

**CO-OPERATIVE &
COMMUNITY FINANCE**
supportive lending since 1973

ANNUAL REPORT 2021



We've supported hundreds of businesses, from small community-led enterprises to large award-winning organisations



**CO-OPERATIVE &
COMMUNITY FINANCE**
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**We help co-ops and communities
recover, rebuild and grow.**

Providing supportive lending

Co-operative & Community Finance provides supportive lending to help people take control of their economic lives and create social benefit.

We exclusively serve the co-operative and community sector, and for almost 50 years we have supported many hundreds of businesses ranging from small community-run enterprises to large award-winning organisations.

We offer flexible terms and never require personal guarantees. Our profits are reinvested to enable us to continue our work.

We currently have over £4m of our own capital to lend, available to those that practice or support the principles of co-operation, social ownership and sustainable development. We also manage a number of other loan funds on behalf of other lenders, co-operatives and local authorities.

When finance is needed to set up a new venture, expand an existing one, save a community asset, turn a conventional business into a social one or a private business into an employee-owned firm, we can help turn dreams into reality. We can also replace existing finance packages. All our borrowers have the assurance that comes from receiving support from an organisation that is democratically owned and controlled.

As well as providing finance, we offer free business support to our borrowers throughout the term of their loans.

Our structure

Co-operative and Community Finance is the trading name of the ICOF family of businesses. The first company, Industrial Common Ownership Finance Limited, was set up in 1973 and we have since created several related funds, all of which are democratically owned and controlled.

ICOF Limited has a wholly owned subsidiary, Industrial Common Ownership Fund plc.

ICOF Community Capital Ltd (ICC) is a free-standing community benefit society. ICOF Ltd acts as a fund manager for this society.

Membership of ICOF Ltd is open to any individual or organisation that support our aims and who pay a one off lifetime membership fee (currently £30). All our borrowers become members.

Membership of ICC is open to individuals or organisations that have bought shares in the society. The minimum investment is currently £250.

Our staff



Alain Demontoux, Operations and FCA Compliance Manager
Anne Wilks, Transactional Services Manager (Finance & Loan Portfolio)

Tim Coomer, Business Development Manager

Kevin Lloyd-Evans, Lending and Relationship Manager

Our partnerships

We've been successfully managing funds and making loans in a specialist market for almost 50 years.

We are the oldest Community Development Finance Institution (CDFI) in the UK and, we believe, one of the most successful and sustainable. We are also one of the very few CDFIs that is authorised and regulated by the Financial Conduct Authority in the conduct of investment business which means we can manage other organisations loan funds.

When it comes to managing funds, assessing risks and minimising losses while maximising social impact... we know what we're doing.

We want to share our expertise and experience with organisations – large or small, local or regional, national or international – that share our values.

We offer a flexible portfolio of services to loan funds, micro-finance institutions and other lenders. These can range from discreet back office services to comprehensive management and investment services.

Welcome by Jon Nott, Chair of ICOF Group and ICOF Community Capital

I am pleased to present my second Annual Report as Chair and the 49th ICOF Group Annual Report which is directed at the members of ICOF Limited and the Co-operative shareholders of ICO Fund plc.

I am also pleased to present the 28th Annual Report to members of ICOF Community Capital Ltd.



ICOF Group

2021 continued to see the effects of COVID as we continued to support our clients as much as we could. Much of the work done this year has been to support our existing borrowers and we were quick to be proactive, making contact and offering help where required, often before we were asked. This approach has protected the portfolio in what was a lean year in terms of lending. We experienced lump sum capital repayments, with over £100k repaid because of clients taking government COVID finance. The amount of Government backed loans made during the pandemic stands at £84 billion which affected demand for our own loan finance in 2021.

We continued to manage the Co-operative Loan Fund and Community Shares ICOF as well as working closely with the Co-op Foundation and we remained an Access Point for the Reach Fund which provides grants to organizations' that need specific support to be able to take on a loan.

The year also saw CCF provide back-office services for Big Issue Invest, the Coop Foundation, Radical Roots, Solidfund and we continue to be on the investment panel of the Community Shares Unit Booster program.

Notable loans included to The Locks Inn. Residents of the Waveney Valley on the borders of Norfolk and Suffolk rallied together at impressive speed, despite the restrictions of a global pandemic, to purchase and renovate the iconic riverside pub.



CCF Group's performance posted a loss of (£42,770) driven by FRS 102 costs on the PLC fund and a re-valuation of Ethical Property shares in ICOF Limited.

ICOF Community Capital Ltd

ICOF ICOF Community Capital Ltd (ICC) is an investment society offering individuals and organisations withdrawable membership shares and its capital is used to provide loan finance to a wide range of community and social businesses and co-operatives.

In terms of financial performance, whilst turnover fell slightly to £40,121 (2020: £41,646) due to the challenging lending environment, the Society made a net profit after tax of £15,373 (2020: £2,868). Net assets on the balance sheet stood £976,975 and the loan portfolio at £907,111.

In 2022 we intend to encourage further share investment in ICC through the promotion of its open offer in order fund increased demand for lending following the pandemic.

Once again, the Directors are delighted to recommend a 1% payment of interest on members investments, that will go to the AGM in June 2022 for approval by shareholders.

Gender Pay Gap

We can report that our gender pay gap fell from 12.5% in 2020 to 4% in 2021. The official UK pay gap among all employees 2021 was 7.9%.

And finally ...

I would like to take this opportunity to extend our warmest thanks to Andy Love, Bruce Wood and James Alcock, all of whom are retiring from the board. Andy and Bruce joined the board in November 1994, so between them have given us 54 years of outstanding service! Good luck in your future Co-operative endeavors!

May I also thank not only my fellow Trustees and Directors for all their hard work over the last year but particularly the staff team for continuing to safeguard the loan portfolio and steering the finances of the business through such uncertain times.

Last but not least, at the end of the year we said goodbye to Investment Manager, Ian Rothwell, following 14 outstanding years with the organisation. I am sure you will all join me in wishing him well in retirement.

ICOF Group

Consolidated Summary Financial Statements

ICOF Community Capital Ltd

Summary Financial Statements

Consolidated statement of comprehensive income for the year ended 31 December	2021	2020
	£	£
Turnover	316,184	298,992
Administrative expenses	(347,122)	(417,889)
Operating profit/(loss)	(30,938)	(118,897)
Other operating income	607	166,725
Income from investments	3,550	3,299
Interest receivable	107	3,021
Interest payable	-	(6,594)
Finance income	-	13,613
Loss in fair value of investments	(16,096)	-
Profit/(loss) on ordinary activities before taxation	(42,770)	61,167
Tax on profit/(loss) on ordinary activities	-	-
Total comprehensive income	(42,770)	61,167

Consolidated Balance Sheet as at 31 December	2021	2020
	£	£
Fixed assets		
Tangible assets	4,287	5,246
Investments	159,005	173,978
	163,292	179,224
Current assets		
Debtors under one year	278,100	196,897
Debtors over one year	1,696,932	2,119,109
Cash at bank and in hand	3,040,199	2,153,815
	5,015,231	4,469,821
Creditors: amounts due within one year	(1,693,673)	(1,157,088)
Net current assets	3,321,558	3,312,733
Total assets less current liabilities	3,484,850	3,491,957
Creditors: amounts due after one year	(990,155)	(954,492)
Net assets	2,494,695	2,537,465
Capital and reserves		
Other funds	1,219,983	1,063,733
Capital reserve	337,482	387,349
Profit and loss account	937,230	1,086,383
Shareholders' funds	2,494,695	2,537,465

Profit and Loss Account for the year ended 31 December	2021	2020
	£	£
Turnover	40,121	41,646
Administrative expenses	(25,474)	(39,800)
Operating profit/(loss)	14,647	1,846
Income from investments	706	700
Interest receivable	20	419
Interest payable	-	(97)
Profit/(loss) on ordinary activities before taxation	15,373	2,868
Tax on profit/(loss) on ordinary activities	nil	nil
Profit/(loss) on ordinary activities after taxation	15,373	2,868

Balance Sheet as at 31 December	2021	2020
	£	£
Fixed assets		
Investments	20,000	20,000
Current assets		
Debtors under one year	52,084	50,310
Debtors over one year	596,971	657,879
Cash at bank and in hand	310,140	237,103
	959,195	945,292
Creditors: amounts due within one year	(2,220)	(2,160)
Net current assets	956,975	943,132
Net assets	976,975	963,132
Funding and reserves		
Funding	1,019,071	1,015,115
Profit and loss account	(42,096)	(51,983)
Shareholders' funds	976,975	963,132

The financial information presented in this report has been taken from the audited financial statements for the year ended 31 December 2021. It does not constitute the group's statutory accounts for the year ended 31 December 2021, or 31 December 2020. If you would like a copy of the audited Directors' Report and Financial Statements for the year ended 31 December 2021 they are available from Co-operative & Community Finance, 1 -3 Gloucester Road Bristol BS6 5BQ



The ICO Fund plc was launched in 1987 as a subsidiary of ICOF Limited with the specific purpose of raising capital by public share issue. There was a clear identifiable need for a fund to help support and develop worker cooperatives and employee buyouts across the UK. This was a successful and pioneering approach to ethical investment which enabled those who were concerned about their local communities to get involved.

The money raised is lent, repaid and lent again. From an original £1 million raised, over £5 million has been lent to hundreds of co-operative and employee-owned businesses. By lending at risk to create opportunity ICO Fund Plc has:

- created, supported and saved jobs.
- boosted local economies.
- and enabled people to own and control the businesses in which they work.

There was no new lending in 2021. The total portfolio balance at 31 December 2021 was £775,821.

In terms of the accounts the company made a loss for the financial year of £28,259, (2020: loss of £37,074). On the balance sheet the loan book stood at £775,821 and cash at £928,079. The retained profit and loss account improved from a deficit of £76,245 in the prior year to a deficit of £54,637 in the current year. Net worth on the balance sheet now stands at £282,944.

Regrettably the Board is unable to recommend a dividend for 2021.

On behalf of ICO Fund plc, I would like to thank all the shareholders, both past and present, for their invaluable support.

The future.....

In four years' time we will see the anniversary of the fourth PLC share issue. We see this as a good opportunity to simplify our organisational structure merging our three companies together in one Community Benefit Society to better serve the needs of common ownership companies and co-operatives into the future. After twenty odd years and at least two near misses of standing down, I have decided to hang up my boots! I will not be offering myself for re-election at the AGM.

Shareholders' Representative

Andy Love was re-elected as the plc representative by shareholders on the 23rd June 2021. In accordance with the Articles of Association, he retires and does not offer himself up for re-election in 2022. Andy has been involved with the organisation since 1994 and we would like to thank him for representing so diligently the interests of the Plc shareholders over the years.

Statement of comprehensive income for the year ended 31 December	2021	2020
	£	£
Turnover	53,664	57,944
Administrative expenses	(82,832)	(97,179)
Operating profit/(loss)	(29,168)	(39,235)
Income from investments	852	700
Interest receivable	57	1,461
Other income	nil	nil
Profit/(loss) on ordinary activities before taxation	(28,259)	(37,074)
Tax on profit/(loss) on ordinary activities	nil	nil
Total comprehensive income for the year	(28,259)	(37,074)

Balance Sheet as at 31 December	2021	2020
	£	£
Fixed assets		
Investments	20,937	20,792
Current assets		
Debtors under one year	62,181	38,489
Debtors over one year	713,640	881,427
Cash at bank and in hand	928,079	768,151
	1,703,900	1,688,067
Creditors: amounts due within one year	(579,374)	(585,004)
Net current assets	1,124,526	1,103,063
Total assets less current liabilities	1,145,463	1,123,855
Creditors: amounts due after one year	(862,519)	(812,652)
Net assets	282,944	311,203
Capital and reserves		
Called up share capital	100	100
Capital reserve	337,481	434,332
Profit and loss account	(54,637)	(86,155)
Shareholders' funds	282,944	311,203

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CCF Trustees & ICC Directors

- James Alcock**, Plunkett Foundation
- Dominica Cole**, Norton Rose Fulbright LLP
- John Forbes**, Co-operatives UK
- Daniel Holden**, Unicorn Grocery
- Nankunda Katangaza**, Hook Tangaza
- Andy Love**, ICO Fund PLC Shareholders' Elected Representative
- Jaye Martin**, Coop Practitioner
- Jon Nott**, Campaign Against Arms Trade
- Bruce Wood**, Co-operative Consultant

Principal activities

The group's principal activity during the year continued to be providing loans to common ownership companies and cooperatives, and to be a vehicle for channeling loans from public funds to such enterprises.

Trustees

None of the Trustees had any significant interest in the share capital of the group during the year.

Elected Trustees

- James Alcock**, Plunkett Foundation
- Dominica Cole**, Norton Rose Fulbright LLP
- Daniel Holden**, Unicorn Grocery
- Nankunda Katangaza**, Hook Tangaza
- Jaye Martin**, Coop Practitioner
- Andy Love**, ICO Fund PLC Shareholders' Elected Representative
- Jon Nott**, Campaign Against Arms Trade Bruce Wood, Co-operative Consultant
- Bruce Wood**, Co-operative Consultant

James Alcock, Andy Love and Bruce Wood are standing down. The Board of Trustees should be: not more than nine persons elected by and from the membership at the Annual General Meeting, at least three of whom must be members of common ownership or co-operative enterprises which are members of the company; therefore, there are five elected vacancies.

Trustees from nominated bodies

John Forbes, Co-operatives UK (nominated 23.06.21)

In accordance with the Articles of Association: the above retires under Article 35. The nominated body will be asked to provide support for a further year.

Co-opted Trustees

None currently.

Trustees' responsibilities

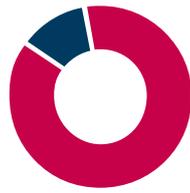
The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Trustees are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the profit or loss of the company and group for the period ending on that date. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements accounts comply with the Companies Act 2006. They have general responsibility for taking such steps that are reasonably open to them to safeguard assets of the company and group and to detect fraud and other irregularities.

Each Trustee has taken steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The Trustees confirm that there is no relevant information that they know of and which they know the auditors are unaware of.



CO-OPERATIVE & COMMUNITY FINANCE

supportive lending since 1973

Co-operative & Community Finance is the trading name of Industrial Common Ownership Finance Limited, which is authorised and regulated by the FCA in the conduct of investment business.

Industrial Common Ownership Finance Limited,
Company No. 1109141

Industrial Common Ownership Fund plc,
Company No. 2137647

ICOF Community Capital Limited,
Society No. 27915R

Community Shares ICOF Limited,
Society No. 031524

For more information or to make an online loan application, please visit our website

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