

Society number:
IP27915R

ICOF Community Capital Limited
Annual Report and Audited Financial
Statements
31 December 2020

ICOF Community Capital Limited

Legal and administrative details

For the year ended 31 December 2020

Status	The organisation is a 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 Nott	
Officers	J Alcock J Forbes A Harrison D Holden D Hollings Z King A Love J Nott J Smith B Titley B Wood	appointed 29 June 2020 resigned 29 June 2020 resigned 29 June 2020 resigned 29 June 2020
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 Board

For the year ended 31 December 2020

ICOF Community Capital Limited is a Community Benefit Society domiciled in England and Wales. The Board presents their report with the audited accounts for the year ended 31 December 2020.

Principal activity and business review

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

Officers

The members of the Board in office in the year were as follows:

J Alcock	
J Forbes	appointed 29 June 2020
A Harrison	resigned 29 June 2020
D Holden	
D Hollings	
Z King	resigned 29 June 2020
A Love	
J Nott	
J Smith	
B Titley	resigned 29 June 2020
B Wood	

Statement of responsibilities of the Board

The Board are 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 the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the society and of the income and expenditure of the society for that period. In preparing these financial statements, the Board are required to:

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

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

ICOF Community Capital Limited

Report of the Board

For the year ended 31 December 2020

Statement of disclosure of information to auditors

The members of the Board who held office at the date of approval of this report confirm that:

- So far as they are aware, there is no relevant audit information of which the society's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a member of the Board in order to make themselves aware of any relevant audit information and to establish that the society's auditors are aware of that information.

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 Board to fix their remuneration are proposed at the next Annual General Meeting.

Approved by the Board on 19 April 2021 and signed on behalf of the society by



A Demontoux
Society Secretary



J Nott
Chair



B Wood
Treasurer

ICOF Community Capital Limited

Independent Auditors Report

For the year ended 31 December 2020

Opinion

We have audited the financial statements of ICOF Community Capital Limited (the 'society') for the year ended 31 December 2020 which comprise the profit and loss account, balance sheet, statement of changes in equity and the related notes to the financial statements, including a summary of 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 Section 1A: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2020 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 twelve 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.

ICOF Community Capital Limited

Independent Auditors Report

For the year ended 31 December 2020

Other information

The Board are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 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 obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the responsibilities statement set out in the Board report, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are 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 intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Our 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.

ICOF Community Capital Limited

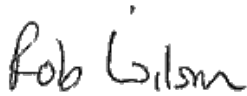
Independent Auditors Report

For the year ended 31 December 2020

A further description of our responsibilities for the audit of the financial statements is located 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, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society 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, for our audit work, for this report, or for the opinions we have formed.



Date: 19 April 2021

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 2020

	Note	2020 £	2019 £
Turnover	2	41,646	32,067
Administrative expenses		<u>(39,800)</u>	<u>(27,437)</u>
Operating profit	3	1,846	4,630
Income from investments		700	700
Interest receivable		419	1,546
Income from donations		-	1,500
Interest payable		<u>(97)</u>	<u>(728)</u>
Profit on ordinary activities before taxation		2,868	7,648
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		<u>2,868</u>	<u>7,648</u>

All activities of the society are classed as continuing.

ICOF Community Capital Limited

Balance sheet

As at 31 December 2020

	Note	£	2020 £	2019 £
Fixed assets				
Investments	6		20,000	117,000
Current assets				
Debtors due within one year	7	50,310		48,527
Debtors falling after one year	7	657,879		570,640
Cash at bank and in hand		237,103		328,142
			<u>945,292</u>	947,309
Creditors: amounts due within 1 year	8	<u>(2,160)</u>		<u>(2,100)</u>
Net current assets			<u>943,132</u>	945,209
Total assets less current liabilities			963,132	1,062,209
Creditors: amounts due after 1 year	9		<u>-</u>	<u>(83,386)</u>
Net assets			<u>963,132</u>	<u>978,823</u>
Funding and reserves				
Funding	10		1,015,115	1,027,962
Profit and loss account	11		<u>(51,983)</u>	<u>(49,139)</u>
Total funds			<u>963,132</u>	<u>978,823</u>

Approved by the Board on 19 April 2021 and signed on their behalf by

Alain Demontoux

A Demontoux
Society Secretary

J Nott

J Nott
Chair

B Wood

B Wood
Treasurer

ICOF Community Capital Limited

Statement of changes in equity

As at 31 December 2020

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2019	945,761	(55,336)	890,425
Profit for the year	-	7,648	7,648
Issue of share capital	80,750	-	80,750
Share interest credited to members' share capital accounts	<u>1,451</u>	<u>(1,451)</u>	<u>-</u>
Balance at 31 December 2019	1,027,962	(49,139)	978,823
Profit for the year	-	2,868	2,868
Redemption of share capital	(18,559)	-	(18,559)
Share interest credited to members' share capital accounts	<u>5,712</u>	<u>(5,712)</u>	<u>-</u>
Balance at 31 December 2020	<u><u>1,015,115</u></u>	<u><u>(51,983)</u></u>	<u><u>963,132</u></u>

The 2020 profit and loss account includes £4,448 of interest waived by shareholders in 2020 that will be used to offset future loan losses. Total waived interest to date is £5,597.

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2020

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.

Going concern

The accounts have been prepared on the assumption that the society is able to continue as a going concern. However, the COVID pandemic has had a profound impact on the global economy and has in turn affected the society. The officers have considered the impact of this issue on the society's current and future financial position. The society held a cash balance of £237,103 at 31 December 2020, and the officers consider that the society has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

Turnover

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

Fixed asset investments

Fixed asset investments comprise investments in co-operative share capital and are stated at historic cost less impairment.

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. These investments were disposed of during the year.

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 society's liability for current tax is calculated using tax rates 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 2020

1. Accounting policies (continued)

Taxation (continued)

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.

Accounting estimates and key judgements

In the application of the society's accounting policies, the officers are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

(i) Debtors falling due within one year - Forecast capital repayments

As a result of the COVID pandemic, there remains significant uncertainty about the level and duration of the restrictions that are currently in place and any future restrictions that may be introduced. This has a significant impact on loan recipients' ability to maintain their capital repayments.

During 2020, capital holidays were offered to loan recipients and some were still on a capital holiday at the year end. In determining the split of capital expected to be repaid in the next 12 months, the Board has had to make an assumption about the number of loan recipients who will make capital repayments in 2021. This is based on historical experience, discussions with the loan recipients and the level of repayments received in 2020. However, actual results may differ.

There are no other key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

2. Turnover

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

Turnover attributable to geographical markets outside the United Kingdom amounted to 0% (2019 - 0%).

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2020

3. Operating profit

This is stated after charging:

	2020 £	2019 £
Officers' remuneration	-	-
Auditors' remuneration	<u>2,160</u>	<u>2,100</u>

4. Employees

The average number of staff employed by the society during the year amounted to:

	2020 No.	2019 No.
Administrative staff	<u>-</u>	<u>-</u>

5. Taxation

	2020 £	2019 £
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	545	1,454
Income and expenses not allowable	2,586	932
Adjustment for share interest allowable	1,085	276
Losses brought forward	(12,167)	(14,829)
Losses carried forward	<u>7,951</u>	<u>12,167</u>
Total current tax charge	<u>-</u>	<u>-</u>

6. Investments

	£
At 1 January 2020	117,000
Disposals	<u>(97,000)</u>
At 31 December 2020	<u>20,000</u>
Net book value	
At 31 December 2020	<u>20,000</u>
At 31 December 2019	<u>117,000</u>

The Board have reviewed the carrying value of the society's investments as at 31 December 2020, 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 2020

7. Debtors

	2020 £	2019 £
Trade debtors	703,679	615,091
Other debtors	4,510	4,076
	<u>708,189</u>	<u>619,167</u>
Amounts due after more than one year included above	<u>657,879</u>	<u>570,640</u>

8. Creditors : amounts due within 1 year

	2020 £	2019 £
Accruals	<u>2,160</u>	<u>2,100</u>

9. Creditors : amounts due after 1 year

	2020 £	2019 £
Industrial Common Ownership Finance Limited loan	<u>-</u>	<u>83,386</u>

During the year the society made early repayment of its unsecured loan for £97,000 with Industrial Common Ownership Finance Limited. Interest was payable on the loan at the Bank of England base rate which fell during the year to 0.1%. Historically, the loan has been stated in the accounts at amortised cost at a rate of 6%. The society has recognised an effective interest cost of £13,614 (2019: £4,904) in the profit and loss this year in respect of this loan and its early repayment.

10. Funding

	2020 £	2019 £
Allotted, called up and fully paid: Membership shares of £1 each	<u>1,015,115</u>	<u>1,027,962</u>

Movement in funding:

	2020 £	2019 £
At 1 January 2020	1,027,962	945,761
Funds received	20,500	104,003
Share interest credited	5,712	1,451
Funds withdrawn	<u>(39,059)</u>	<u>(23,253)</u>
At 31 December 2020	<u>1,015,115</u>	<u>1,027,962</u>

ICOF Community Capital Limited

Notes to the financial statements

For the year ended 31 December 2020

11. Profit and loss account

	2020 £	2019 £
At 1 January 2020	(49,139)	(55,336)
Profit for the year	2,868	7,648
Share interest	<u>(5,712)</u>	<u>(1,451)</u>
At 31 December 2020	<u><u>(51,983)</u></u>	<u><u>(49,139)</u></u>

12. Related party transactions

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

ICOF Community Capital Limited had a £97,000 loan (2019: £97,000) from Industrial Common Ownership Finance Limited which it fully repaid before the year end. During the year interest of £97 (2019: £728) was paid on the loan.

ICOF Community Capital Limited had an investment of £97,000 non-equity preference shares (2019: £97,000) in Industrial Common Ownership Fund Plc. These became redeemable in September 2017 and were disposed of during the year in order to repay the loan to industrial Common Ownership Ltd. ICOF Community Capital Limited waived its dividends on the shares (2019: nil).

During the year ICOF Community Capital Limited was charged a management fee of £24,026 (2019: £19,393) by Industrial Common Ownership Finance Limited. These charges were made on normal commercial terms. There were no amounts outstanding at the year end.

ICOF Community Capital Limited

Detailed trading profit and loss account

For the year ended 31 December 2020

	£	2020 £	£	2019 £
Turnover				
Loan interest	40,296		30,192	
Arrangement fees	<u>1,350</u>		<u>1,875</u>	
		41,646		32,067
Administrative expenses				
Audit fees	2,160		2,100	
Management charges payable	24,026		19,393	
Office expenses	-		24	
Bad debts	-		1,016	
Finance costs	<u>13,614</u>		<u>4,904</u>	
		(39,800)		(27,437)
Interest received	419		1,546	
Income from investments	700		700	
Income from donations	-		1,500	
Interest payable	<u>(97)</u>		<u>(728)</u>	
		<u>1,022</u>		<u>3,018</u>
Profit before tax		<u><u>2,868</u></u>		<u><u>7,648</u></u>