

Ulster Community Investment Trust Limited
T/a Community Finance Ireland
Annual report
for the year ended 31 December 2022

Ulster Community Investment Trust Limited

Annual report for the year ended 31 December 2022

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Ulster Community Investment Trust Limited

Trustees and advisers

Directors/Trustees

D McAteer (Chairperson)
C Blackbourne (Vice Chairperson)
A Barbour
S Bunni
J Evoy
E Holmes (resigned 16th June 2022)
S Lynch
J Malone (resigned 16th June 2022)
I McAvoy
M McGarrigle
U McGoey
D McIlldoon
S O'Prey
M Stroud
A Ward
A Zahringer

Solicitors

McCartan Turkington Breen
88 Victoria Street
Chancery House
Belfast
BT1 3GN

Creed Solicitors
255A Upper Newtownards Road
Belfast
BT4 3JF

Bankers

Allied Irish Bank (NI)
University Road
BT7 1ND

Audit and Risk Committee

Mrs S Lynch (Chairperson)
Mr A Barbour
Mrs C Blackbourne
Mr J Evoy
Mr I McAvoy
Mr D McIlldoon
Mr M Stroud

Independent Auditors

Grant Thornton (NI) LLP
Chartered Accountants and Statutory Auditors
12-15 Donegal Square West
Belfast
BT1 6JH

Key Management

D Traynor (Group Chief Executive)
B Connolly (Group Chief Financial Officer)
P Sharvin (Head of Community Finance (NI))
B Symes (Head of Community Finance (RoI))

Company Secretary

Barry Connolly

Registered Office and Principal Office

6th Floor, Glengall Exchange
3 Glengall Street
Belfast
BT12 5AB

Registered Number

IP 374

Charity Registration Number

NIC 100325

Ulster Community Investment Trust Limited

Trustees' report for the year ended 31 December 2022

The trustees, who are also directors of the Ulster Community Investment Trust Limited ("the Trust") for the purposes of company law, submit their annual report and the audited financial statements for the year ended 31 December 2022.

Basis of preparation

The financial statements of Ulster Community Investment Trust Limited have been prepared in compliance with Statement of Recommended Practice applicable to charities (SORP FRS 102) and United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969.

Principal activities and Business Review

The principal activity of the Trust is to provide social finance to organisations operating in the third sector. The directors consider the results for the year and the position of the Trust at the year-end to be satisfactory.

Objectives and activities

Summary description of the charitable purposes

The principal activities of the Trust are to promote the enhancement of employment prospects, education, skills and wellbeing of local people, through cross community projects and the establishment of a community based financial institution.

The objectives of the Trust are the promotion for the public benefit of urban and rural regeneration in areas of social and economic deprivation (and in particular in Northern Ireland and the Republic of Ireland) through the provision of financial and other assistance to organisations which are involved in regeneration work including those which perform all or any of the following activities:

- The relief of poverty;
- The relief of unemployment;
- The advancement of education, training or retraining particularly among unemployed people, and providing the unemployed with work experience;
- The provision of financial assistance, technical assistance or business advice or consultancy in order to provide training, employment and opportunities for self employment for unemployed people in cases of financial or other charitable need through help in setting up their own business or to existing business;
- The creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
- The provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
- The maintenance, improvement or provision of public amenities;
- The provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social circumstances have need of such facilities;
- The protection of conservation of the environment;
- The provision of public health facilities and childcare;
- The promotion of public safety and prevention of crime; and
- The support of any charities or charitable purposes as the Trustees in their absolute discretion see fit.

The Trust's strategy for achieving its objectives is to provide affordable loans to organisations, such as community and voluntary groups, local economic agencies, social enterprises, and relevant charities who are involved in providing services in line with its objectives.

Ulster Community Investment Trust Limited

Trustees' report for the year ended 31 December 2022 (continued)

Activities, achievements and performance

Public benefit statement

In setting the Trust's objectives and planning our activities for the year, the Trustees have given careful consideration to the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the Charity's purposes and provide a benefit to the beneficiaries. The Trustees believe that the Trust satisfies both elements of the public benefit requirement, that all the organisation's purposes must fall under one or more of the list of 12 descriptions of charitable purposes in the Charities Act, and be for the public benefit.

The first element of the public benefit requirement is demonstrated by the Trust's purpose Community Development being consistent with the listed purpose of 'The advancement of citizenship or community development'.

Evidence of the second element of the public benefit requirement is evidenced by the direct public benefits which flow from this purpose including:

- Increased employment opportunities through the financing of education and training, and workspaces and buildings;
- Better access to and quality of housing;
- Improved access to and quality of public amenities and recreational facilities;
- Better protection and conservation of the environment; and
- Improved provision of public health facilities and childcare.

The trustees do not judge there to be a possibility of harm from the charity's activities. The Trust's beneficiaries are the general public, particularly those living in areas of high deprivation and disadvantage. The only private benefit flowing from this purpose may be the benefit to trustees from training in good governance, finance etc. Through this training trustees gain skills and experience which are transferrable to other settings. These benefits are incidental and necessary to ensure the benefit is provided to our beneficiaries.

Public Benefit Reporting

The Trust continued lending and other core activities associated with a community based financial institution during the year.

In pursuance of its objectives, the Trust has developed the following Mission and Aims:-

Mission Statement:

"We want to create a world class community finance system that works tirelessly towards ensuring positive social impact is felt, not dreamt, amongst those that need it most."

Aims:

- To assist in job creation and the growth of the social economy in Ireland;
- To contribute to self-sustainability of third sector organisations;
- To attract investment to the sector;
- To work in partnership with others; and
- To maintain a mixed portfolio including a focus on disadvantage and exclusion.

In the year to 31 December 2022 the Trust (trading as Community Finance Ireland) considered and approved 34 applications (2021: 20) totalling £5,034,963 (2021: £2,060,000) in Northern Ireland. A further 96 applications (2021: 75) were approved in the Republic of Ireland, totalling €11,224,964 (2021: €6,495,000).

During the year £2,048,948 of new loans (2021: £2,035,000) were actually drawn down in Northern Ireland with a further €5,861,060 (2021: €4,428,000) in the Republic of Ireland. In both cases, the figures included loans approved in prior years. Finance has been provided for a wide variety of purposes including capital builds and working capital. In turn this has enabled local communities as well as communities of interest to access improved facilities and opportunities.

During 2018, the Trust successfully tendered for the Northern Ireland Small Business Loan Fund II ("NISBLF II") contract with Invest Northern Ireland ("Invest NI"). This is the successor fund to the Northern Ireland Small Business Loan Fund ("NISBLF"), the investment period for NISBLF having ended. The purpose of these funds is to provide finance to small existing and start-up businesses who have experienced difficulty accessing finance from the traditional providers. An investment of £25,000 continues to be held by one of the Trust's subsidiaries (UCI GP Limited) in NI Small Business Loan Fund LP, while investments of £27,585 and £114 are held by two of the Trust's other subsidiaries (UCI GP II Limited and UCI FP Limited respectively) in NISBLF II LP.

Ulster Community Investment Trust Limited

Trustees' report for the year ended 31 December 2022 (continued)

Activities, achievements and performance (continued)

Public Benefit Reporting (continued)

In total, 378 loans, amounting to £7,644,044 were made during NISBLF's investment period which ended during 2018. In NISBLF II, 35 loans (2021: 16) amounting to £1,369,628 (2021: £409,000) were approved in the year to 31 December 2022. 34 loans (2021: 12) were drawn in the year to 31 December 2022, amounting to £1,416,684 (2021: £224,000). The drawn figures included loans approved in the prior year. Total drawdowns in NISBLF II amounted to £5,782,434 to 31 December 2022 (2021: £4,365,750).

The funds provided have enabled many small owner-managed businesses to develop and expand their business, thereby maintaining existing jobs, providing opportunities for further employment and generally enhancing the local economy.

Financial review

During the year, the Group's total incoming resources were £2,069,331 (2021: £2,087,476).

After net administrative expenditure of £1,598,631 (2021: £1,368,262) the net surplus amounted to £470,700 (2021: £719,214). With a foreign exchange gain of £120,440 (2021: loss of £127,736), the amount of £591,140 (2021: £591,478) has been added to the Group's total funds giving a balance of £18,779,072 (2021: £18,214,932) at the balance sheet date. Expenditure in the year has provided the Group with the resources necessary to make loans into those sectors consistent with its aims and to subsequently monitor its portfolio.

The total gross amount of the loan portfolios transferred in 2001 from the Department of Social Development and the Department of Agriculture and Rural Development was £5,100,000 and £1,500,000 respectively. The portfolios were recorded in the Group's accounts at fair value, after provisions made of £3,012,000. The Group is committed to recovering these loans, and recoveries of £7,200 have been made in 2022 (2021: £107,418). The outstanding balance of this portfolio at 31 December 2022 is £21,849 (2021: £28,617).

The Group's policy on reserves is to retain a level of unrestricted reserves which meets the operating needs of the Group for at least six months and provides sufficient liquidity for the current and projected level of loans approved and drawn down.

Unrestricted reserves are those reserves which are available for general use. At the end of the year, the Group held £7,358,407 in cash reserves (2021: £5,660,582).

The main sources of funding for the Group in the year have been existing cash reserves, the repayment of loans from clients, and donations from trading subsidiaries.

As noted, the Group holds investments in the Northern Ireland Small Business Loan Fund LP and NISBLF II LP. The objectives of these funds are consistent with the Trust's own objectives.

The Trust continues to hold 100% of the capital of Ulster Community Investment Trust (Ireland), which also trades as Community Finance Ireland. In 2016, to ensure the subsidiary's sustainability, the Trust converted the outstanding amount owed to it by the subsidiary to equity. This resulted in the Trust's investment in the subsidiary's share capital increasing by £1,291,584 with the subsidiary's share capital increasing by €1,583,910.

One new member (Crusheen GAA) joined the Trust during the year, buying 250 shares at a cost of £1 per share. This increased the Trust's share capital to £27,250 (2021: £27,000).

Funding

The directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

Structure, Governance and Management

Details of the charity's Rules

The Trust is a charitable organisation established as a Registered Society (registered number IP 374) on 2 June 1999, under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and 1976 and is governed by the Rules of the Trust. It was registered with the Charity Commission for Northern Ireland on 27 November 2014 (charity registration number NIC 100325), having previously registered as a charity on 5 June 2000 with the Inland Revenue and having renewed this registration with HMRC on 25 November 2013 (HMRC Charity Ref No. NI00181). However, due to the Court of Appeal judgement in the case of McKee & Others v Charity Commission for Northern Ireland, all charity registrations made prior to May 2019 are currently void. The Trust remains a charity in law.

Ulster Community Investment Trust Limited

Trustees' report for the year ended 31 December 2022 (continued)

Structure, Governance and Management (continued)

Details of the charity's Rules (continued)

On 6 April 2018, operational responsibility for the registration of Northern Ireland credit unions and Industrial and Provident Societies moved to the Financial Conduct Authority (FCA) from the Department for the Economy. On the same date the remaining provisions of the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 came into force.

Under the rules of the Trust the members of the Trust shall be the persons holding the minimum number of shares in the Trust and whose names are entered in the register of members. The trustees may in their discretion admit to membership any individual persons over the age of 16 years (including the nominees of bodies unincorporate), societies and companies who shall have completed the required application form and paid at least the minimum shareholding of £250.

The Directors of the Trust are also charity trustees for the purpose of charity law. The Board of Directors comprises not less than six persons nor more than twenty persons elected by the members at the Annual General Meeting of the Trust, and the Chief Executive of the Trust from time to time by virtue of his office.

The trustees may, from time to time, co-opt to fill any vacancies in the positions of trustees, for any period, any suitable persons (whether members of the Trust or not) to serve as trustees. The trustees may also remove such persons. Such persons may take part in the deliberations of the trustees and vote at any meetings thereof. Not more than four such persons, whose period of office shall last to the annual general meeting following their appointment when they may stand for re-election, may serve as trustees at any one time.

At the conclusion of every Annual General Meeting one-third or the nearest number thereto of trustees retire from office. The trustees to retire are those who have been longest in office since they last became trustees, but as between those who became trustees on the same day shall be selected by lot unless otherwise agreed amongst themselves. A retiring trustee is eligible for re-election without nomination.

Governance and management

The induction process for all newly appointed trustees comprises an initial meeting with the Chair, followed by a meeting with the Company Secretary, where they are provided with an induction pack. This contains a brief history of the Trust, a copy of board and sub-committee minutes, a copy of the latest annual report and financial statements and a copy of the rules of the Trust.

The business of the Trust is conducted by the Board. The Board exercises all such powers as may be exercised by the Trust and are not by the rules or by statute required to be exercised by the Trust in a General Meeting, subject nevertheless to the provisions of the rules and any regulations not inconsistent with the rules made from time to time by the Trust in a General Meeting. Any person acting in good faith and without prior notice shall not be concerned to see or inquire whether the powers of the Board have been restricted by any regulations so made. The Board, in all things, acts for and in the name of the Trust.

Individual loans to the value of £250,000 or €300,000 can be jointly authorised by a Client Relationship Executive and the Head of the relevant region. Individual loans between £250,000 and £1,250,000 or €300,000 and €1,500,000 must also be approved by the Chief Executive and the Credit Committee, while any individual loans above £1,250,000 or €1,500,000 must get the approval of the full board.

The Trust has a subsidiary based in the Republic of Ireland, Ulster Community Investment Trust (Ireland), a Designated Activity Company with 1,583,912 shares, all of which are owned outright by the Trust.

The Trust also has another limited company subsidiary, Ulster Community Finance Limited. This is a trading subsidiary performing fund management which donates all profits to the Trust.

Ulster Community Finance Limited has three further subsidiaries, UCI GP Limited, UCI GP II Limited, and UCI FP Limited. UCI GP Limited, together with Invest NI, forms the Northern Ireland Small Business Loan Fund Limited Partnership, while UCI GP II Limited and UCI FP Limited (a dormant company) form NISBLF II Limited Partnership, also with Invest NI.

A small number of trustees are involved in organisations which have applied for or hold loans with the Trust. All trustees are asked about potential conflicts of interest at the start of each board or sub-committee meeting and where a relevant application or loan is to be discussed, a trustee with conflicts must remove themselves from that part of the meeting. Where loans have been made to parties that trustees are involved with, disclosure is made in the Annual Report.

Management pay is decided upon by the Board of the Trust, following recommendation from the HR & Governance subcommittee.

Ulster Community Investment Trust Limited

Trustees' report for the year ended 31 December 2022 (continued)

Structure, Governance and Management (continued)

Risk management

The trustees have considered all the major risks to which the Trust is exposed and have reviewed those risks and established systems and procedures to manage them. The Trustees deem the main risk to be within the lending portfolio but an appropriate grading system has been established which ensures a constant monitoring of the lendings to moderate any potential bad debt.

Credit risk

The Trust has implemented policies that require appropriate due diligence on potential borrowers before loans are advanced. The amount of exposure to individual borrowers is subject to limits, which are reassessed regularly by the board.

Financial risk management

As the Trust has only limited borrowings it has no significant liquidity issues but as its main source of income is derived from lending, provided on a fluctuating basis, it is subject to interest rate risk. The Trustees have, however, put in place measures to mitigate this risk into the future.

Work on the recovery of bad debt, which was taken over at the time of establishment of the Trust, has been ongoing in the year. Most of the remaining clients are working closely with us to resolve their problems and we are confident that we will be able to make arrangements with them to deal with their debts within a reasonable time scale.

Reference and administrative information

Details of the charity, trustees, company secretary and other advisers are listed on page 1.

Exemptions from disclosure

As the ultimate parent company the Trust has not taken exemptions from disclosures available under FRS 102.

Funds held as custodian trustees on behalf of others

The Trust holds no funds as custodian trustees on behalf of others.

Plans for future periods

In pursuance of its mission the Trust and its subsidiaries will continue to provide competitive, flexible and tailored lending, investment and business support to the third sector throughout Ireland. The Trust will continue to develop strategic alliances and work with other organisations within the social economy for the overall benefit of the third sector. Signposting along with training and mentoring will continue to play a big part in skilling and building the capacity of the sector and with its knowledge and financial expertise the Trust will continue to impart that information to its clients.

Statement of trustees' responsibilities

The trustees, who are also directors of Ulster Community Investment Trust Limited for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and have been prepared in accordance with the Companies Act 2014, Charities Act (Northern Ireland) 2008 and regulations 8, 14, and 15 of The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. Under company law the directors must not approve the group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Ulster Community Investment Trust Limited

Trustees' report for the year ended 31 December 2022 (continued)

Statement of trustees' responsibilities (continued)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969.

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

They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the trustees in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

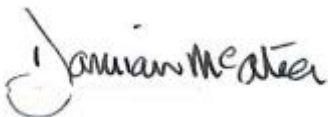
Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Independent auditors

The auditors, Grant Thornton (NI) LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



D McAteer
Chairperson
15 June 2023

Ulster Community Investment Trust Limited

Independent auditors' report to the members of Ulster Community Investment Trust Limited

Opinion

We have audited the financial statements of Ulster Community Investment Trust Limited ("the trust"), which comprise the Consolidated statement of financial activities, the Consolidated and the Company balance sheet, the Consolidated Statement of cash flows, the Consolidated and Company statement of changes in equity for the year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Ulster Community Investment Trust Limited financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group's and the trust's affairs as at 31 December 2022 and of the group's incoming resources and application of resources and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 trustees' use of 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 trust's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Trustees' Report. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 in the financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report, included within the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Ulster Community Investment Trust Limited

Independent auditors' report to the members of Ulster Community Investment Trust Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Matters on which we are required to report by exception

Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- The information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Trustees' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as trustees determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the trust'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 management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the group's and the trust's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

A further description of an auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Employment Law, Environmental Regulations and Health and Safety laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

Ulster Community Investment Trust Limited

Independent auditors' report to the members of Ulster Community Investment Trust Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

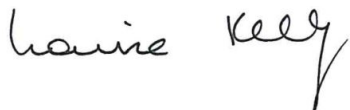
In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of director's meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates including provisions for loan due from community development organisations; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Kelly (Senior Statutory Auditor)

For and on behalf of

Grant Thornton (NI) LLP

Chartered Accountants & Statutory Auditors

Belfast

16 June 2023

Ulster Community Investment Trust Limited

Consolidated Statement of Financial Activities for the year ended 31 December 2022

		2022	2021
	Note	Unrestricted £	Unrestricted £
Incoming resources			
Interest receivable		1,162,903	1,228,449
Fee income		896,581	830,099
Other income		9,847	28,928
Total incoming resources	3	2,069,331	2,087,476
Resources expended			
Charitable activities	4	(1,607,826)	(1,500,793)
Other resources expended			
Bad debts recovered		9,110	110,165
Foreign exchange gain		85	22,366
Total net administrative expenses		(1,598,631)	(1,368,262)
Net income for the year		470,700	719,214
Foreign exchange gain / (loss) on translation of subsidiary		120,440	(127,736)
Net movement in funds		591,140	591,478
Fund balance brought forward		18,187,932	17,596,454
Fund balance carried forward		18,779,072	18,187,932

All incoming resources and resources expended are derived from continuing activities.

The notes on pages 17 to 25 form an integral part of these financial statements.

Ulster Community Investment Trust Limited

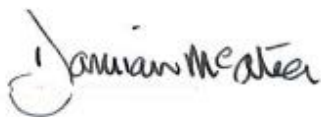
Consolidated balance sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	857,463	902,100
Investments	7	52,500	74,030
		909,963	976,130
Current assets			
Debtors: amounts falling due after more than one year	8	21,054,849	19,844,670
Debtors: amounts falling due within one year	8	4,439,872	4,473,283
Cash at bank and in hand		7,358,407	5,660,582
		32,853,128	29,978,535
Creditors: amounts falling due within one year	9	(3,533,723)	(2,687,236)
Net current assets		29,319,405	27,291,299
Total assets less current liabilities		30,229,368	28,267,429
Creditors: amounts falling due after more than one year	10	(11,423,045)	(10,052,496)
Net assets		18,806,323	18,214,933
The funds of the charity			
Called up share capital	12	27,250	27,000
Unrestricted income funds		18,779,072	18,187,932
Other reserves		1	1
Total charity funds		18,806,323	18,214,933

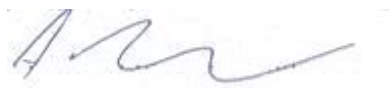
The total net income of the parent has been disclosed in note 1(d).

The notes on pages 17 to 25 form an integral part of these financial statements.

The financial statements on pages 12 to 25 were approved by the board on 15 June 2023 and were signed on its behalf by:



D McAteer
Chairperson



A Zahringer
Trustee



B Connolly
Secretary

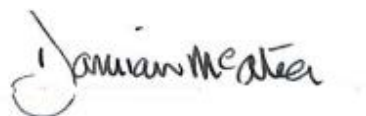
Ulster Community Investment Trust Limited

Company balance sheet as at 31 December 2022


	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	853,115	894,442
Investments	7	1,341,590	1,363,122
		2,194,705	2,257,564
Current assets			
Debtors: amounts falling due after more than one year	8	9,128,168	9,164,415
Debtors: amounts falling due within one year	8	1,237,269	2,281,689
Cash at bank and in hand		5,695,592	4,180,559
		16,061,029	15,626,663
Creditors: amounts falling due within one year	9	(157,293)	(165,280)
Net current assets		15,903,736	15,461,383
Total assets less current liabilities		18,098,441	17,718,947
Creditors: amounts falling due after more than one year	10	(312,894)	(346,859)
Net assets		17,785,547	17,372,088
The funds of the charity			
Called up share capital	12	27,250	27,000
Unrestricted income funds			
At 1 January		17,345,088	16,890,876
Surplus for the year		413,209	454,212
Total unrestricted income funds		17,758,297	17,345,088
Total charity funds		17,785,547	17,372,088

The notes on pages 17 to 25 form an integral part of these financial statements.

The financial statements on pages 12 to 25 were approved by the board on 15 June 2023 and were signed on its behalf by:



D McAteer
Chairperson



A Zahringer
Trustee



Mr B Connolly
Secretary

Ulster Community Investment Trust Limited

Consolidated Statement of cash flows for the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
<i>Net cash generated on operating activities</i>		1,573,755	1,934,659
Cash flows from investing activities			
Dividends, interest, and rents from investments		8,263	16,791
Purchase of property, plant, and equipment	6	(17,950)	(61,539)
Loss/(proceeds) from sale of investments		13,067	(45,732)
<i>Net cash generated on investing activities</i>		3,380	984
Cash flows from financing activities			
Issuance of share capital		250	250
<i>Change in cash and cash equivalents in the year</i>		1,577,385	1,935,893
Cash and cash equivalents at the beginning of the year		5,660,582	3,852,425
Change in cash and cash equivalents due to exchange rate movements		120,440	(127,736)
Cash and cash equivalents at the end of the year		7,358,407	5,660,582

Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year	470,700	719,214
<i>Adjustments for:</i>		
Depreciation charges	62,587	53,335
Impairment of investment	8,463	-
Dividends, interest, and rents from investments	(8,263)	(16,791)
Movement in debtors	(1,176,768)	2,335,323
Movement in creditors	2,217,036	(1,156,422)
Net cash generated on operating activities	1,573,755	1,934,659

Ulster Community Investment Trust Limited

Consolidated statement of changes in equity for the year ended 31 December 2022

	Called up share capital £	Unrestricted income funds £	Other reserves £	Total £
Balance at 1 January 2022	27,000	18,187,932	1	18,214,933
Issue of share capital in the year	250	-	-	250
Net movement in funds for the year	-	470,700	-	470,700
Foreign exchange (loss) on translation of foreign subsidiary	-	120,440	-	120,440
Balance at 31 December 2022	27,250	18,779,072	1	18,806,323

Consolidated statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Unrestricted income funds £	Other reserves £	Total £
Balance at 1 January 2021	26,750	17,596,454	1	17,623,205
Issue of share capital in the year	250	-	-	250
Net movement in funds for the year	-	719,214	-	719,214
Foreign exchange (loss) on translation of foreign subsidiary	-	(127,736)	-	(127,736)
Balance at 31 December 2021	27,000	18,187,932	1	18,214,933

Company statement of changes in equity for the year ended 31 December 2022

	Called up share capital £	Unrestricted income funds £	Total £
Balance at 1 January 2022	27,000	17,345,088	17,372,088
Issue of share capital in the year	250	-	250
Net movement in funds for the year	-	413,209	413,209
Balance at 31 December 2022	27,250	17,758,297	17,785,547

Company statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Unrestricted income funds £	Total £
Balance at 1 January 2021	26,750	16,890,876	16,917,626
Issue of share capital in the year	250	-	250
Net movement in funds for the year	-	454,212	454,212
Balance at 31 December 2021	27,000	17,345,088	17,372,088

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2022

1 General information

The principal activity of the company is to provide social finance to organisations operating in the third sector. The address of the registered office is 6th Floor, Glengall Exchange, 3 Glengall Street, Belfast BT12 5AB.

Statement of compliance

The financial statements of Ulster Community Investment Trust Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2014 and the Statement of Recommended Practice (SORP) FRS 102. The Trust has adapted the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and 1976 formats to reflect the Charities SORP and the special nature of the Trust’s activities.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted SORP FRS 102.

(a) Historical cost convention

The financial statements are prepared under the historical cost convention.

(b) Going concern

These financial statements have been prepared on a going concern basis based on the fact that the charity has substantial reserves and cash funds to enable the group to continue to trade for the foreseeable future. The Directors have reviewed budgets and forecasts provided and are comfortable that adequate funding is in place for the charity to be signed off as a Going Concern.

(c) Consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the Trust and its subsidiary undertakings made up to 31 December 2022. Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(d) Parent company statement of financial activity

The parent company has taken the exemption from presenting its statement of financial activity. The net incoming resources for the year of the parent company were £413,209 (2021: £454,212).

(e) Incoming resources

Incoming resources relates to interest due on loans provided after provisions as well as interest due from bank deposits during the year. All incoming resources are included in the Statement of Financial Activities on an accruals basis when the Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(f) Grants

Grants received for the purpose of lending to and investing in Community Economic Development Organisations or relating to employees are credited to the Statement of Financial Activities when received.

(g) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities based on level of activity.

(h) Charitable activities

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to supply them.

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 General information (continued)

(i) Governance costs

Governance costs include those costs incurred in the governance of its assets which are associated with constitutional and statutory requirements.

(j) Pension costs

The Trust operates a defined contribution scheme for its employees. Contributions are charged to the statement of financial activities in the period to which they relate.

(k) Foreign currencies

Company

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the Balance Sheet date or the exchange rate of related foreign exchange contract where appropriate. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the date of the transaction. The resulting gain or loss is dealt with in the statement of financial activities.

Group

The results and financial position of all the subsidiary undertakings that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; and
- income and expenses for each profit and loss account are translated at average exchange rates.

All resulting exchange differences are recognised as a movement in profit and loss reserves.

(l) Taxation

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Trust's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

(m) Tangible assets

Tangible assets are stated at cost less accumulated depreciation.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Property	2
Office equipment	10 – 33

(n) Investments

Fixed asset investments are stated at their purchase cost less any provision for impairment. Impairment reviews are performed when there has been an indication of potential impairment.

(o) Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

(p) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks.

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 General information (continued)

(q) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the Statement of changes in equity.

(s) Fund accounting

The Trust only holds unrestricted funds which are expendable at the discretion of the trustees in furtherance of the aims of the Trust.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

Exemptions on transition to FRS 102.

Provisions on loans to community development organisations are based on expert judgement and experience. Each provision is determined on a case by case basis and reviewed by senior management on a regular basis.

(b) Critical accounting estimates and assumptions

Management apply certain judgements and estimates to the loan balances to community development organisations in determining the recoverable amount at the year end. These judgements and estimates are based on historical repayment information and other specific information on a client basis. Management apply a percentage estimate to the total loan balance outstanding in order to estimate the amount that is deemed irrecoverable at the year end.

2 Taxation

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Trust's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

3 Incoming resources

	2022	2021
	£	£
Charitable activities		
Interest receivable	1,162,903	1,228,449
Fee income	363,081	294,000
Other income	1,584	12,137
Trading activities:		
Fee income	533,500	536,099
Other income	8,263	16,791
	2,069,331	2,087,476

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

4 Charitable activities

	2022	2021
	£	£
Staff costs (Note 5)	786,417	690,421
Administrative expenses	697,877	703,195
Depreciation	62,587	53,335
Governance costs:		
Professional, legal and consultancy costs	21,723	14,220
Board travel and meeting costs	9,222	945
Auditors' remuneration for audit	30,000	38,677
	1,607,826	1,500,793

5 Employee information

	2022	2021
Group	£	£
Staff costs:		
Wages and salaries	670,781	589,069
Social security costs	63,683	54,587
Pension costs	51,953	46,764
	786,417	690,420

	Number 2022	Number 2021
Average monthly number of persons employed by the group during the year by activity was:		
Administration	16	15

The total amount paid to key management personnel during the year in relation to the charitable entities was £202,802 (2021: £184,941).

	2022	2021
Company	£	£
Staff costs:		
Wages and salaries	323,538	357,966
Social security costs	26,492	29,906
Pension costs	27,090	32,372
	377,120	420,244

	Number 2022	Number 2021
Average monthly number of persons employed by the company during the year by activity was:		
Administration	9	9

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Employee information (continued)

Trustee emoluments

Trustees do not receive any remuneration for their services. In 2022, £1,035 was recognised in relation to out of pocket expenses (2021: £392). Indemnity insurance for directors and officers has been purchased by the charity at a charge of £11,061 (2021: £7,012).

The number of employees whose total employee benefits (excluding employer pension costs) for the year exceeded £60,000 is given below:

	Number 2022	Number 2021
£60,000 - £69,999	1	-
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-

6 Tangible assets

Group	Property £	Office Equipment £	Total £
Cost			
At 1 January 2022	702,878	354,884	1,057,762
Additions	-	17,950	17,950
At 31 December 2022	702,878	372,834	1,075,712
Accumulated depreciation			
At 1 January 2022	32,802	122,860	155,662
Charge for the year	14,058	48,529	62,587
At 31 December 2022	46,860	171,389	218,249
Net book amount			
At 31 December 2022	656,018	201,445	857,463
At 31 December 2021	670,076	232,024	902,100

Company	Property £	Office Equipment £	Total £
Cost			
At 1 January 2022	702,878	331,192	1,034,070
Additions	-	17,466	17,466
At 31 December 2022	702,878	348,658	1,051,536
Accumulated depreciation			
At 1 January 2022	32,801	106,829	139,630
Charge for the year	14,058	44,733	58,791
At 31 December 2022	46,859	151,562	198,421
Net book amount			
At 31 December 2022	656,019	197,096	853,115
At 31 December 2021	684,134	208,249	892,383

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Investments

Group	Other investments £
Cost	
At 1 January 2022	80,944
Disposals	(13,067)
At 31 December 2022	67,877
Amounts written off	
At 1 January 2022	6,914
Amounts impaired during the year	8,463
At 31 December 2022	15,377
Net book amount	
At 31 December 2022	52,500
At 31 December 2021	74,030

Company	Investments insubsiary undertakings £	Other investments £	Total £
Cost			
At 1 January 2022	1,341,591	28,446	1,370,037
Disposals	-	(13,067)	(13,067)
At 31 December 2022	1,341,591	15,379	1,356,970
Amounts written off			
At 1 January 2022	-	6,916	6,916
Amounts impaired during the year	-	8,463	8,463
At 31 December 2022	-	15,379	15,379
Net book amount			
At 31 December 2022	1,341,591	-	1,341,591
At 31 December 2021	1,341,591	21,531	1,363,122

Other investments comprise the Trust's Limited Partnership interest in the Big Issue Social Enterprise Investment Fund L.P. and an investment in Orchard Community Energy bonds. Disposals in the year related to repayment of the Trust's investment in the Big Issue Social Enterprise Investment Fund L.P.

The parent company has the following investments in subsidiary undertakings which had a cost of £1,341,591 (2021: £1,341,591) in total. These are:

Company	Country of Registration	Nature of Business	Proportion of ordinary shares held by the company
Ulster Community Finance Limited	Northern Ireland	Fund management	100%
Ulster Community Investment Trust (Ireland)	Republic of Ireland	Economic regeneration	100%

Ulster Community Finance Limited recorded net incoming resources of £224,095 for the year to 31 December 2022 (2021: £204,413) and had net assets of £50,684 (2021: £50,684) at that date.

Ulster Community Investment Trust (Ireland) had net incoming resources for the year of €69,621 (2021: €308,099) and had net assets of €2,603,764 (2021: €2,534,143).

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due after more than one year				
Loans to community development organisations	21,054,849	19,844,670	9,128,168	9,164,415
Amounts falling due within one year				
Amounts due from subsidiary undertaking	-	-	49,468	39,757
Loans to community development organisations	4,387,857	4,422,956	1,146,699	2,198,069
Prepayments and accrued income	52,015	50,327	41,102	43,863
	4,439,872	4,473,283	1,237,269	2,281,689
Total debtors	25,494,721	24,317,953	10,365,437	11,446,104

Loans to community development organisations are made at a commercial rate of interest ranging from 2-5% plus BoE base rate. Excluding those loans which were inherited at £nil cost, loans to community development organisations are stated after provisions of £300,442 (2021: £318,917) for the group and £187,549 (2021: £237,029) for the company. Amounts due from the subsidiary undertaking are unsecured, interest-free and are repayable on demand.

9 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	15,155	20,124	5,970	6,587
Accruals and deferred income	170,510	213,856	114,416	113,961
Loans	3,348,058	2,453,256	36,907	44,732
	3,533,723	2,687,236	157,293	165,280

Loans consists of loans made to the company for the purpose of onlending to the community sector and a mortgage on the main office and attract interest at various rates.

Assets held as security in relation to the mortgage consist of the office property and form a charge to the bank.

Loans from the Social Finance Foundation are held by Ulster Community Investment Trust (Ireland) and are secured by way of an assignment over those loans made by the Trust that are funded by the Social Finance Foundation.

Amounts due to the subsidiary undertaking are unsecured, interest-free and are repayable on demand.

10 Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Loans	11,423,045	10,052,496	312,894	346,859

Loans consists of loans made to the company for the purpose of onlending to the community sector and a mortgage on the main office, are repayable after more than one year and attract interest at various rates.

Assets held as security in relation to the mortgage consist of the office property and form a charge to the bank.

Loans from the Social Finance Foundation are held by Ulster Community Investment Trust (Ireland) and are secured by way of an assignment over those loans made by the Trust that are funded by the Social Finance Foundation.

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Financial instruments

The company has the following financial instruments:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Financial assets held at amortised cost				
Amounts due from subsidiary undertaking	-	-	49,468	39,757
Cash at bank	7,358,407	5,660,582	5,695,592	4,180,559
Loans to community development organisations	25,442,706	24,267,626	10,274,867	11,362,484
	32,801,113	29,928,208	16,019,927	15,582,800
Financial liabilities held at amortised cost				
Amounts due to subsidiary undertaking		-		-
Trade creditors	(15,155)	(20,124)	(5,970)	(6,587)
Accruals and deferred income	(170,510)	(213,856)	(114,416)	(113,961)
Loans	(14,771,103)	(12,505,752)	(349,801)	(391,591)
	(14,956,768)	(12,739,732)	(470,187)	(512,139)
Total financial instruments	17,844,345	17,188,476	15,549,740	15,070,661

12 Called up share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
27,250 (2021: 27,000) ordinary shares of £1 each (see Note 12)	27,250	27,000

One new member joined the Trust during the year, buying 250 shares at a cost of £1 per share.

13 Capital

The Trust is a registered society. Each member has undertaken to contribute £250 to the assets of the Trust to meet its liabilities if called on to do so. The total amount contributed by members at 31 December 2022 is £27,250 (2021: £27,000). 250 shares of £1 each were purchased by one new members during the year.

Ulster Community Investment Trust Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Related party transactions and ultimate controlling party

There is no ultimate controlling party.

The company has taken advantage of the exemptions contained in FRS 102 not to disclose transactions with related parties that are subsidiary companies as all of the voting rights of the companies are controlled within the group.

Directors of Ulster Community Investment Trust Limited and its subsidiaries who through their position in companies to which Ulster Community Investment Trust Limited and its subsidiaries provide loans to are included as a related party under FRS 102. The balance on loans payable by these organisations at the 31 December 2022 and 2021 is included in the table below.

Director	Company	Position in company	Total loan outstanding at year end	
			2022 £	2021 £
Mr S O'Prey	West Belfast Enterprise Board Limited	Chief Executive	370,147	399,126

15 Financial Commitments

The Group had financial commitments relating to loans to community development organisations of £9,352,672 at 31 December 2022 (2021: £7,153,962).

At 31 December the Trust had no annual commitments under non-cancellable operating leases.