

ANNUAL REPORT 2022

CO-OP & COMMUNITY FINANCE

CELEBRATING

1973

50 YEARS

OF LENDING

2023



We help co-ops and communities
recover, rebuild and grow.

Innovation, Impact & Co-operation

Celebrating 50 years of
Co-operative & Community Finance

One of the joys of any birthday is surely the party - the chance to connect with friends and loved ones whether close by or far flung.

Our 50th birthday has so far provided a wonderful opportunity for what, in some ways, feels like a year-long party. We've taken this opportunity to contact friends, supporters, previous staff, ex Trustees and more, to ask them what they remember of their time with us, and we've then shared those memories in the news section of our website, on social media, and in our newsletters.

“

You will never quite understand how much influence you have had on those of us who want to build coop development capital in a way that sits right with the values and purpose of coops. You've been an inspiration to me in dealing with these issues around the world, happy birthday!

Dame Pauline Green, former President of the Global International Cooperative Alliance

”

Memories have been varied, covering Board Meetings, Ian Taylor's jokes, and social time at conferences, as well as the difference our loans have made. It's been fascinating to speak to those 'from' the co-op world who had a vision of a different world and wanted to build it with us, alongside those who came to co-operation from the corporate world, often experiencing culture shock, and profound lifelong change when they saw for themselves that there is more than one way of doing business.

“

Being part of ICOF has given me so much insight into the world of cooperatives – the world of sharing and understanding, and that's followed through in the CDFI sector, and as they've developed it's all been about sharing info, knowledge and experiences too.

Dr Steve Walker, CEO ART Business Loans

”

We've also been digging into the archive and looking at our old photos. Autospares and active travel, printing and packaging, graphic design and groceries have all featured and it's been a treat to look back.

CELEBRATING



Those who have given their time as Trustee Directors have praised the away days, sharing how valued they felt, in a world that sometimes takes volunteers for granted. Supporters have talked about the way we've stuck to our guns and kept true to our mission of co-operation and democratic ownership.

“

You have managed to stick to your important ... mission and I'm proud to have been part of it.

Charlie Cattell, former ICOF Chair

”

Trends in lending have been apparent, though many threads run right through our loan book. Our very first loan was to Little Women, and we believe this was to buy their shop and the flat above it, in Sunderland in the 80s. The photo we found shows that they were selling Homepride flour for 35 p and tomato ketchup for 25 1/2 p. We're still lending to food shops - from Unicorn Grocery in Manchester to Radley Village Store and the many other community shops that have been taken into ownership by communities determined to keep control of their vital services.

There's not as much heavy industry on our loan book as there once was but we were proud to lend to Clansman Dynamics Limited in 2009. Employee owned Clansman provide manipulators and related equipment - robots! These are heavy mechanical handling products for moving and shaping forged or cast metals. We suspect that their 2020's PPE is rather more sophisticated than JD Fabrication in 1984 - no gloves!



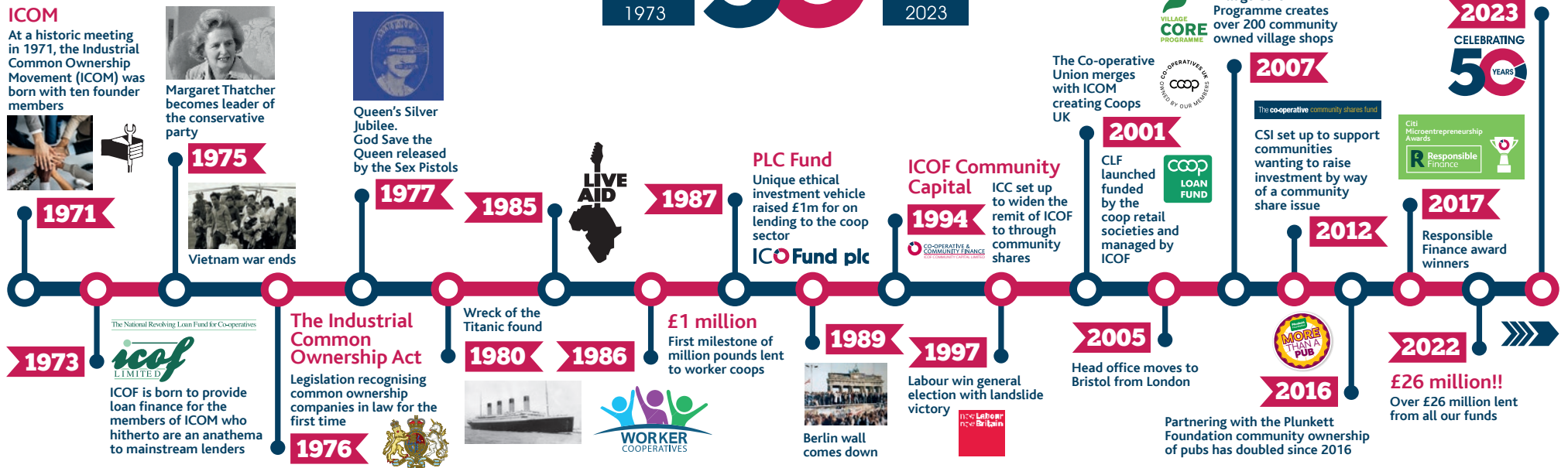
It's been truly wonderful to reconnect with so many of the wider ICOF family and we're grateful to everyone who has shared their time and memories.

We'd like to dedicate this 50th annual report, as we did our 50-year timeline, to Roger Sawtell, whose name has come up over and over again, appearing in memories, paperwork and documentation. Roger Sawtell was a gentle coop giant who died at the age of 95 on December 15th 2022. We wouldn't be half of what we are without him - thank you, Roger.

CO-OP & COMMUNITY FINANCE

CELEBRATING 50 YEARS OF LENDING

1973 2023



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

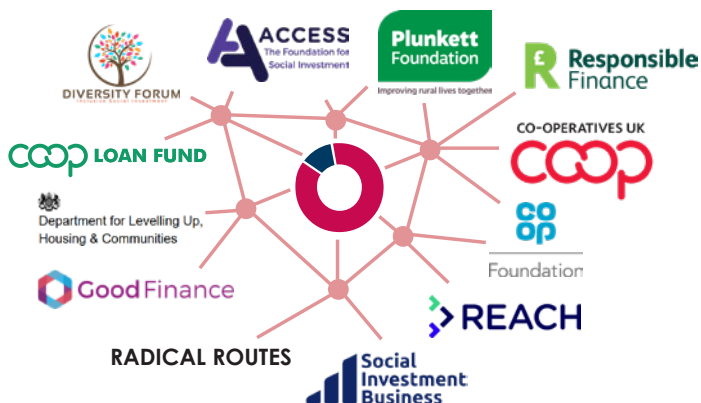
Co-operative and Community Finance is the trading name of the ICOF family of businesses. The first company, Industrial Common Ownership Finance Limited, was set up in 1973 and we have since created several related funds, all of which are democratically owned and controlled.

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 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, 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 fifth Annual Report as Chair and a momentous 50th 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 29th Annual Report to members of ICOF Community Capital Ltd.



ICOF Group

As ICOF reaches its 50th year of existence, the year saw a bounce back in lending as businesses reset post pandemic. This was reflected in over £1 million being lent from across all our funds. This is a testament to the continued relevance of and need for the organisation after all these years.

After the hiatus of Covid we continued to support our clients as much as we could and were busy getting back to lending from all the entities we manage, with co-operatives and community businesses rebuilding after a pause during the pandemic. We continued to follow up the support given to our portfolios throughout the pandemic, as now they have to deal with the cost-of-living crisis, which throws up another set of unique economic challenges. We are proactive, making contact and offering help where required.

Notable loans made by the Group included to Clapton Community Football Club, a 100% fan owned football club in East London. After helping them buy their ground in 2021, this year we were able to support the purchase of an adjacent building to help expand the ground.



We also helped High Harrogate Working Men's Club secure its future with the purchase of their property.



It's been rewarding to not only support the number of applications this year but also from so many diverse sectors. Glenkerry Co-operative Housing is an early 1970s housing development which was completed in 1978. It is a 14-story development consisting of 79 flats including 4 maisonettes. The complex was built on the designs of Erno Goldfinger (who inspired Ian Flemming for the James Bond character!).

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 organisations' that need specific support to be able to take on a loan.

The year also saw CCF provide back-office services for the Coop Foundation, Radical Roots and Solid Fund. We also continue to be on the investment panel of the Community Shares Unit Booster program.

ICOF Community Capital Ltd

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.

The society continued to generate healthy returns for both the organisation and the shareholders, with 1% interest on investments paid during the year.

Notable loans in the year included to the Kinsley Holt Centre. The community have come together to save and repurpose their local chapel as a thriving community centre providing an essential meeting space, shop and café for the area.

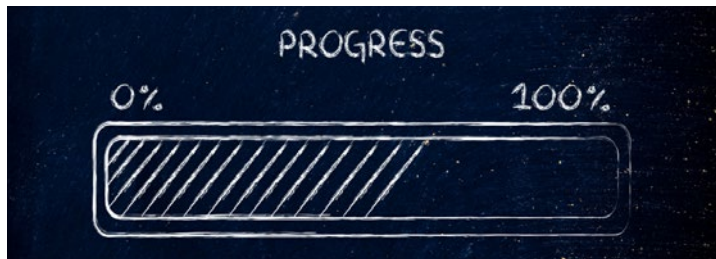
In 2023 we intend to encourage further share investment in ICC through the promotion of its open offer in order fund increased demand for lending following the pandemic.

The Directors are delighted to recommend an increased 1.25% payment of interest on members investments, that will go to the AGM in June 2023 for approval by shareholders.

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

Our EDI Journey

Over the past year and across CCF, we have been working on our approach to Equality, Diversity and Inclusion (EDI) which has included signing the Diversity Forum manifesto. If we want to build a better, fairer world – and we do – all voices need to be included. We know that voices of those marginalised and silenced need not just space to speak but space to be truly heard. We're proud to be on this journey and welcome any feedback you have on our progress so far.



Gender Pay Gap

We can report that our gender pay gap in 2022 was 4% (2021, 4%). The official UK pay gap among full time employees in 2022 was 8.3%.

And finally ...

I would like to take this opportunity to extend our warmest thanks to Susan Connor and John Forbes both of whom are retiring from the board.

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.



Kingsley Holt Community Centre

ICOF Group

Consolidated Summary Financial Statements

ICOF Community Capital Ltd

Summary Financial Statements

Consolidated statement of comprehensive income for the year ended 31 December 2022	2022	2021
	£	£
Turnover	292,698	316,184
Administrative expenses	(372,022)	(347,122)
Operating profit/(loss)	(79,324)	(30,938)
Other operating income	-	607
Income from investments	3,417	3,550
Interest receivable	8,865	107
Loss in fair value of investments	-	(16,096)
Profit/(loss) on ordinary activities before taxation	(67,042)	(42,770)
Tax on profit/(loss) on ordinary activities	-	-
Profit / (loss) on ordinary activities after taxation and total comprehensive income / (expenditure) for the year	(67,042)	(42,770)

Consolidated Balance Sheet as at 31 December 2022	2022	2021
	£	£
Fixed assets		
Tangible assets	20,610	4,287
Investments	159,952	159,005
	180,562	163,292
Current assets		
Debtors due within one year	398,878	278,100
Debtors falling after one year	2,015,410	1,696,932
Cash at bank and in hand	2,333,105	3,040,199
	4,747,393	5,015,231
Creditors: amounts due within one year	(1,470,916)	(1,693,673)
Net current assets	3,276,477	3,321,558
Total assets less current liabilities	3,457,039	3,484,850
Creditors: amounts due after one year	(1,029,386)	(990,155)
Net assets	2,427,653	2,494,695
Capital and reserves		
Other funds	1,219,983	1,219,983
Capital reserve	284,555	337,482
Profit and loss account	923,115	937,230
Shareholders' funds	2,427,653	2,494,695

Profit and Loss Account for the year ended 31 December 2022	2022	2021
	£	£
Turnover	41,416	40,121
Administrative expenses	(26,253)	(25,474)
Operating profit	15,163	14,647
Income from investments	700	706
Interest receivable	1,834	20
Profit on ordinary activities before taxation	17,697	15,373
Tax on loss on ordinary activities	-	-
Profit on ordinary activities after taxation	17,697	15,373

Balance Sheet as at 31 December 2022	2022	2021
	£	£
Fixed assets		
Investments	20,000	20,000
Current assets		
Debtors due within one year	44,378	52,084
Debtors falling after one year	646,140	596,971
Cash at bank and in hand	262,836	310,140
	953,354	959,195
Creditors: amounts due within one year	(2,340)	(2,220)
Net current assets	951,014	956,975
Net assets	971,014	976,975
Funding and reserves		
Funding	1,000,839	1,019,071
Profit and loss account	(29,825)	(42,096)
Shareholders' funds	971,014	976,975

The financial information presented in this report has been taken from the audited financial statements for the year ended 31 December 2022. It does not constitute the group's statutory accounts for the year ended 31 December 2022, or 31 December 2021. If you would like a copy of the audited Directors' Report and Financial Statements for the year ended 31 December 2022 they are available from Cooperative & 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 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.

As with our other companies there was a welcome return to lending after the uncertainty seen during the pandemic.

New loans were made in the coop housing and community asset sectors as well as a Cornish community looking to improve the wellbeing and social glue of the community through the purchasing of their village pub with help from ICO Fund plc. Located in hamlet of Newtown in St Martin within the Lizard Peninsula of South West Cornwall, The Prince of Wales pub has served its community for hundreds of years dating back as far as the 17th century as the village's only pub. After closure during the pandemic in 2020, locals have come together to organise the purchase of the pub developing a business that is community driven and provides customers with greater opportunities for connection.



The current loan book now stands at almost £1 million and over the life of the fund we have lent over £6 million. Regrettably, as the profit and loss reserves remain in a negative position, the Board is unable to recommend a dividend for 2022.

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 three 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 to one Community Benefit Society to better serve the needs of common ownership companies and co-operatives into the future.

Shareholders' Representative

The board were appointed as the plc representative by shareholders on the 30th June 2022. In accordance with the Articles of Association, they retire and offer themselves up for re- election in 2023.

Statement of comprehensive income for the year ended 31 December 2022	2022	2021
	£	£
Turnover	55,751	53,664
Administrative expenses	(86,323)	(82,832)
Operating loss	(30,572)	(29,168)
Income from investments	710	852
Interest receivable	5,114	57
Loss on ordinary activities before taxation	(24,748)	(28,259)
Tax on profit / (loss) on ordinary activities	nil	nil
Loss on ordinary activities after taxation and total comprehensive income for the year	(24,748)	(28,259)

Balance Sheet as at 31 December 2022	2022	2021
	£	£
Fixed assets		
Investments	20,947	20,937
Current assets		
Debtors due within one year	174,309	62,181
Debtors falling after one year	811,254	713,640
Cash at bank and in hand	738,936	928,079
	1,724,499	1,703,900
Creditors: amounts due within one year	(571,804)	(579,374)
Net current assets	1,152,695	1,124,526
Total assets less current liabilities	1,173,642	1,145,463
Creditors: amounts due after one year	(915,446)	(862,519)
Net assets	258,196	282,944
Capital and reserves		
Called up share capital	100	100
Capital reserve	284,554	337,481
Profit and loss account	(26,458)	(54,637)
Shareholders' funds	258,196	282,944

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CCF Trustees & ICC Directors

Dominica Cole, Norton Rose Fulbright LLP

Susan Connor, National Lottery Community Fund

Owen Dowsett, The British Council

John Forbes, Co-operatives UK

Daniel Holden, Unicorn Grocery

Nankunda Katangaza, Hook Tangaza

Maggie Rodrigues-Piza, Funding London

Jaye Martin, Coop Practitioner

Paul Mather, Midcounties Co-operative Society

Jon Nott, Campaign Against Arms Trade

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

Dominica Cole, Norton Rose Fulbright LLP

Susan Connor, National Lottery Community Fund

Owen Dowsett, The British Council

Daniel Holden, Unicorn Grocery

Nankunda Katangaza, Hook Tangaza

Maggie Rodrigues-Piza, Funding London

Jaye Martin, Coop Practitioner

Jon Nott, Campaign Against Arms Trade

Susan Connor is standing down Jon Nott and Dan Holden retire by rotation. 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 23.06.22)

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

Paul Mather, Midcounties Co-operative Society (Co-opted 01.11.22)

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.

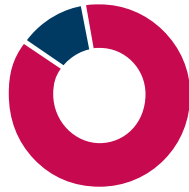
Trustees are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the profit or loss of the company and group for the period ending on that date. In preparing those financial statements,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

1-3 Gloucester Road
Bristol
BS7 8AA

tel 0800 464 7262

email: info@coopfinance.coop