

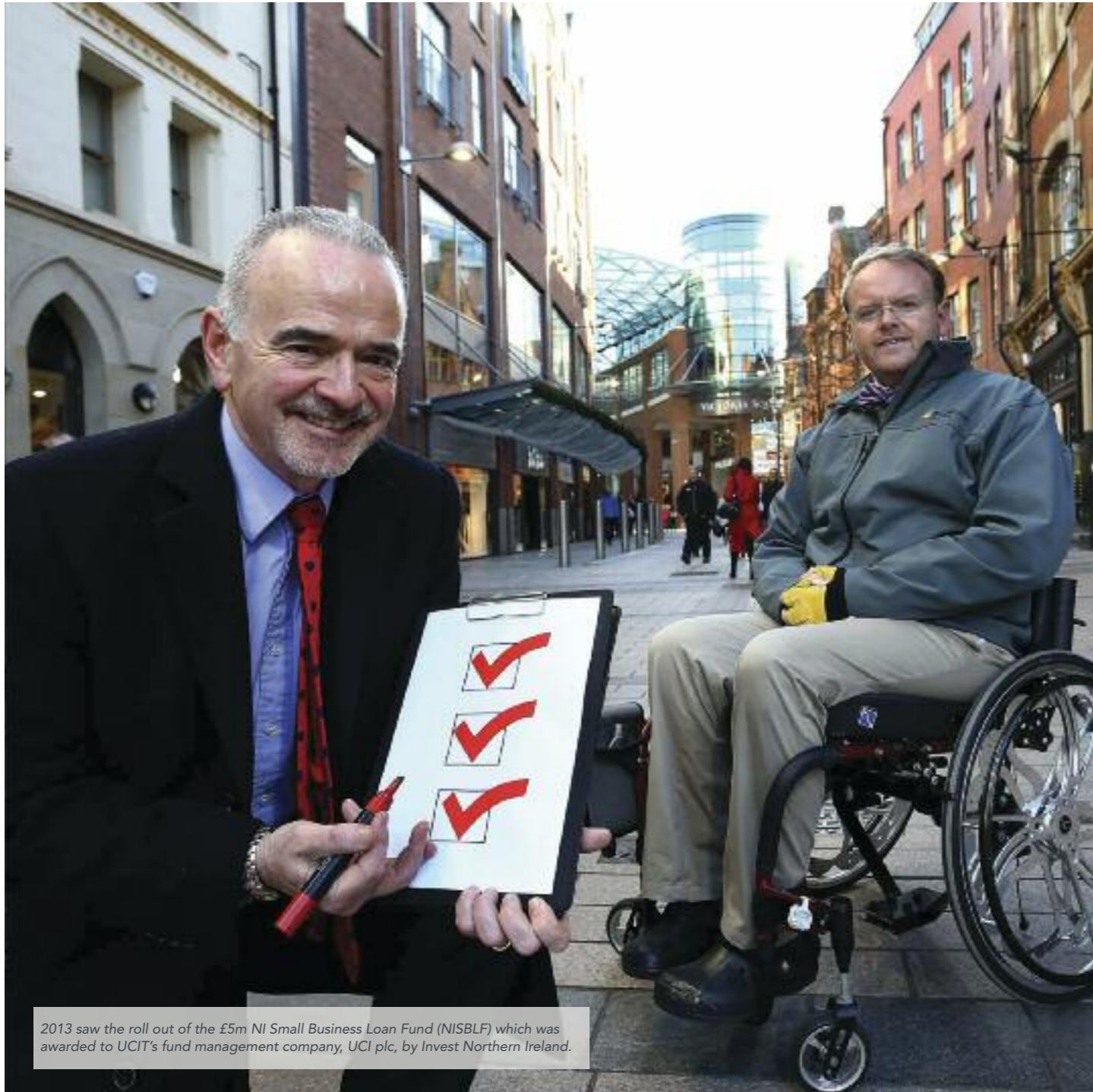
Ulster Community Investment Trust

JOBS GROWTH INVESTMENT

Social Impact &
Financial Highlights 2013



Financing Social Enterprise



2013 saw the roll out of the £5m NI Small Business Loan Fund (NISBLF) which was awarded to UCIT's fund management company, UCI plc, by Invest Northern Ireland.

66



LOANS APPROVED
TO COMMUNITY
ORGANISATIONS, CHARITIES
AND SOCIAL ENTERPRISES
THROUGHOUT IRELAND

CHAIRMAN'S REPORT



It was my privilege to take over as Chairman of Ulster Community Investment Trust (UCIT) last year and I am very pleased to report that 2013 has again been a success for UCIT. Despite ongoing difficult economic conditions, we have continued to grow our operations and reputation as one of the leading social finance providers in both Northern Ireland and the Republic of Ireland.

During the year UCIT approved loans of £5.35m for Charities, Community Organisations and Social Enterprises in Northern Ireland and the Republic of Ireland. In addition we have also seen the roll out of the new £5 million Northern Ireland Small Business Loan Fund which was awarded in 2012 to our fund management company UCI plc by Invest Northern Ireland. This represents an important strategic diversification by UCIT into Funds Management, and opens opportunities to assist in the creation of employment in the private sector, complementing our work in the social economy sector. Since the first loan was drawn down in April 2013, in excess of £1.2 million in loans has been invested in 60 new and existing small businesses throughout Northern Ireland.

In the Republic of Ireland our business continues to expand and during the year an additional member of Staff has been employed with more to be employed in the coming year. I would once again thank the Social Finance Foundation for their invaluable support which has allowed our business grow rapidly. It is now the fastest growing division within our group.

I am pleased to report our financial position and liquidity remain strong, and with careful management of the portfolio impaired loans were kept to a minimum. However to grow our business and expand in line with our strategy and provide for the future needs of the sector, we continue to seek out further

capital sources. In Northern Ireland we continue to build our already close links with Big Society, Building Change Trust and Government, with particular emphasis being placed on potential access to additional capital.

Finally, I would like to mention my fellow board members who give of their time so freely, and to thank them for their support, enthusiasm and counsel and in particular the outgoing Chair, for his hard work and guidance over a period of 5 years. During the year we have had a number of changes to the Board and I would like to welcome three new Directors, Thelma Armstrong, Douglas McIlldoon and Aidan Sloane together with Paddy Harte and Henry Brennan who have joined our UCIT (Ireland) Ltd Board. In February 2013 Fr. Myles Kavanagh, one of UCIT's founders, brought to an end his eighteen year board membership. Fr Myles will be greatly missed by all and I thank him for his vision and guidance throughout the years.

I would also like to thank the Staff for their hard work and dedication during the year and also to report two new senior appointments. Harry McDaid has been appointed as UCIT's Group Chief Executive and Barry Connolly as the new Finance Director. Harry brings with him many years of experience in banking and business at a very senior level while Barry is a Chartered Accountant and worked in both private and public sectors. I would like to welcome both of them to the UCIT team and I am confident their knowledge and experience will help us build on the successes of the organisation and to achieve our ambitions into the future.

Dermot McGale, Chairman,
Ulster Community Investment Trust (UCIT)

CHIEF EXECUTIVE'S REPORT



At a macro-economic level there has been some evidence of improvement in the local economy during 2013. Domestic property values appear to have bottomed out and despite some high profile failures, particularly in but not limited to the construction sector, employment numbers have begun to stabilise and improve.

On a wider UK basis and also in the Republic of Ireland, the general business outlook appears more favourable than in recent years, yet the position nonetheless remains fragile. What is certain is that the economic upturn, such as exists, is proving slow to work its way through to the ordinary man / woman in the street.

Ulster Community Investment Ltd (UCIT) approved 32 loans aggregating value of £2.67m in Northern Ireland during 2013. We are proud to deliver financial support to communities and voluntary sector organisations that could not otherwise realistically access capital elsewhere. We also provide funding to thriving social enterprise businesses enabling them to grow, and in the process give or sustain employment opportunities in areas of special economic need. I greatly appreciate the efforts of our team in promoting the Northern Ireland business with such enthusiasm during the year.

The vast majority of our loans continue to perform satisfactorily and as a result our portfolio is marked by a low level of bad debt provision.

In the Republic of Ireland we had a highly successful year, building on the very hard work of earlier years. We approved 34 loans to an aggregate value of €3.16m in 2013. Consistent with our experience in Northern Ireland, the quality of the portfolio has held up remarkably well in spite of the very obvious austerity measures evident across all sectors of the economy and in all communities. This performance has

played through to a profit in our RoI business for the first time and I also commend the efforts of our team there without whose passion this result would not have been possible.

As manager of the Northern Ireland Small Business Loan Fund, UCIT facilitated the distribution of over £1.2m in loans across more than sixty small and start-up businesses in the first year of the fund. This performance was comfortably in line with the targets set for us by Invest Northern Ireland and the quality of the loan book in its first year has also surpassed expectations. This fund management activity is now a very important component of our business and we will pursue other similar opportunities in the year ahead. Management of the fund allows us to develop new skills and competencies in our business and in the process differentiate us from our competitors.

The financial outcomes of these efforts North and South, summarised briefly, distil to an increase in income of £104k in NI (€46k in RoI), an increment of operating costs of £67k in NI (€2k in RoI), growth in operating profits of £37k in NI (€44k in RoI), and an overall reduction in bad debts of £177k. The group out turn in terms of net profit rose from a loss of £200k to a gain of £77k.

To achieve our ambitions, all of which are ultimately aimed at providing a sustainable earnings stream for the benefit of our core markets, we will require fresh sources of capital. Again, the senior management team is actively involved in this process, and come this time next year we should see the outcome of our efforts.

Harry McDaid, Chief Executive,
Ulster Community Investment Trust (UCIT)

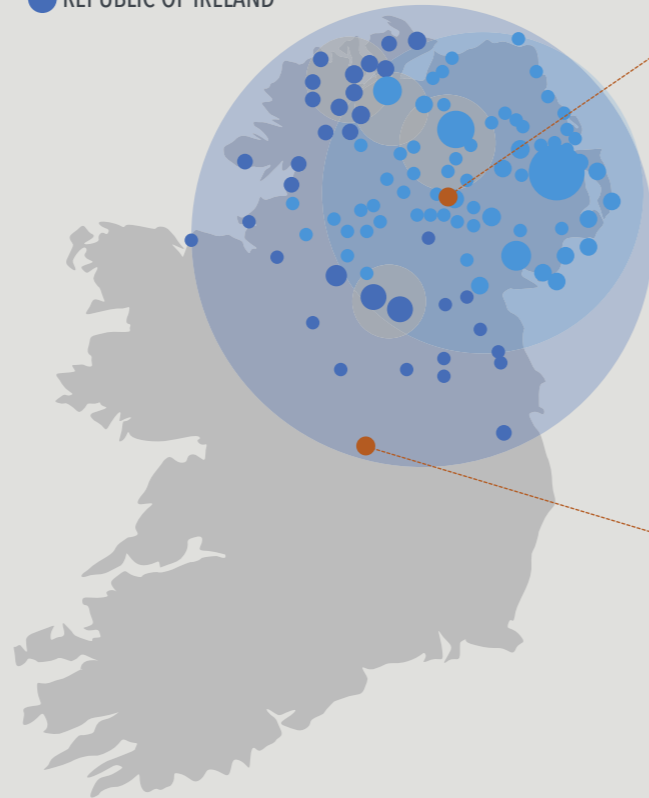
ACHIEVEMENTS DURING 2013



LOANS APPROVED TO COMMUNITY ORGANISATIONS, CHARITIES AND SOCIAL ENTERPRISES THROUGHOUT IRELAND

DISTRIBUTION OF UCIT LOAN HOLDERS

- NORTHERN IRELAND
- REPUBLIC OF IRELAND



£2.7 MILLION

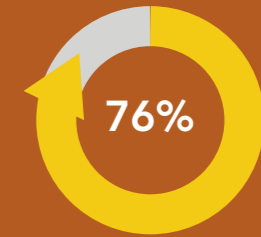
LOANS APPROVED TO NORTHERN IRELAND

€3.1 MILLION

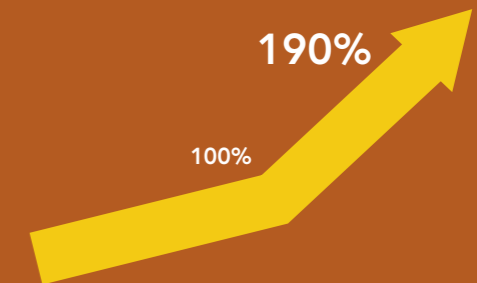
LOANS APPROVED TO REPUBLIC OF IRELAND

£5 MILLION

SUCCESSFUL LAUNCH OF £5 MILLION N.I. SMALL BUSINESS LOAN FUND



TOTAL INCOME INCREASE



OPERATING SURPLUS INCREASE

4.7% ▼

BAD DEBT PROVISIONS [EXCLUDING INHERITED BAD DEBTS]

ACHIEVEMENTS OVER THE PAST 12 YEARS



12
YEARS

£46
MILLION

LOANS APPROVED
(NI & ROI)

305
LOANS

NUMBER OF
LOANS APPROVED

£3
MILLION

NET SURPLUS
TO UCIT LOAN FUND

NUMBER OF PROJECTS FINANCED WITHIN EACH SOCIAL SECTOR



20

HEALTH, CHILD
& SOCIAL CARE



60

COMMUNITY,
EDUCATION & FAITH



41

SPORTS, ARTS
& HERITAGE



9

HOUSING &
ENVIRONMENT



30

TOURISM



63

ENTERPRISE
& WORKSPACE

£12.6
MILLION



63

ENTERPRISE
PROJECTS
2001-2013

£1.2
MILLION



5

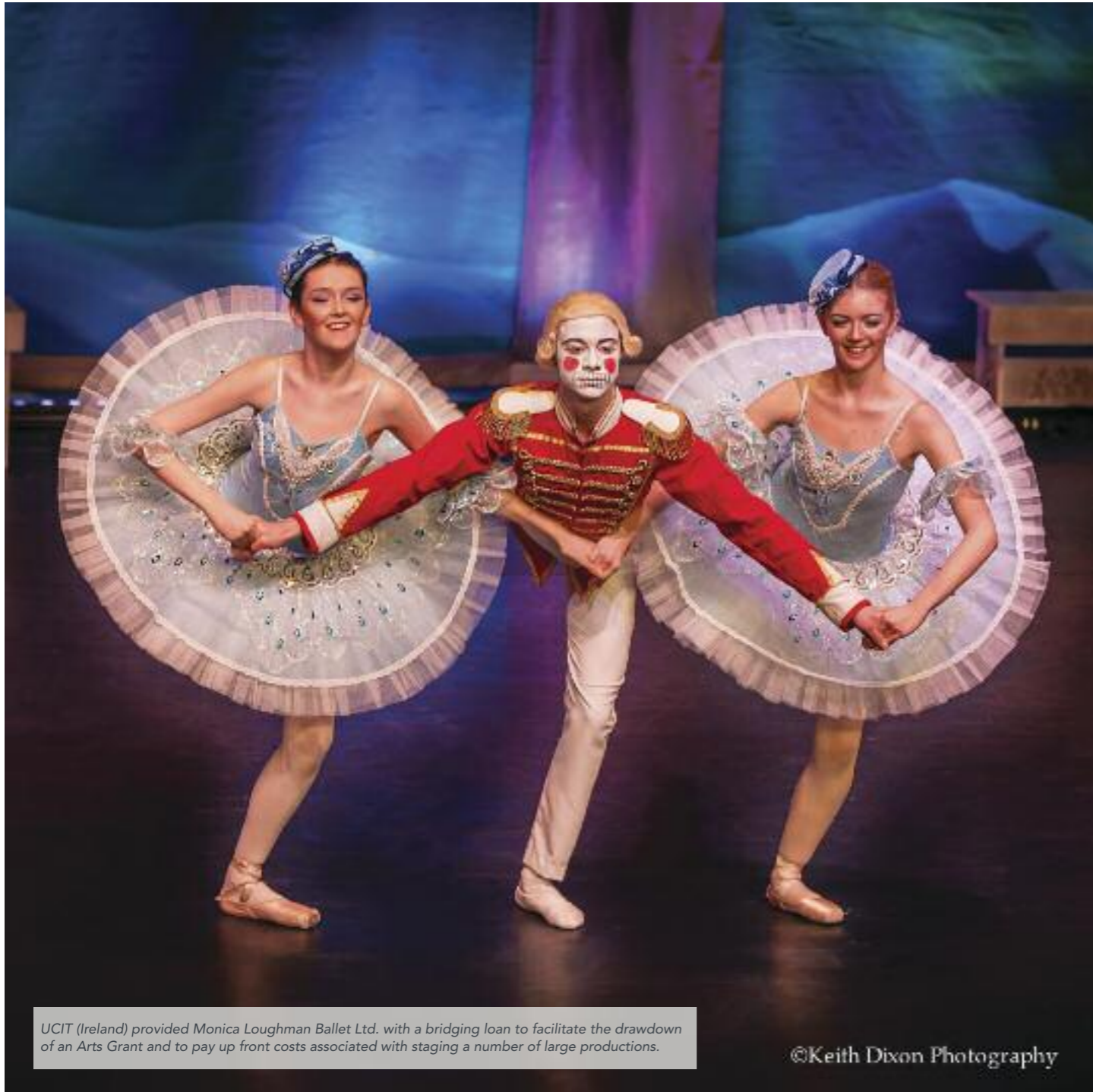
FAITH/CHURCH
PROJECTS
2001-2013

£3.1
MILLION



24

SPORTS
PROJECTS
2001-2013



UCIT (Ireland) provided Monica Loughman Ballet Ltd. with a bridging loan to facilitate the drawdown of an Arts Grant and to pay up front costs associated with staging a number of large productions.

©Keith Dixon Photography

CASE STUDIES

“

“We want to thank UCIT for all their help in establishing and overseeing our loan.”

”

Carrickfergus Elim Church.

UCIT provided financial assistance to Carrickfergus Elim Church to cover the costs associated with a new social housing development in the New Mossley estate, Newtownabbey. The development provides safe and secure housing for elderly and vulnerable adults.

“We want to thank UCIT for all their help in establishing and overseeing our loan. The social finance received from UCIT and the helpful advice given by the staff enabled our church to get their social housing project off the ground.”

*Pastor Jonathan Redmond
Carrickfergus Elim Church.*

Bangor Football Club Ltd.

Bangor Football Club received a £250,000 loan from UCIT to assist with the installation of a 3G pitch on its home ground at Clandeboye Park.

“Working with UCIT, we’ve invested in our club to ensure that we can look forward to the future with confidence. They have taken the time to understand our ethos – there’s a business side to things, but, that also has to be balanced with our history and tradition. These new facilities are an important part of securing our long-term financial future and strengthening the connection between the club and its local community. UCIT’s support has been instrumental in making this happen.”

Trevor Best, Chairman, Bangor Football Club.

“

“Working with UCIT, we’ve invested in our club to ensure that we can look forward to the future with confidence.”

”



"Ablevision Ireland is a film production and media training company specifically for adults with intellectual disabilities. The funding from UCIT has allowed us to proceed with an exciting cross border film production which explores the barriers between people from different backgrounds and the barriers within society towards people with intellectual disabilities."

Michael O'Dowd, Board Director, Ablevision Ireland

CASE STUDIES

“

"Without UCIT, none of this would have been possible."

”

Community Recycling Initiative Ltd.

UCIT provided Community Recycling Initiative with a loan to help finance the purchase of thirty clothing banks, thereby enabling them to take on a new contract from St. Vincent de Paul.

This new contract has doubled the previous turnover having been generated by the business.

"A UCIT loan helped us fund the purchase of clothing banks thereby enabling us to increase our business and create two new part-time jobs. Without UCIT, none of this would have been possible. I would recommend their services to any charity as we found the whole process straightforward. We had our loan approved and drawn down within four weeks, which was extremely helpful in winning our new contract. UCIT helped us through the whole process and we can't express how grateful we were for their help."

**Gareth Gordon, Business Manager
Community Recycling Initiative Ltd.**

Meath Accessible Transport Project Ltd.

A loan from UCIT (Ireland) assisted Meath Accessible Transport to purchase a building so that they could expand their existing Community Transport Business.

"The loan application was not difficult and we had every assistance and support from UCIT throughout the process. We were successful in getting a loan and have now proceeded to purchase and occupy premises that are more comfortable, suitable to our work and which give us an opportunity to expand in the future.

I would recommend UCIT to other charities or social enterprises, and indeed have already done so."

**Miriam McKenna, Manager
Meath Accessible Transport Project Ltd.**

“

"The loan application was not difficult and we had every assistance and support from UCIT throughout the process."

”

ACHIEVEMENTS OVER THE PAST 12 YEARS

£1
MILLION



13
CHILDCARE
PROJECTS
2001-2013

£0.1
MILLION



3
ENVIRONMENT
PROJECTS
2001-2013

£3.8
MILLION



29
TOURISM
PROJECTS
2001-2013

£2.2
MILLION



8
HOUSING
PROJECTS
2001-2013

£4.1
MILLION



41
COMMUNITY
PROJECTS
2001-2013

£1.5
MILLION



12
EDUCATION
PROJECTS
2001-2013

PROJECTS FUNDED DURING 2013

Northern Ireland

- Academy Sports Club
- Advantageous
- Ballycarry Community Association
- Bangor Football Club
- Castlewellan Regeneration
- Coiste Ghaeloideachais Chromghlinne
- Colin Glen Trust Ltd
- Community Recycling Initiative
- InVOlve
- Kinawley Community Hall
- Newry and Mourne Carers
- Portaferry Sailing Club
- Rural Area Partnership in Derry
- Strand Arts Centre
- The Elim Corporation [Carrduff]
- Ti Chulainn
- Tobin Youth Centre (Moortown)
- Tullysaran Community Association

Republic Of Ireland

- Ablevision Ireland
- Aislann Chill Chartha
- Athboy Social Needs & Recreational Company
- Ballinagh Community Enterprise Association
- Castlerahan Community Development
- Cavan County Enterprise Fund
- Coole Cranford Community Centre
- County Donegal Railway Restoration
- Donegal Angling Alliance
- Dowra Resource Centre
- Drogheda City FC
- Fenagh Development Company
- Finn Valley AC
- IRD Milford
- Meath Accessible Transport Project
- Monica Loughman Ballet Company
- Muff Community Development Co-operative
- Newtowncunningham Community Playgroup
- Ramelton Community Centre
- Raphoe Community Playground
- RST Community Group

NI SMALL BUSINESS LOAN FUND - OVERVIEW

AUGUST 2012

INVEST
NORTHERN
IRELAND
AWARDED

£5
MILLION

NI Small Business Loan Fund
Management contract to: UCIT
Via our subsidiaries: UCI GP and UCI plc

FEBRUARY 2013

UCI plc became authorised by
the Financial Conduct Authority

APRIL 2013

£1,000 - £50,000

LOANS AVAILABLE

to small businesses and individuals based in
Northern Ireland, who are unable to access
funding through traditional sources.

**First approved NISBLF
loan drawn down.**

DECEMBER 2013

947

LOAN
ENQUIRIES
RECEIVED
TOTTALLING

£18.8
MILLION

171

LOAN
APPLICATIONS
RECEIVED



45

LOANS
TOTTALLING

£845K
APPROVED

DIRECTORS AND STAFF

Directors Northern Ireland

Dermot McGale Chair
Retired Regional Director of First Trust Bank

Seamus McAleavey Vice-Chair
Chief Executive of NICVA

Dr Arthur Mitchell MBE Company Secretary
Founder Trustee / Director of Mourne
Heritage Trust

Thelma Armstrong MBE
Board Member of Trinity Housing Association

Erskine Holmes OBE
Elected member of NI Council
Co-operative Group

Jim Malone
Director/Founder Member of Ardee
Community Development Company

Alan Moneypenny
Former Vice-Chair of Sport NI

Audrey Murray MBE
Business Development Manager of LEDCOM

Damian McAteer
Director of Waterside Development Trust

Michael McGarrigle
Secretary of Council for the West

Douglas McIlldoon
Secretary of NI Co-operative Forum

Seamus O'Prey
Chief Executive of ORTUS Group

William Patterson
Chief Executive of Greater Shankill
Community Council

Aidan Sloane
Chief Executive of Springvale Employment
& Learning Solutions

Directors Ireland

Dermot McGale Chair
Retired Regional Director of First Trust Bank

Henry Brennan
Business Consultant and Certified Accountant

Paddy Harte
Socio-Economic Advisor

Kevin Helferty
Retired Chairman of Irish League
of Credit Unions Foundation

Jim Malone
Director/Founder Member of Ardee Community
Development Company

Dr Arthur Mitchell MBE
Founder Trustee/ Director of Mourne Heritage Trust

Alan Moneypenny
Former Vice-Chair of Sport N.I

Michael McGarrigle
Secretary of Council for the West

Seamus O'Prey
Chief Executive of ORTUS Group

Andrew Ward
Manager of Inishowen Development Partnership

Staff

Harry McDaid Chief Executive

Barry Connolly Finance Director

Phelim Sharvin Associate Director

Donal Traynor Associate Director [ROI]

Sandra Cowan Office Manager

Paddy Shanks Lending Manager

Trudi Dunbar Marketing Executive

Sinead McCroly Client Relationship Executive

Robert Quinn Client Relationship Executive [ROI]



Learning Space NI availed of a loan from the £5m NI Small Business Loan Fund (NISBLF) which was awarded to UCIT's fund management company, UCI plc, by Invest Northern Ireland.

ACCOUNTS 2013

UCIT - Consolidated Statement of Financial Activities for year ended 31 December 2013

	2013 £'000	2012 £'000
Incoming resources	877	498
Charitable activities and governance costs	(746)	(453)
Net operating income	131	45
Bad debts provided	(51)	(228)
Foreign exchange movement	(3)	(17)
Net movement in funds	77	(200)

UCIT - Consolidated Balance Sheet as at 31 December 2013

	2013 £'000	2012 £'000
Fixed assets		
Tangible assets	8	10
Investments	254	240
	262	250
Current assets		
Debtors due after more than one year	10,349	9,751
Debtors due within one year	2,763	3,008
Cash at bank and in hand	4,249	3,613
Creditors due within one year	(825)	(389)
Net current assets	16,536	15,983
Total assets less current liabilities	16,798	16,233
Creditors due after more than one year	(1,908)	(1,421)
Net assets	14,890	14,812
Funds of the Charity		
Share capital	20	18
Unrestricted income funds	14,870	11,256
Restricted income funds	-	3,538
Total charity funds	14,890	14,812



Financing Social Enterprise

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Charity No. XR36720