year	8		<u>-</u>	<u>(90,323)</u>
Net assets			<u><u>682,784</u></u>	<u><u>705,354</u></u>
Funding and reserves				
Funding	9		690,019	711,587
Profit and loss account	10		<u>(7,235)</u>	<u>(6,233)</u>
Total funds			<u><u>682,784</u></u>	<u><u>705,354</u></u>

Approved by the directors on 8 March 2017 and signed on their behalf by



A Demontoux
Society Secretary



B Titley
Director



T Blanc
Director

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014.

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS 102 Section 1A. The date of transition is 1 January 2015. The financial statements were previously prepared under the Financial Reporting Standard for Smaller Entities (FRSSE). The nature of the changes and their impact on opening balance sheet and profit for the comparative period are explained in note 12.

Turnover

Turnover represents the amount derived from interest and fees on loans falling within the society's activities.

Fixed asset investments

Investments in unquoted equity instruments are measured at cost, less impairment for any diminution in value.

Investments in non-equity preference share capital are recognised initially at cost and subsequently at amortised cost using the effective interest method, less any impairment.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad or doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad or doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Taxation

Taxation represents the sum of tax currently payable and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset released, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2016

2. Turnover

Turnover represents net invoiced sales of goods, excluding Value Added Tax.

Turnover attributable to geographical markets outside the United Kingdom amounted to 0% (2015 - 0%).

3. Operating profit

This is stated after charging:

	2016 £	2015 £
Directors' remuneration	Nil	Nil
Auditors' remuneration	<u>1,920</u>	<u>1,860</u>

4. Taxation

	2016 £	2015 £
UK corporation tax based on results for the period	<u>-</u>	<u>-</u>
Factors affecting current tax charge:		
Profit / (loss) on ordinary activities by rate of tax	(200)	4,565
Income and expenses not allowable	(44)	-
General provision adjustment	-	(3,322)
Losses brought forward	(1,533)	(2,776)
Losses carried forward	<u>1,777</u>	<u>1,533</u>
Total current tax charge	<u>-</u>	<u>-</u>

5. Investments

	Restated £
At 1 January 2016	107,569
Additions	5,254
Disposals	<u>-</u>
At 31 December 2016	<u>112,823</u>
Net book value	
At 31 December 2016	<u>112,823</u>
At 31 December 2015	<u>107,569</u>

The directors have reviewed the carrying value of the society's investments as at 31 December 2016, and in their opinion, the shares are worth at least the amount stated in the balance sheet.

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2016

6. Debtors

	2016 £	2015 £
Trade debtors	612,349	580,657
Other debtors	<u>3,981</u>	<u>3,775</u>
	<u>616,330</u>	<u>584,432</u>
Amounts due after more than one year included above	<u>555,141</u>	<u>522,300</u>

7. Creditors : amounts due within 1 year

	2016 £	2015 £
Accruals	1,920	1,860
Industrial Common Ownership Finance Limited loan	<u>95,360</u>	<u>-</u>
	<u>97,280</u>	<u>1,860</u>

8. Creditors : amounts due after 1 year

	2016 £	Restated 2015 £
Industrial Common Ownership Finance Limited loan	<u>-</u>	<u>90,323</u>

The unsecured loan is from a related company, Industrial Common Ownership Finance Limited. The loan is repayable in full on 1 May 2017. Interest is payable quarterly at the base rate of the Co-operative Bank Plc, currently 0.5%.

9. Funding

	2016 £	2015 £
Allotted, called up and fully paid: Non-equity shares of £1 each	<u>690,019</u>	<u>711,587</u>

Movement in funding:

	2016 £	2015 £
At 1 January 2016	711,587	737,374
Funds received	3,000	5,675
Funds withdrawn	<u>(24,568)</u>	<u>(31,462)</u>
At 31 December 2016	<u>690,019</u>	<u>711,587</u>

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2016

10. Profit and loss account

	2016 £	Restated 2015 £
At 1 January 2016	(6,233)	(29,359)
Profit for the year	<u>(1,002)</u>	<u>23,126</u>
At 31 December 2016	<u><u>(7,235)</u></u>	<u><u>(6,233)</u></u>

11. Related party transactions

ICOF Community Capital Limited shares common directors with Industrial Common Ownership Finance Limited, Industrial Common Ownership Fund Plc and ICOF Guarantee Company Limited.

ICOF Community Capital Limited has a £97,000 loan (2015: £97,000) from Industrial Common Ownership Finance Limited. During the year interest of £384 (2015: £485) was paid on the loan.

ICOF Community Capital Limited has an investment of £97,000 non-equity preference shares (2015: £97,000) in Industrial Common Ownership Fund Plc. The shares are entitled to a dividend of 6% before tax, which is paid at the discretion of the directors. There was no dividend paid in respect of the current year (2015: nil).

During the year ICOF Community Capital Limited was charged a management fee of £27,601 (2015: £28,463) by Industrial Common Ownership Finance Limited. These charges were made on normal commercial terms.

Included in debtors is a loan to CASA Holdings 2014 Limited. This company has one director in common, Guy Turnbull, with ICOF Community Capital Limited. The balance outstanding on this loan at 31 December 2016 was £41,492 (2015: £50,000), interest is charged at 4% above base rate, with a minimum of 8%. Guy Turnbull resigned as a director of ICOF Community Capital during the year.

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2016

12. Reconciliations on adoption of FRS 102

Balance sheet at 1 January 2015

	Investments £	Creditors due after 1 year £	Profit and loss £
Balances under former UK GAAP	158,324	(97,000)	(26,303)
Effect of recognising investment in preference shares at amortised cost	(14,388)	-	(14,388)
Effect of recognising loan at below market rate at amortised cost	-	11,332	11,332
	<u>-</u>	<u>11,332</u>	<u>11,332</u>
Balances under FRS 102	<u>143,936</u>	<u>(85,668)</u>	<u>(29,359)</u>

Balance sheet at 31 December 2015

	Investments	Creditors due after 1 year £	Profit and loss £
Balances under former UK GAAP	117,000	(97,000)	(3,479)
Effect of recognising investment in preference shares at amortised cost	(9,431)	-	(9,431)
Effect of recognising loan at below market rate at amortised cost	-	6,677	6,677
	<u>-</u>	<u>6,677</u>	<u>6,677</u>
Balances under FRS 102	<u>107,569</u>	<u>(90,323)</u>	<u>(6,233)</u>

Profit and loss account for the year ended 31 December 2015

	2015 £
Profit after taxation as originally stated	22,824
Effective interest received on on preference share investment	4,957
Effective interest payable on loan below market rate	<u>(4,655)</u>
Restated profit after taxation	<u>23,126</u>

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2016

12. Reconciliations on adoption of FRS 102 (continued)

Notes to the reconciliations

(a) Redeemable preference shares

ICOF Community Capital Limited previously recognised an investment in non-equity preference share capital at its par value within investments.

Under FRS 102, the investment in redeemable preference shares is classified as a financial asset, and is held at amortised cost using the effective interest method in the accounts. The preference shares have therefore been restated to amortised cost in the accounts. The effective interest charged is at a rate of 6% to the profit and loss. The difference arising on transition has been charged to the profit and loss.

(b) Loans at below-market rates

Industrial Common Ownership Finance Limited has a loan at below market rate held with their creditors at the year end. This has been restated at amortised cost and held at a current market rate of interest of 6%.

ICOF Community Capital Limited

Detailed trading profit and loss account

For the year ended 31 December 2016

	£	2016 £	£	Restated 2015 £
Turnover				
Loan interest	26,816		33,506	
Arrangement fees	<u>910</u>		<u>1,601</u>	
		27,726		35,107
Administrative expenses				
Audit fees	1,920		1,860	
Management charges payable	27,601		28,463	
Legal and professional	255		320	
Provision for loan losses	-		(16,608)	
Finance costs	<u>5,037</u>		<u>4,655</u>	
		(34,813)		(18,690)
Interest received	355		378	
Income from investments	860		1,859	
Finance income	5,254		4,957	
Interest paid	<u>(384)</u>		<u>(485)</u>	
		<u>6,085</u>		<u>6,709</u>
Profit / (loss) before tax		<u>(1,002)</u>		<u>23,126</u>