

CO-OPERATIVE &
COMMUNITY FINANCE
supportive lending since 1973

ANNUAL REPORT 2024



CO-OPERATIVE &
COMMUNITY FINANCE
supportive lending since 1973

Building a co-operative future.

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 in our 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 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 50 years now.

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, regional or national – 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 Maggie Rodriguez-Piza, Chair of ICOF Group and ICOF Community Capital

I am pleased to present the fifty second ICOF Group Annual Report as Chair which is directed at the members of ICOF Limited and the Cooperative shareholders of ICO Fund plc.

I am also pleased to present the 31st Annual Report to members of ICOF Community Capital Ltd.



ICOF Group

In 2024 we saw modest lending from our own funds as much of our resource was used to deliver our partnership initiatives with Social Investment Business (SIB) through the Thrive Fund and the Access Foundation delivering the Flex Fund. Between them they accounted for £750,000 of lending and levered in grant funding in 2024

We continued to support our portfolios particularly through the unique economic challenges arising from the current cost-of-living crisis and high-interest rate environment. We are proactive, making contact and offering help where required.



In terms of lending, we were pleased to be able to restructure existing arrangements for Community Futures Wales, who manage a social club and community centre based in "a one road in and out" South Wales coalfield valley - but now without a mine which closed in 1985. The organisation's aim

is to encourage and establish community owned and run projects in the Garw and Ogmore valleys. It works with local people to develop projects to regenerate the area through training and community enterprise.

Continuing Initiatives

We finished the groundwork for the **Energy Resilience Fund (ERF)** which will re-launch in 2025. This is blended loan and grant product to help charities, social enterprises and community businesses become more energy resilient, supporting the retrofitting of insulation, installing more energy efficient boilers, heat source pumps, hybrid systems, LEDs, and solar PV.

We continued to manage both the **Co-operative Loan Fund** and **Community Shares ICOF**, with both organisations having busy years in terms of lending and investment.

We also remained an Access Point for the £4m **Reach Fund** which provides grants to organisations that need specific support to be able to take on a loan. Through this we levered in extra financial resource, even into organisations that we were unable to help with our own funds. We were able to support 22 businesses in 2024.

In 2024 we worked closely with Coops UK on the Community Shares Booster Fund Investment Panel helping to support and grow the sector through grant awards and equity investment.

We also provided back-office services for the Coop Foundation, Radical Roots and Solidfund.

Financial Performance

In 2024 ICOF Ltd produced a net profit of £6,436, with income and expenses on budget. This was achieved despite having to make a provision against loan losses of £25,991.

Notable items on the balance sheet include Group loan balances of £2,025,495. The net worth of the balance sheet at year end was £2,593,921 (2023 £2,587,485).

ICOF Community Capital Ltd

The society had another successful year both in terms of financial performance and supporting community businesses.

Income for the period was £67,255, an improvement on the previous year of 11%. There was tight control of administrative costs, lower than last year by 7% and with and the inclusion of bank and investment income, ICC made a profit before tax £43,055. After deducting a corporation tax charge of £4,730, the Society made a net profit of £38,325, which was an increase of 12% on the previous year.

Notable items on the balance sheet included loan balances of £807,004 and the company's net worth was £976,943 at the year end.

Welcome by Maggie Rodriguez-Piza, Chair of ICOF Group and ICOF Community Capital (continued)

Notable Lending in 2024

Established in 1985, Undergrowth Housing Co-operative Limited (UHC) was set up by residents wanting to turn an unused property into shared co-operative housing focused on sustainable rural living. With the main part of the building dating back to 1860, the property and its seven acres of land are largely isolated within remote countryside approximately 7 miles from the small historic market town of Machynlleth, North Wales.

Owen Shiers, Secretary of UHC said: "In a market where it's becoming harder for co-ops to either get a mortgage or refinance, ICOF Community Capital and the Co-op Loan Fund have really come to the rescue. We have been able to access funds which allow us to carry out vital structural work to secure one of our barns as well as other infrastructure improvements. Without this support we would have had very few places to turn to and fewer living spaces to offer our residents. Co-operative and Community Finance and Co-op Loan Fund were a delight to work with, and we all felt like they understood our needs and were ready to champion our cause."

Members Returns

ICC continues to return strong results for its members, and we were pleased once again pay interest of 2% on members shares. Half of our investors have waived their right to interest to further support our work enabling groups to secure community assets. At the AGM this year we are proposing interest on members shares of 3%.

CITR Share Offer 2025

In September 2025 we intend to encourage further share investment in ICC through the promotion of a new share offer, supported by Community Investment Tax Relief (CITR) accreditation. Investors will attract 5% tax relief, each year for 5 years, on top of any share interest paid. Our projections are to pay between 3% to 5% over the life of the offer on top of the 5% tax relief. Demand from community led initiatives has depleted the amount of capital we have to lend so we are aiming to raise a further £500,000 to help support community businesses.

Please do get in touch if you'd be interested in participating in this exciting development of ICOF Community Capital.



Undergrowth Housing Co-op

Advancing Equity, Diversity, and Inclusion: CCF's 2024 Progress Report

Equity, Diversity, and Inclusion (EDI) are fundamental to the mission of Co-operative and Community Finance (CCF). We are committed to ensuring that our sector reflects the diverse communities it serves and leveraging our resources, networks, and expertise to drive meaningful change.

Embedding EDI principles into our daily operations is essential for identifying areas of improvement and fostering a more inclusive financial landscape. By placing EDI at the core of our practices, we not only address present challenges but also create a foundation for future generations.

As a Community Development Finance Institution (CDFI), we have a responsibility to ensure that our funding is accessible and inclusive. To achieve this, we must critically assess our structures and eliminate any barriers—whether financial, structural, or social—that hinder access to investment.

To uphold these commitments, we have established an EDI subgroup focused on implementing tangible actions including:

- Monitoring the diversity of our investment portfolios.
- Setting EDI targets across our outreach, investment, and recruitment efforts.
- Integrating EDI insights into the development of future financial products.
- Sharing and learning from best practices within the CDFI sector.

Through these efforts, we remain dedicated to fostering an inclusive and equitable financial ecosystem.

Diversity in Our Portfolio

As part of our commitment to improving EDI, we conducted our first assessment of the diversity within our investees' leadership and board structures. This evaluation provides insight into the leadership demographics of our Borrowers and their approaches to inclusion, helping us align our funding with the needs of underrepresented communities.

With a response rate of approximately 48% (53 out of 110), key findings include:

Leadership Diversity:

- Women-led organisations had the highest representation (58.4%), with nearly half of respondents reporting significant female leadership.
- Black, Asian, and minoritised ethnicities were underrepresented in leadership roles (1.2%).
- Representation of individuals with disabilities and LGBTQ+ leaders remained relatively low (14.4% and 10.70% respectively).
- Young leaders (under 35) were notably underrepresented, highlighting challenges in attracting and retaining emerging leaders (2.3%).

Lived Experience Representation:

- Many organisations reported strong leadership representation from individuals with lived experiences, such as economic hardship, homelessness, or refugee backgrounds (41.30%).
- This suggests that Borrowers are well-equipped to understand and address the challenges faced by their communities.

Community Engagement:

- A majority of Borrowers actively support disadvantaged communities, focusing on economic and social inclusion.
- Some organisations specifically cater to minority ethnic groups, ensuring targeted support for underrepresented communities.

Climate Action:

- While fewer organisations reported direct climate action initiatives, those that do are focusing on reducing their carbon footprint and integrating sustainability into their operations.

These findings provide valuable insights into how our Borrowers are advancing EDI. By analysing these results, we can enhance our support for diverse leadership and inclusive initiatives. We will continue to collaborate with our Borrowers to improve data collection and refine our approach to driving meaningful change.

We sincerely appreciate the participation of all Borrowers in this survey. Your contributions are instrumental in shaping our strategies for a more equitable future.

EDI Within CCF

In addition to assessing our Borrowers, we conducted our first Board & Staff EDI survey to evaluate our internal culture, gather feedback, and guide strategic improvements.

With a response rate of approximately 69% (9 out of 13), key findings include:

Positive Workplace Culture & EDI Progress:

- 100% of respondents expressed a strong sense of belonging at CCF.
- Staff feel empowered to voice their opinions without fear of repercussions, reinforcing an inclusive workplace culture.
- 75% of respondents agreed that CCF provides strong support for professional development.
- Employees and board members acknowledge tangible progress in EDI, with many feeling they have a meaningful influence on shaping the agenda.

Demographic Insights:

- The majority of respondents identified as White, with some from mixed or other ethnic backgrounds.
- 55.56% identified as Christian, while 44.44% reported no religious affiliation.
- Gender representation is balanced, with women making up 55.56% of respondents.
- Most respondents are aged between 45 and 54.
- A blend of educational backgrounds was reported, including state-funded schooling and university-educated parents.

These insights validate our progress while highlighting areas for continued growth. CCF remains committed to fostering an environment where all staff feel valued and empowered. We will build on these findings to further strengthen our inclusive workplace culture.

Closing the Pay Gap

We have made notable progress in reducing pay disparities at CCF.

Between 2023 and 2024:

- The Gender Pay Gap decreased significantly from 4.16% to 2.37%, surpassing the UK national average of 7.0% (April 2024).
- The Ethnicity Pay Gap narrowed from 7.97% to 5.32%, moving closer to pay equity. Although still wider than the Gender Pay Gap, this reduction reflects positive momentum. The UK national average stands at 14.8% (March 2024).

CONCLUSION

At CCF, our commitment to Equity, Diversity, and Inclusion is more than just a policy—it is an integral part of how we operate. This report highlights the strides we have made in promoting diverse leadership, fostering an inclusive workplace, and reducing pay disparities. However, we recognise that there is still work to be done.

Moving forward, we will continue to collaborate with our Borrowers, Staff, Board and Stakeholders to refine our strategies and drive meaningful change. By embedding EDI into all aspects of our work, we can create a fairer, more inclusive financial landscape for all.

Together, we will build on this progress and continue our journey towards equity, diversity, and inclusion.

This year we are excited to share our updated Vision, Mission, Values and Strategic Objectives. These are underpinned by our history whilst looking ahead to new opportunities and challenges.

OUR VISION

“
A thriving, diverse and sustainable
UK co-operative economy with ready
access to capital.
”

OUR MISSION

“
To make the right finance available,
at the right time, for co-operative
enterprises in the UK.
”

OUR VALUES

Our values align with and are inspired by the seven co-operative principles and international cooperative values.

- **Principled** – we set high standards for ourselves and are committed to improving equality, diversity and inclusion across all the work that we do
- **Credible** – we are honest, fair and transparent and act with integrity and compassion towards everyone we deal with
- **Supportive** – we work in solidarity with the co-op sector to help the co-ops and enterprises we work with to overcome challenging times and celebrate successes
- **Collaborative** – we work alongside partners and share our knowledge and expertise to support the growth of the sector
- **Flexible** – we are dynamic and nimble, embracing changes and opportunities arising within the sector.

OUR STRATEGIC OBJECTIVES

1. **To diversify and optimise revenue streams** – to ensure the long term viability and stability of CCF we will ensure we have diversity across our revenue streams and optimise opportunities that align with our vision, mission and values.
2. **To raise new finance** – to maintain sufficient finance for lending and investment to meet our mission, we will raise new finance through community shares and investments in accordance with our ethical policy.
3. **To offer the right finance with wider reach** – to provide appropriate loans and investments to co-operatives across the UK, we will offer a tailored range of products to the sector and reach into all geographic areas of the UK and market segments.
4. **To harness innovation through partnerships** – to maintain and develop new partnership products and services and broaden our reach, we will actively seek opportunities to work with partners and stakeholders to design and deliver innovative products and finance packages that support our mission.
5. **To be socially responsible and ethical** – to continue our commitment to our Equality, Diversity and Inclusion action plan, we will support efforts to tackle climate change and social justice and challenge where appropriate to maintain our values.

ICOF Group

Consolidated Summary Financial Statements

ICOF Community Capital Ltd

Summary Financial Statements

Consolidated statement of comprehensive income for the year ended 31 December 2024

	2024	2023
	£	£
Turnover	390,330	391,470
Administrative expenses	(360,442)	(356,506)
Other operating income	10,170	2,976
Income from investments	6,944	4,911
Provisions against loan losses	(25,991)	-
Operating profit	21,011	42,851
Interest receivable and similar income	45,047	33,047
Interest payable and similar charges	(59,622)	(56,066)
Profit/(loss) on ordinary activities before taxation	6,436	19,832
Tax on profit/(loss) on ordinary activities	-	-
Profit / (loss) on ordinary activities after taxation and total	6,436	19,832

Consolidated Balance Sheet as at 31 December 2024

	2024	2023
	£	£
Fixed assets		
Tangible assets	24,002	29,045
Investments	160,941	160,051
Total fixed assets	184,943	189,096
Current assets		
Debtors due within one year	282,880	270,640
Debtors due after one year	1,742,615	2,036,771
Cash at bank and in hand	2,583,135	2,359,017
Total current assets	4,608,630	4,666,428
Creditors: amounts falling due in less than one year	(1,136,830)	(1,187,357)
Net current assets	3,471,800	3,479,071
Total assets less current liabilities	3,656,743	3,668,167
Creditors: amounts falling due after one year	(1,062,822)	(1,080,682)
Net assets	2,593,921	2,587,485
Capital and reserves		
Other funds	1,046,250	1,359,983
Capital reserve	168,758	228,380
Profit and loss account	1,378,913	999,122
Members' funds	2,593,921	2,587,485

Profit and Loss Account for the year ended 31 December 2024

	2024	2023
	£	£
Turnover	67,255	60,440
Gross Profit	67,255	60,440
Administrative expenses	(30,254)	(32,540)
Operating profit	37,001	27,900
Income from other fixed asset investments	952	716
Other interest receivable and similar income	5,102	5,502
Profit before taxation	43,055	34,118
Tax on profit	(4,730)	-
Profit after taxation being profit for the financial year	38,325	34,118

Balance Sheet as at 31 December 2024

	2024	2023
	£	£
Fixed assets		
Investments	20,000	20,000
Current assets		
Debtors	807,004	796,243
Cash at bank and in hand	157,010	175,327
	964,014	971,570
Creditors: Amounts Falling Due Within One Year	(7,071)	(2,520)
Net current assets (liabilities)	956,943	969,050
Total assets less current liabilities	956,943	969,050
Net assets	956,943	969,050
Capital and reserves		
Share capital	952,589	991,933
Revenue account	24,354	(2,883)
Shareholders' funds	976,943	989,050

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ICO Fund plc

Report by shareholders' representative

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 £6 million has been lent to hundreds of cooperative 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.

In terms of lending we were delighted to be able to support [Student Co-operative Homes](#) (SCH) secure a house in Birmingham. Founded in March 2018, SCH aims to bring together existing and start up student housing co-operatives across the UK and build a portfolio of properties for lease to local self-managing student housing co-ops. The acquisition has helped lay the future roadmap for the property and the local co-operative, enabling a collective long-term vision with renovations, retrofit and a green agenda alongside the existing positive impact for students' wellbeing of security in the property, affordable rents, democratic control and a purposeful student community.

Scott Jennings, Chair of Student Co-op Homes said, "We are massively grateful to both lenders for stepping in and supporting this acquisition at such an important time. This enables us as Multi-Stakeholder Co-op and the local Student Housing Co-operative to step forward together and to enact our plans for the future of the property that are essential to enable affordable student housing into the future that addresses and challenges a fundamentally broken student housing market."

The ICO Fund plc performed well in 2024 generating a net profit of £4,396. The loan portfolio ended the year at £799,225, cash at £984,510 and the net worth on the balance sheet was £262,937 (2023 258,542). This included shareholdings of £ 1,707,524, representing 451 shareholders.

Given the intention to close the fund in 2027 we are unable to recommend a dividend for 2024.

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 2026 will bring the tenth anniversary of the 2007 PLC share issue. We see this as a timely opportunity to simplify our organisational structure. In consultation with the shareholders, it is our plan to retire ICO Fund plc, as a subsidiary and merge it back into its ultimate parent company, ICOF Ltd.

ICO Fund plc

Summary Financial Statements

Statement of comprehensive income for the year ended 31 December 2024	2024	2023
	£	£
Turnover	74,810	78,496
Cost of sales	(59,622)	(56,175)
Gross Profit	15,188	22,321
Administrative expenses	(36,062)	(41,283)
Operating loss	(20,874)	(18,962)
Income from other fixed asset investments	966	724
Other interest receivable and similar income	24,304	18,584
Profit for the financial year	4,396	346
Other comprehensive income for the year	-	-
Total comprehensive income for the year	4,396	346

Balance Sheet as at 31 December 2024	2024	2023
	£	£
Fixed assets		
Investments	20,971	20,956
Current assets		
Debtors	799,225	942,556
Cash at bank and in hand	984,510	824,425
	1,783,735	1,766,981
Creditors: amounts falling due within one year	(510,525)	(557,774)
Net current assets (liabilities)	1,273,210	1,209,207
Total assets less current liabilities	1,294,181	1,230,163
Creditors: amounts falling due after more than one year	(1,031,244)	(971,621)
Net assets	262,937	258,542
Capital and reserves		
Called up share capital	100	100
Other reserves	168,757	228,379
Profit and loss account	94,080	30,063
Shareholders' funds	262,937	258,542

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Shareholders' Representative

The board were appointed as the plc representative by shareholders on the 20th June 2024. In accordance with the Articles of Association, they retire and offer themselves up for re-election in 2025.

Co-operative & Community Finance Trustees & ICOF Community Capital Directors

CCF Trustees & ICC Directors

Ruth Buchanan, Co-operatives UK

Owen Dowsett, The British Council

Paul Mather, Midcounties Co-operative Society

Jaye Martin, Co-op Practitioner

Jon Nott, Campaign Against Arms Trade

Maggie Rodrigues-Piza, Funding London

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 channelling 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

Owen Dowsett, The British Council

Paul Mather, Midcounties Co-operative Society

Jaye Martin, Coop Practitioner

Jon Nott, Campaign Against Arms Trade

Maggie Rodrigues-Piza, Funding London

Owen Dowsett is standing down and Maggie Rodrigues-Piza retires by rotation.

The Board of Trustees should be no 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 six elected vacancies.

Trustees from nominated bodies

Ruth Buchanan, Co-operatives UK (nominated 20.06.24)

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

There were none.

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.

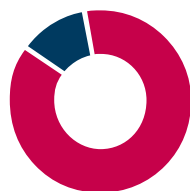
Trustees are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the profit or loss of the company and group for the period ending on that date. In preparing those financial statements,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

www.coopfinance.coop

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