

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

ANNUAL REPORT 2023



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

**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 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 51st 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 30th Annual Report to members of ICOF Community Capital Ltd.



ICOF Group

Last year was full of celebration as we looked back at 50 years of support and development for co-operative and community businesses. We celebrated borrowers old and new, engaged with former trustees, staff and supporters and in doing so created a wealth of blogs and interviews that produced some unique and heartwarming reflections on the organisations first half century.

After the bounce in lending that followed covid, 2023 continued to see strong demand with over £800k lent across all our funds with co-operative and community businesses continuing to rebuild post pandemic. We continued to follow up the support given to our portfolios through Covid particularly now as now they must deal with the cost-of-living crisis and high interest rates that 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 Stokes Croft Community Land Trust (SCLT). As well as helping with loan finance we were able to support their share offer with an equity investment from funds provided by the Access Foundation as part of a joint ICOF, CSI and Co-ops UK project. As ever, bringing several initiatives together allows us to offer greater levels of financial support.

SCLT was created as a grassroots institution registered in September 2014 to acquire sites and buildings within the neighbourhood of Stokes Croft with the purpose of being:

- A grass roots institution governed and run by local people capable of acquiring and stewarding community assets for the long-term

- A fund-raising mechanism that allows local property assets to be acquired on behalf of local people and made available for uses that are locally determined.



There were no lending losses in 2023.

We began several new initiatives this year including:

- **Access Foundation Flexible Finance for Recovery Booster 'Flex'** – Fund Management Partner programme between CCF, CSI and Co-ops UK (CUK). A blended finance programme to provide patient and flexible social investment for organisations post-Covid.
- **Social Investment Business – Enterprise Growth for Communities/ Thrive Together Fund.** The Thrive Together Fund (TTF) provides a funding package of loan (75%) and grant (25%) to eligible charities and social enterprises in England. The Fund is delivered by a partnership made up of Social Investment Business, Co-operative and Community Finance, Fredericks Foundation, Groundwork, Homeless Link and The Architectural Heritage Fund.
- **Energy Resilience Fund (ERF).** 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, LED's, solar PV, etc...

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 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 support, even into organisations that we were unable to help with our own funds.

We continued to work closely with Co-ops UK on the Community Shares Booster Fund Investment Panel helping to support and grow the sector through grant awards and equity investment

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

The year also saw CCF provide back-office services for the Coop Foundation, Radical Roots, Solidfund and the Worker Coops Federal Fund.

Financial Performance

In terms of the financial results ICOF Ltd had an excellent year, generating a net profit of £159,832. Income of £391,470 was higher than last year by 34%. The historically high BOE base rate played its part with increases in loan and bank interest income.

Notable items on the balance sheet include Ltd loan balances of £2,307,411. The net worth of the balance sheet increased by £159,832 (7%) to £2,326,658 reflecting the new Flex Fund capital of £140k in the reserves.

ICOF Community Capital Ltd

The society had another successful year both in terms of financial performance and supporting community businesses. Income was higher than last year and increased on budget, generating a strong net profit of £34,118. Items of note on the balance sheet include the loan book at £796,243, cash at £175,327 and membership shares of £991,933.

The society continued to generate healthy returns for both the organisation and the co-operative shareholders, with 1.25% interest on investments paid during the year.

We are delighted to be recommending a 2% interest payment on investments at this year's AGM.

In terms of lending, we were very happy to support both The Boot Inn and Lamarsh Lion, helping those communities strengthen their community assets.

In 2024 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.



The Lamarsh Lion Community Pub

Our EDI Journey

We are proud to share our EDI Action Plan for 2023-2024. Produced by our Board and Staff team, this Plan includes specific commitments and objectives to help us move with purpose towards real, measurable, change.

OUR EDI COMMITMENTS

Co-op and Community Finance is signed up to the seven [Diversity Forum Manifesto Commitments](#).

Our approach is that we aim to ensure:

- Equity, equality, diversity, and inclusion are embedded in our systems, culture, and processes.
- Every individual within CCF contributes to the ongoing implementation of the EDI action plan.
- We look for opportunities in how we work and who we lend to, to address the structural causes of inequality.
- We work in an open and transparent manner within the sector we serve.
- We foster a culture of respect, curiosity, diversity, and equality in order to provide an environment that encourages discussion and challenge.
- We promote, recognise, and enable best practices within our organisation and the broader sector through education, networks, and resources.
- We adopt a learning-as-we-go approach, learning about what works and what doesn't, internally and externally, while building our expertise

Gender Pay Gap

We can report that our gender pay gap in 2023 was 4.16% (2022, 4.41%). The official UK pay gap among full time employees in 2023 was 7.7%.

And finally ...

I would like to take this opportunity to extend our warmest thanks to Dominica Cole and Nankunda Katangaza 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 all their work relating to our 50th celebrations.



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 2023	2023	2022
	£	£
Turnover	391,470	292,698
Administrative expenses	(412,572)	(372,022)
Operating profit/(loss)	(21,102)	(79,324)
Other operating income	142,976	-
Income from investments	4,911	3,417
Interest receivable	33,047	8,865
Loss in fair value of investments	-	-
Profit/(loss) on ordinary activities before taxation	159,832	(67,042)
Tax on profit/(loss) on ordinary activities	-	-
Profit / (loss) on ordinary activities after taxation and total comprehensive income / (expenditure) for the year	159,832	(67,042)

Consolidated Balance Sheet as at 31 December 2023	2023	2022
	£	£
Fixed assets		
Tangible assets	29,045	20,610
Investments	160,051	159,952
	189,096	180,562
Current assets		
Debtors due within one year	270,640	398,878
Debtors falling after one year	2,036,771	2,015,410
Cash at bank and in hand	2,359,017	2,333,105
	4,666,428	4,747,393
Creditors: amounts due within one year	(1,187,357)	(1,470,916)
Net current assets	3,479,071	3,276,477
Total assets less current liabilities	3,668,167	3,457,039
Creditors: amounts due after one year	(1,080,682)	(1,029,386)
Net assets	2,587,485	2,427,653
Capital and reserves		
Other funds	1,359,983	1,219,983
Capital reserve	228,380	284,555
Profit and loss account	999,122	923,115
Shareholders' funds	2,587,485	2,427,653

Profit and Loss Account for the year ended 31 December 2023	2023	2022
	£	£
Turnover	60,440	41,416
Administrative expenses	(32,540)	(26,253)
Operating profit	27,900	15,163
Income from investments	716	700
Interest receivable	5,502	1,834
Profit on ordinary activities before taxation	34,118	17,697
Tax on loss on ordinary activities	-	-
Profit on ordinary activities after taxation	34,118	17,697

Balance Sheet as at 31 December 2023	2023	2022
	£	£
Fixed assets		
Investments	20,000	20,000
Current assets		
Debtors due within one year	33,189	44,378
Debtors falling after one year	763,054	646,140
Cash at bank and in hand	175,327	262,836
	971,570	953,354
Creditors: amounts due within one year	(2,520)	(2,340)
Net current assets	969,050	951,014
Net assets	989,050	971,014
Funding and reserves		
Funding	991,933	1,000,839
Profit and loss account	(2,883)	(29,825)
Shareholders' funds	989,050	971,014

The financial information presented in this report has been taken from the audited financial statements for the year ended 31 December 2023. It does not constitute the group's statutory accounts for the year ended 31 December 2023, or 31 December 2022. If you would like a copy of the audited Directors' Report and Financial Statements for the year ended 31 December 2023 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 £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.

As with our other companies there was a welcome return to lending after the uncertainty seen during the pandemic. New loans in the year included Oak House Sports and Social Club. Based in the heart of the picturesque Victorian spa town of Leamington Spa, Oak House Sports and Social Club has a long proud history of serving its community with origins dating back as far as the mid 1880's. David Jenkins, Treasurer of the community benefit society commented "We now have headroom and the confidence to push forward with our growth."

We were also able to support Calverts Free Press a printing cooperative rooted in activism within London's East End they secured finance as a returning borrower, 44 years after being the first co-op to fully repay its loan to Co-operative & Community Finance, back in 1979. Founded in 1977, Calverts is a design and printing workers' cooperative based in Bethnal Green, East London. As a 13-strong equal pay co-op, the business is built on a collective foundation where employees "jointly own and control the company, putting into action the cooperative values of equity, solidarity, democracy, self-help, self-responsibility and equality."

The ICO Fund plc had a strong year in terms of financial performance with income of £78,496, which was 40% higher than the previous year. The loan portfolio ended the year at £942,556 and the net worth on the balance sheet was £258,542. This includes shares of £1,754,024, representing 428 shareholders.

Whilst the company broke even, regrettably, the profit loss reserve remains negative. As such we are unable to recommend a dividend for 2023. 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 2017 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.

Statement of comprehensive income for the year ended 31 December 2023	2023	2022
	£	£
Turnover	78,496	55,751
Administrative expenses	(97,458)	(86,323)
Operating loss	(18,962)	(30,572)
Income from investments	724	710
Interest receivable	18,584	5,114
Loss on ordinary activities before taxation	346	(24,748)
Tax on profit / (loss) on ordinary activities	nil	nil
Loss on ordinary activities after taxation and total comprehensive income for the year	346	(24,748)

Balance Sheet as at 31 December 2023	2023	2022
	£	£
Fixed assets		
Investments	20,956	20,947
Current assets		
Debtors due within one year	81,566	174,309
Debtors falling after one year	860,990	811,254
Cash at bank and in hand	824,425	738,936
	1,766,981	1,724,499
Creditors: amounts due within one year	(557,774)	(571,804)
Net current assets	1,209,207	1,152,695
Total assets less current liabilities	1,230,163	1,173,642
Creditors: amounts due after one year	(971,621)	(915,446)
Net assets	258,542	258,196
Capital and reserves		
Called up share capital	100	100
Capital reserve	284,554	284,554
Profit and loss account	(26,112)	(26,458)
Shareholders' funds	258,542	258,196

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Shareholders' Representative

The board were appointed as the plc representative by shareholders on the 30th June 2023. In accordance with the Articles of Association, they retire and offer themselves up for re-election in 2024.

CCF Trustees & ICC Directors

Ruth Buchanan, Co-operatives UK

Dominica Cole, Norton Rose Fulbright LLP

Owen Dowsett, The British Council

Dan Holden, Unicorn Grocery

Nankunda Katangaza, Hook Tangaza

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

Dominica Cole, Norton Rose Fulbright LLP

Owen Dowsett, The British Council

Nankunda Katangaza, Hook Tangaza

Paul Mather, Midcounties Co-operative Society

Jaye Martin, Coop Practitioner

Jon Nott, Campaign Against Arms Trade

Maggie Rodrigues-Piza, Funding London

Dominica Cole and Nankunda Katangaza are standing down and Jaye Martin 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 five elected vacancies.

Trustees from nominated bodies

Ruth Buchanan, Co-operatives UK (nominated 20.06.23)

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.

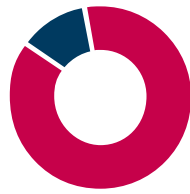
Trustees are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the profit or loss of the company and group for the period ending on that date. In preparing those financial statements,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

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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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