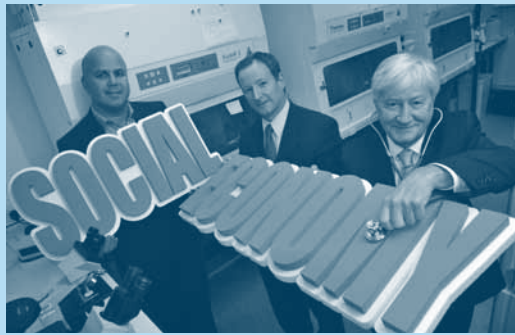




Financing
Social
Enterprise



Annual Report 2010

Investment

Jobs

Growth



Leading Change

Investment

Jobs

Growth

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Chair's Report



In reporting at the end of UCIT's 10th year in operation on behalf of the Board and staff team, I would like to thank all those who have supported UCIT in those years of business since 2001.

During this period our loan fund has assisted over 200 community organisations and social enterprises in Northern Ireland and the Republic of Ireland through providing loan finance totalling in excess of £30 million. Currently, UCIT has in excess of £14.5 million in capital

under management, which is supporting local job creation, community engagement and economic development in areas of ROI and almost every city, town and village in NI.

We are on the verge of significant challenges with the anticipated cuts in public spending and now is the time for us, in the social economy, to step up to the mark and show that we can deliver in a cost effective manner. I have no doubt that our sector can do this, as we have been providing value for money delivery in the most disadvantaged communities for many years. In fact we have been delivering more effectively and efficiently than we are often given credit for, as highlighted in the recent NI Audit report. The report emphasised the fact that the voluntary and community sector makes a significant contribution to the achievement of the Northern Ireland Executive's strategic goals and priorities.

In adversity there is opportunity and the challenges resulting from the global financial crisis and, more locally, the impending cuts in public spending, have brought new opportunities for social enterprises. The shrinking public sector will give rise to the chance for social enterprises to win contracts to deliver services in their local communities. I believe that the social economy is well placed to deliver public services, locking wealth into disadvantaged communities and bringing jobs and essential services to those most marginalised in our society.

But to fully realise the opportunities that exist, the social economy needs resourced. There is a challenge to us all within the sector to demonstrate that we are professional, efficient, innovative and effective. UCIT has risen to this challenge and shown leadership and innovation in the partnership that we launched this year with Big Issue

Invest. Our investment of £250,000 into Big Issue Invest's Social Enterprise Investment Fund will ensure that social enterprises in Northern Ireland will have access to a new fund, which will total £10 million.

A lack of affordable loan finance for businesses, and the impact that this is having on the growth of the wider economy, underlines the importance to the social economy of competitively priced loan products. Throughout the year we worked tirelessly to explore new ways of ensuring and increasing the availability of competitively priced finance for the social economy across Ireland. To pursue this, we have developed partnerships with other third sector, social finance providers including Big Issue Invest, Unity Trust, Charity Bank and Triodos Bank.

There is also an opportunity to develop new relationships with the private sector, engaging with corporate businesses, philanthropists and with the banking sector as we have done in the Republic of Ireland, through our relationship with the Social Finance Foundation.

Despite the economic turmoil in the Republic of Ireland, UCIT's partnership with the Social Finance Foundation has remained strong and has enabled us to invest over €1.5 million during 2010, to support a growing portfolio of clients in this region. UCIT are pleased to be able to draw upon this significant fund and look forward to continuing our work with the Foundation during 2011.

We need this sector to be taken seriously by Government and ensure that we are not merely set aside as the poor relations to other sectors in terms of Government spending and development in the future.

Locally, we need Government to continue to work with UCIT, to champion access to finance for the social economy on a number of fronts, including:

- Getting a commitment from the UK Government to amend Northern Ireland legislation to create the right conditions for credit unions to invest some of their reserves into the social economy through Community Development Finance Institutions (CDFIs) such as UCIT.
- Getting a commitment from our political leaders to support UCIT's work to secure investment from national and international investors.
- Ensuring that some of the unclaimed funds from Northern Ireland's dormant bank and building society accounts are allocated to local CDFIs for social investment.
- Calling on the banks to collectively support the social economy by investing in a fund similar to that in the Republic of Ireland.
- Calling on local MPs to work with their colleagues in Scotland and Wales to lobby Westminster for UK initiatives, such as the Big Society Bank, to reach beyond England.

With the Government's support, I believe that we can work together to create the right conditions to increase the flow of investment into the social economy in Northern Ireland and ensure the sector continues to be a force for social change.

I would like to thank my fellow Board members and the staff of UCIT, both past and present, whose support and

dedication has been invaluable to the Company's success over the past 10 years. In pursuance of our mission, UCIT will continue to provide leadership by investing into the third sector and raising awareness about the capacity of this sector to contribute to the broader economy in Ireland.



Seamus O'Prey
Chairperson
UCIT

*UCIT sanctioned in
excess of £3m of
loans during 2010*

Director of Operation's Report

The past year to 18 months has been a busy and challenging period for UCIT. In a transitional year during 2010 three members of staff left the organisation, including the Chief Executive, and the resultant restructuring has brought a new focus to the operations of UCIT, with a renewed commitment to deliver our mission;

“To develop and provide competitive, flexible and tailored lending, investment and business support to the third sector throughout Ireland”

Trading conditions have remained difficult for the social economy in Northern Ireland during 2010, which has brought increased emphasis on the need for the financial services that UCIT brings to the sector. UCIT's clients assist the most vulnerable in our society, yet they are often unable to access finance, either at all, or on affordable terms. A UCIT loan allows them the opportunity to pursue their charitable mission and to work towards long term sustainability.

During 2010, UCIT sanctioned in excess of £3 million of loans, bringing the total value of our loan book in Northern Ireland to in excess of £13 million. Over the coming pages you will see some of the organisations that we supported during the year and the social impact that our money has had in their communities.

We received a steady stream of enquiries from the Republic of Ireland and we are pleased to report that our expansion into this market has continued, with in excess of €1.5 million of loans sanctioned to support projects during the year. This investment has been facilitated through our close working partnership with the Social Finance Foundation.

In addition to direct loan assistance, UCIT continued to provide its client base with tailored support. All 100 UCIT loan clients were visited at least once during 2010 by their dedicated client executive, to assist clients to assess their business performance. The purpose of these meetings is to discuss any issues of concern with loan clients and identify aspects of the client's business that may require some additional external support, which UCIT can facilitate through its partners.

Partnership is of central importance to the UCIT operation. We pro-actively seek to develop partnerships in order to bring additional services and added value to our third sector clients.

In order to attract additional new capital to the social economy market in Northern Ireland, UCIT has developed partnerships with other third sector, social finance providers. These partners include Big Issue Invest, Unity Trust, Charity Bank and Triodos Bank.

The Big Issue Invest partnership is one in which UCIT is a limited partner in an investment fund, which has brought “equity/quasi equity” products into the social economy in Northern Ireland for the first time.

As well as finance, UCIT continues to work with a number of partners to bring support to third sector organisations. On a UK wide basis, we work with the Community Development Finance Association to connect with other like-minded organisations across the UK, enabling us to influence UK Government policy and learn of new innovations in the sector, which can benefit the social economy in Northern Ireland. Locally, we have worked with the Social Economy Network, Building Change Trust,



Charity Bank, School for Social Entrepreneurs, NICVA, Queen's University Belfast and University of Ulster to deliver a range of initiatives that strengthen the sector and promote the profile of social enterprises.

The Trust has also continued to manage its ongoing relationships with Government Departments, as well as Invest NI, the International Fund for Ireland and Belfast City Council.

Currently, UCIT is involved in three partnerships that have

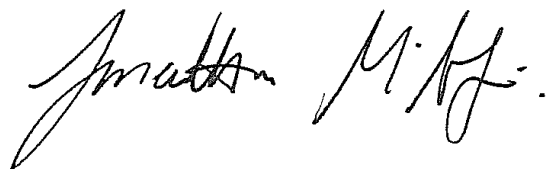
been supported by the Building Change Trust, one as lead partner and two as a support partner. The project led by UCIT is to research and develop a “procurement brokerage service” for third sector organisations. This project is in partnership with the School for Social Entrepreneurs, Charity Bank and the Social Economy Network and seeks to assist social enterprises to win contracts with Government to deliver public services.

The other two projects are:

1. To research the need for social finance, and identify gaps which could be met by new products. This work is in partnership with the Charity Bank.
2. To research the market for philanthropy and develop a plan to bring more meaningful investment into the third sector through organised philanthropy. This project is being led by CFNI, with a number of other partners.

A key drive in 2010, which will be ongoing during 2011, is to raise new capital for the third sector. UCIT continues to be at the forefront of this work, which involves targeted networking, raising the profile of both the sector and UCIT and making links with key individuals and organisations from both the public and private sectors. One initiative in which UCIT has been instrumental has been the Social Economy Master class series. This is in conjunction with the School for Social Entrepreneurs, Charity Bank and Social Economy Network, and aims to assist policy makers and key influencers within the private sector to understand more fully the role and capacity of the social economy in growing the economy in Northern Ireland.

UCIT has a bright future and is committed to supporting and growing the social economy across the island of Ireland. We believe that the sector has much to offer and we will continue to be innovative and demonstrate leadership through our initiatives, which will see the social economy being recognised as an important and vital part of a growing, stable economy.



Jonathan McAlpin
Director of Operations

**UK Community
Development
Finance Institutions
made 19,000 loans,
totalling £200m
last year**



UCIT provided a bridging loan to Friends of Lissan Trust to assist with the restoration works of Lissan House and demesne

Lending Report

A lack of affordable loan finance, and the impact that this is having on the growth of the wider economy, has underlined the importance of competitively priced loan products for charities, community groups and social enterprises.

During 2010, UCIT sanctioned in excess of £3m of loans. These loans represent UCIT's commitment to the sector and demonstrate the versatility of UCIT loan finance as they were utilised for a number of purposes including bridging finance, match funding and property purchase.

UCIT finance is benefitting both rural and urban economies. Friends of Lissan Trust applied to UCIT for a bridging loan to support cashflow during the renovation of Lissan House and Estate near Cookstown, County Tyrone. The 17th century listed building is being fully refurbished as a place to visit, and the remainder of the estate, including courtyard, walled garden, river walks and woodland will be redeveloped to become a Country Park. Despite failing to receive investment from the BBC 'Restoration' competition, The Friends of Lissan Trust have endured, and with the help of a UCIT loan, Lissan House and gardens will become a valuable tourism and education amenity for the Mid-Ulster region.

A UCIT property loan will be used by Blythswood Trading (Ireland) Limited to purchase a warehousing and logistics base in Ballyclare on behalf of the long established Blythswood Care Group. From this site the charity can transport goods throughout Northern Ireland and also co-ordinate international aid programmes.

In Belfast, UCIT provided finance to enable Cliftonville Community Regeneration Forum to complete the purchase

of premises. The property will enable the organisation to create additional sustainable income revenue outside of grant funding, and will enable the group to provide enhanced services to the local community.

The loans to Blythswood Trading (Ireland) and Cliftonville Community Regeneration Forum are good examples of UCIT loan finance helping social enterprises to establish a strong asset base and therefore building the capacity of the wider social economy sector.

Despite the difficult economic conditions UCIT are determined to support worthwhile social enterprises that are attempting to 'make a difference' whilst operating within sensible business models. This approach has enabled UCIT clients, and therefore UCIT investment, to deliver a positive social impact whilst creating jobs, delivering services and growing sustainable social enterprises.

South of the border, UCIT (Ireland) has continued to develop its client base by approving loan finance of €1.5 million during 2010. This represents considerable growth on the previous year and is evidence of UCIT's growing commitment to service the Southern market through its sister company UCIT (Ireland) Limited.

*The combined
UK Community
Development
Finance Institution
loan portfolio
is £530m, a 35%
increase on
last year*

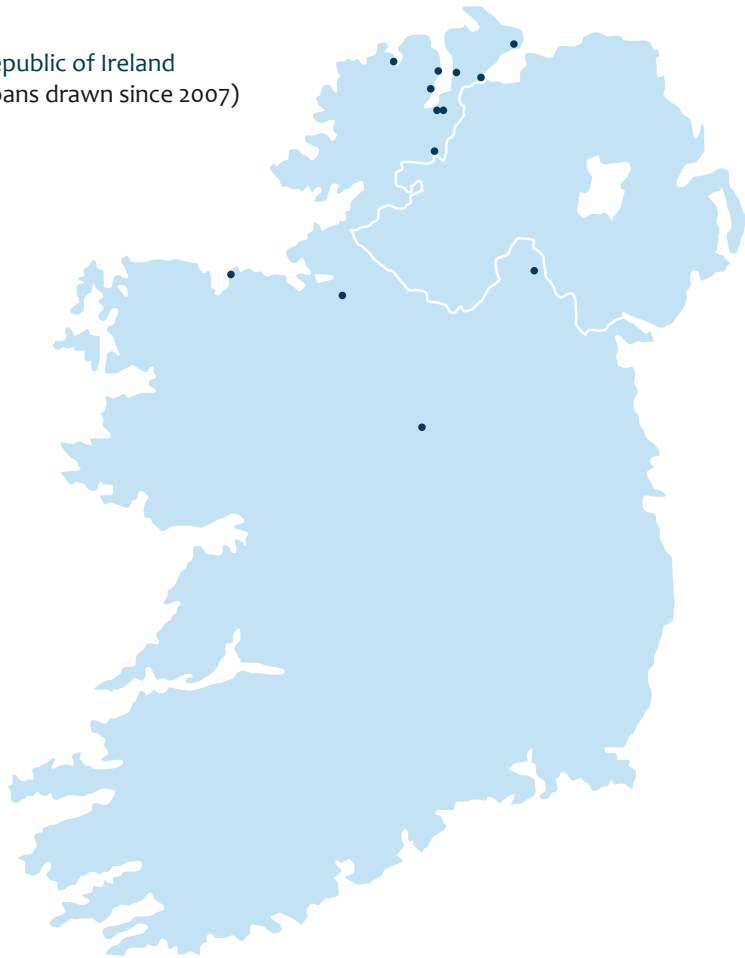
Some of our borrowers



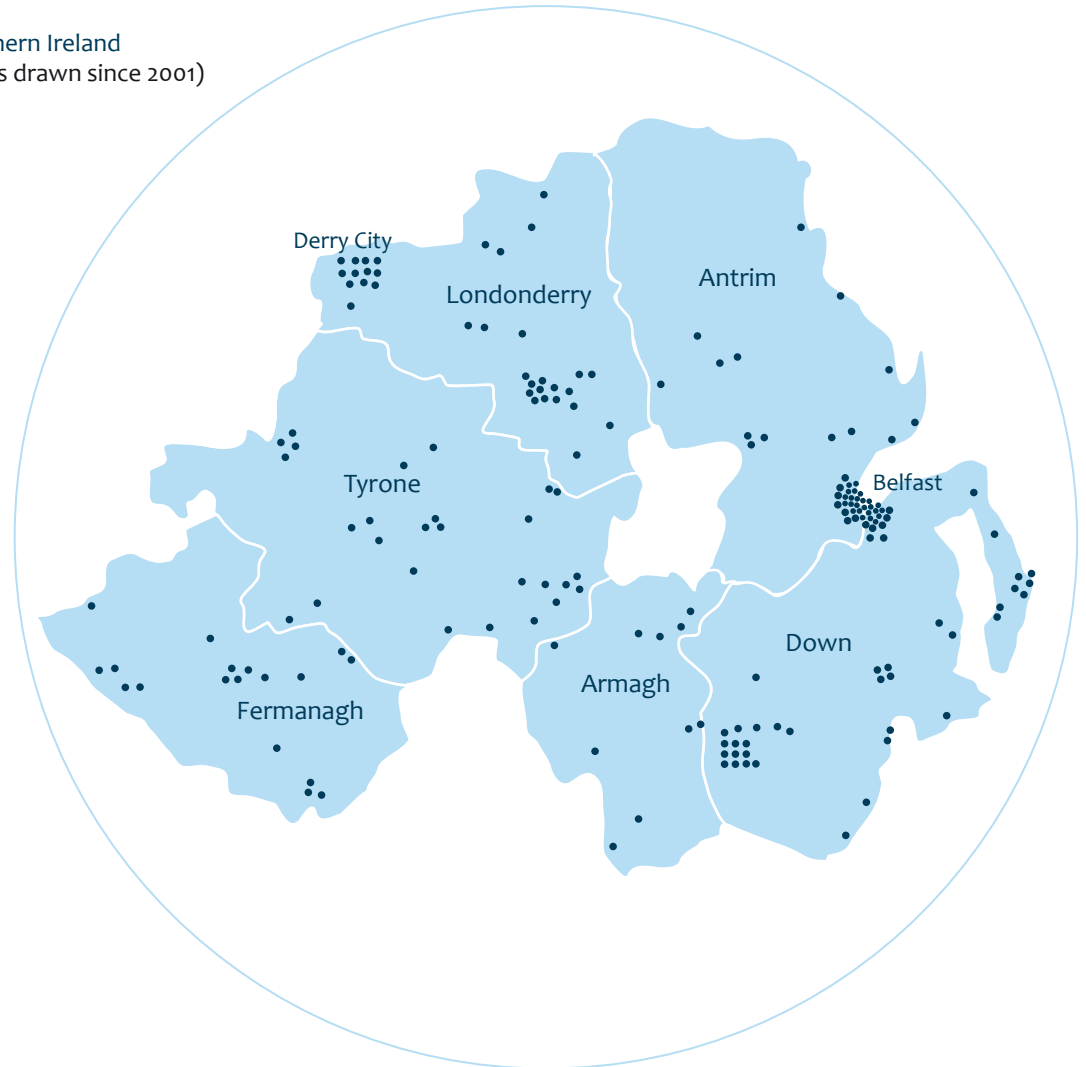


Map showing distribution of UCIT loan holders

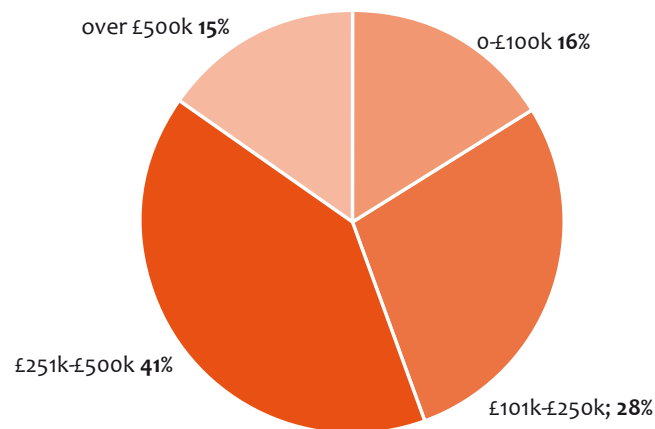
Republic of Ireland
(loans drawn since 2007)



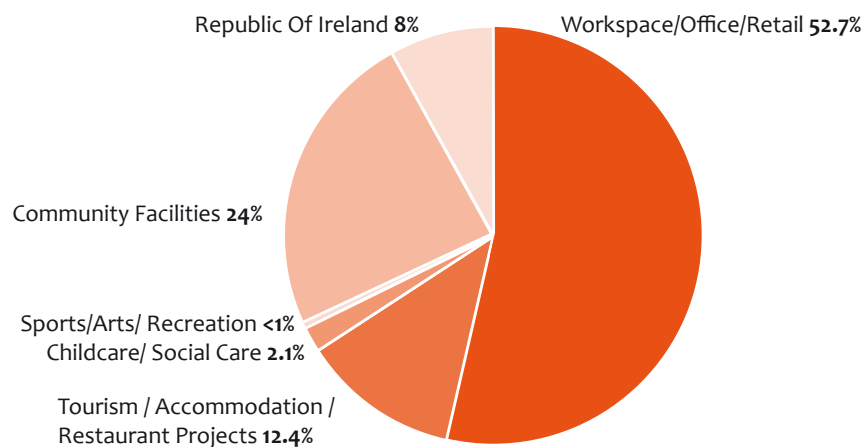
Northern Ireland
(loans drawn since 2001)



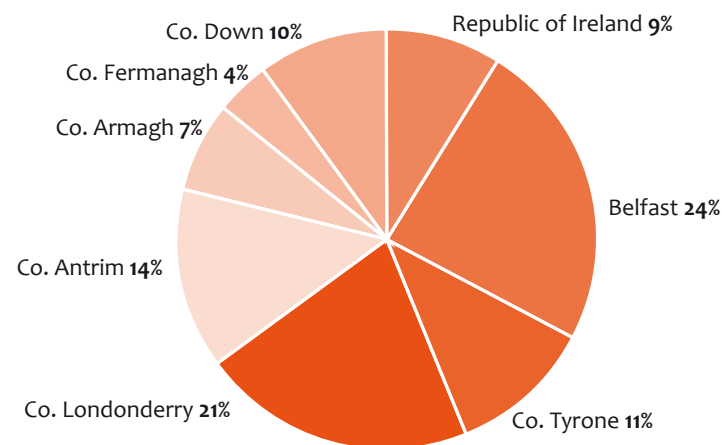
Overview of our Loan Holders (Dec 2010)



Size Breakdown – Dec 2010 Total £14,363,104 (103 loans)



Sector Breakdown – Dec 2010 Total £14,363,104 (103 loans)



Geographical Breakdown - Dec 2010 Total £14,363,104 (103 loans)

Our Social Impact

Supporting Business growth

Housing Associations actively work to benefit the community by providing affordable accommodation and related housing services to those in greatest housing need.

The Northern Ireland Federation of Housing Associations (NIFHA) was established to promote, represent and support the voluntary housing movement in Northern Ireland.

Having outgrown their existing premises, NIFHA approached UCIT for a loan towards a property they had identified in Citylink Business Park, Belfast which would provide a suitable headquarters for the organisation.

UCIT were pleased to assist NIFHA with a loan towards the cost of the new premises so the organisation could continue to build on its work to date and confidently plan for the future.

“The 15-year loan from UCIT enabled the NI Federation of Housing Associations to give its members better value for money by purchasing a base that is more conveniently located and offers better facilities. Especially at a time when alternative sources of finance were very limited and expensive, we were delighted to have the support of UCIT and found their application process straightforward, quick and friendly. This is a “win-win” situation for social enterprise!”



Chris Williamson, Chief Executive, NI Federation of Housing Associations



UCIT were pleased to assist NI Federation of Housing Associations with a loan towards the cost of new premises

Supporting Enterprise

Down Business Centre is part of the province-wide Enterprise Northern Ireland network. Since 1986, the company has successfully supported enterprise, business start-ups, economic development and social entrepreneurship in the Down District Council area.

To support this vision, UCIT has provided a loan facility to part finance the development of Down Business Park; a 5 acre Business Park with high quality business units, suitable for a range of business sectors.

The Business Centre now comprises 35 rental units suitable for high-tech, manufacturing, light industry or office based businesses and a new state-of-the-art office complex, Innovation House, especially for ICT businesses. At almost 94% occupancy, site activity is now at its highest ever levels.

The contribution of the Centre to the local business community was evident at the 2011 Down District Business Awards, where eight out of the 11 categories were won by clients of Down Business Centre.



The interior and exterior of Down Business Park

Enhancing services

Torrent Valley Initiative was set up by a group of community volunteers, known as Donaghmore District Community Association, to promote business enterprise in the Donaghmore and Castlecaulfield areas. The first ambitious initiative by the rural community group reached a fruitful conclusion in 2001 with the opening of Torrent Valley Business Park. Since then, the group have been using the significant fundraising and project management experience they had gained through their initial project, on the development of the Torrent Complex; a £2.4 million 'community hub' comprising sporting, arts, employment and community facilities.

UCIT were delighted to provide the group with a loan to assist the company to cover the costs involved with the completion of this multi-use project, which is now home to St Patrick's Youth Club, Lollipop Playgroup, a Bardic Theatre, St Patrick's GFC and also boasts office space, conference facilities, a multi sports complex and a state of the art gym.



UCIT provided Torrent Valley Initiative with a loan to assist the company to cover the costs involved with the completion of a multi-use project comprising sporting, arts, employment and community facilities

Preserving our heritage

Lagan Legacy was conceived as the result of an important salvage operation of engineering plans and valuable artifacts from the shipyards of Harland & Wolff in Belfast. Through its 'Oceans in Mind' project, Lagan Legacy obtained an archive of many hours of film and audio recordings of former Belfast shipyard workers as well as a large collection of old documents and drawings. The organisation is committed to preserving the heritage of the shipyards and 'The greatest story never told'. Lagan Legacy lacked a permanent location to display and interpret the collection, so the 'Homeplace' project was launched with a view to finding a suitable venue.

Analysis concluded that a vessel on the river would be the preferable option. They found a suitable barge in the Netherlands and secured the funding required to bring it to Belfast, where it is permanently moored near the Waterfront Hall. The organisation has been successful in attracting funding from a number of sources to meet the costs incurred in purchasing and refurbishing the vessel to a high specification. In addition, UCIT provided a loan to assist with initial capital costs and to help towards early revenue costs incurred when the vessel became operational.

With the refurbishment now complete, the barge houses a digital maritime heritage gallery and an extremely versatile and multifunctional arts performance space. In addition the venue provides a wide range of other benefits to the City including a unique educational facility, a quality tourist attraction, a unique riverside attraction and social venue, employment opportunities and a valuable contribution to the local economy.

"UCIT helped the project from the initial meeting; it was clear that they grasped the vision of Lagan Legacy's main aims regarding heritage, education and tourism and had the enthusiasm to stick with the organisation over the long period it took to get the project off the ground. The process of application and release of funds to assist setting up the project were not daunting for our board and we would highly recommend UCIT to any social economy enterprises wishing to enter into a financial partnership outside the normal commercial lending institutions"

Dean Coulter, Director, Lagan Legacy Ltd.



Fulfilling a vision

UCIT are delighted to have provided a loan to Friends of Lissan Trust towards the restoration works of Lissan House and demesne.

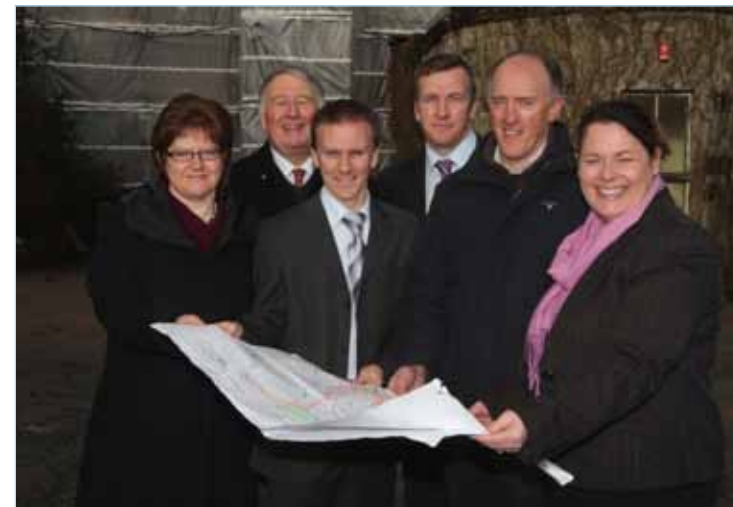
Built in 1620, Lissan House is a country house set amidst mature woodland overlooking the Lissan River, Co. Tyrone. The house came to prominence in 2003 when it featured in the BBC UK wide Restoration Programme, where its popularity helped it reach the final.

Hazel Dolling, established the Friends of Lissan Trust (FoLT), a registered charity in 1997, to carry on her vision of a future for Lissan by raising the financial means to restore both Lissan House and demesne, as a place to visit, work and live. Most importantly she bequeathed the property, first and foremost for the benefit of the community.

Following the death of Mrs Dolling in April 2006, the Directors of the Trust have continued to work on a voluntary basis to progress her vision and ensure her legacy remains. This has included the development of a strategic plan for preservation and regeneration of the estate and sourcing funding to undertake this work.

All the effort has been worthwhile and despite some setbacks along the way, the Trust secured a funding package to support phase 1 of the restoration and development work.

A bridging loan from UCIT was used to pay building and renovation costs until the costs could be claimed from the relevant grant funders.



Pictured on a recent visit to Lissan House is Agriculture Minister Michelle Gildernew MLA. Also pictured is Fiona McKeown, Cookstown District Council, Tony McMinn of Lissan Trust, Ciaran Higgins of Cookstown Enterprise Centre, Phelim Sharvin of UCIT and Kieran Haughey, Chairman of Lissan Trust.

“The bridging loan from UCIT has been a great help. It provided the cash flow to allow the project to meet a number of funders deadlines. We would have no hesitation in recommending UCIT as a funding source for community projects”

Kieran Haughey, Chairman, Friends of Lissan Trust.

“It would be so sad if nothing was left – nothing but memories” **Hazel Dolling**

Building communities

Cliftonville Community Regeneration Forum was set up in 1995 by a number of community groups working in the Cliftonville area of North Belfast to act as an umbrella body. It was established to provide a focal point for the social, economic and physical regeneration of the Cliftonville area which is one of the most deprived inner city areas in Belfast. The Forum works to empower local residents and young people through community and youth development programmes and aspires to reduce conflict in an area blighted by a high number of sectarian interfaces.

During 2010 an opportunity arose for the organisation to secure property located at 123 Cliftonville Road, Belfast. The property would provide the means for the organisation to create additional sustainable income revenue outside of grant funding, and would enable the group to provide enhanced services to the local community.

UCIT were delighted to provide the organisation with a loan to secure the property.

“We first went to the bank who were willing to give us a loan. However, there were strings attached.” says Manus Maguire, Social Economy Co-ordinator of Cliftonville Community Regeneration Forum.

“The loan from UCIT was very straightforward. We hope this is the start of a very productive relationship in the years ahead”.

One of the tenants of the new property will be the Let Youth Lead project. Let Youth Lead facilitates cross community youth work and deals with issues such as unemployment, lack of qualifications, suicide, drugs and alcohol abuse and teenage pregnancy. The area in which it works, is one of the most disadvantaged in Europe

according to the Noble Index of Multiple Deprivation. Peter McCann, Youth Development Worker, Let Youth Lead, said that the new premises will have a big impact on the lives of local young people.

“We work with young people in the Cliftonville area without a youth facility. We couldn’t find anywhere locally. 123 Cliftonville Road is an ideal venue where youth activities and programmes can be delivered. It’s in the heart of the community. Brilliant”.

**Peter McCann, Youth Development Worker,
Let Youth Lead**



Training our young

Lisburn Community Self Build provides construction training to young people, while at the same time refurbishes and builds properties to be used for social housing. Since its formation in 2005, the organisation has been involved in numerous building projects and has seen scores of young people trained to various levels within the construction sector.

The organisation approached UCIT in Spring 2010 for a loan towards the construction of 4 semi detached houses in the Old Warren Estate, Lisburn. When finished, the houses would be sold to Helm Housing Association to contribute to social housing lists.

UCIT were delighted to provide support to the project which, at a time of severe economic hardship, would benefit the community in a number of ways.

“The loan from UCIT enabled us to build 4 new houses while training young people in construction skills” says Adrian Bird, a Director of Lisburn Community Self Build.

“In the current economic climate we would have been unable to secure this loan from elsewhere. The project has not only benefited young people through hands on training but will also provide for the local community as the houses built will be used for social housing. In addition, all profits made from the project will be used to run further construction training programmes in the future.”

“When I left school I had no qualifications and no real idea or ambition as to what I wanted to do. I heard about the training scheme with Lisburn Community Self-Build through my uncle. I applied for a position as a trainee joiner and got accepted onto an NVQ Level One Course.

Things went well and I progressed through NVQ Level one to NVQ Level Three, working on site with the self-build team and attending Springvale Learning on one day each week.

On completion of Level Three, I was offered a fulltime position as a joiner and I have now been with Lisburn Community Self-Build for six years”.

**Mathew Walker, Joiner (and past trainee),
Lisburn Community Self Build**



UCIT in the Republic of Ireland

As at December 2010, UCIT (Ireland) has been providing finance to social enterprises in the seven border counties for just over two and a half years. During this time important inroads have been made. Having gathered together a competent board of directors, access to a fund, which will ultimately total around €97 million, was secured through our partnership with the Social Finance Foundation.

The prevailing economic climate has been responsible for the loss of numerous jobs within the region, and it is anticipated that further cuts to public spending are inevitable. These may result in the winding down of some much needed community services. In a move to assist communities to tackle potential problems posed by the recession, UCIT (Ireland) organised a number of free introductory seminars on the subject of Social Enterprise which were held at various locations across the region. The information sessions, which attracted large attendances, were held in conjunction with other agencies including Breffni Integrated, Inishowen Development Partnership, Donegal South Forum, Irish Rural Link, Monaghan Integrated Partnership and WESTBIC. Preparations are well underway to complement these events with a series of talks entitled 'Preparing for Social Finance' which will be rolled out across the region in 2011.

In total, 80 organisations from the Border Region made enquiries and/or applications to UCIT (Ireland) for loan finance totalling €7 million. The diversity of the sector was evident in our enquiry portfolio. While organisations providing workspace, were once common applicants, these have been replaced by sports groups with income streams, or community resource centres with entrepreneurial endeavour. The postponement of any

further grant aid from the Department of Arts Sport and Tourism seemed to bring a realisation that one of the few remaining ways for clubs to ensure their members can avail of adequate facilities, is to develop an income stream and access credit via Social Finance.

During 2010, UCIT (Ireland) approved over €1.5 million worth of loans to social enterprises in the Republic. An example of this support, is the financial package awarded to Newtowncunningham Community Playgroup Ltd.

Historically the Playgroup rented premises from the local GAA Club who in time needed to reclaim the space for their own activities. The site was also located on the opposite side of the main Letterkenny / Derry Road, which added an element of danger to those travelling by foot.

To enhance their service, the playgroup needed to expand beyond those confines, in order to meet the community's pre-school needs. UCIT (Ireland)'s finance has enabled the group to relocate their services to a more spacious location, that they now own, and which is complemented by safer access for children and their guardians.

A number of organisations which made loan applications to UCIT (Ireland) during 2010 were keen to combat impending rises in lending interest rates. It is envisaged that 2011 will witness a substantial increase in the cost of borrowing from European Central Bank. To those groups with variable rate loan products, such increases mean higher monthly repayments. UCIT (Ireland) loan holders are not penalised by higher repayments each month in such a scenario, but instead have the option to amend the term of their loan. Taking this into consideration it is envisaged that debt refinancing will be a high priority

among the client base in the forthcoming year.

During 2010 UCIT (Ireland) was approached to participate in a number of events. Presentations were made at the Northern Ireland Co-op Forum in Trinity College Dublin and also at University College Cork. We were also pleased to strengthen our links with other Institutions, including the Ryan Academy in Dublin City University, and the University of Ulster.

*UCIT sanctioned
in excess of €1.5m
of loans in the
Republic of Ireland
during 2010*

Boosting tourism

Rathmullan is a small village on the shores of Lough Swilly in County Donegal. Located 15 miles north of Letterkenny, the local economy is dependant on marine based leisure activities for employment and generating tourism.

UCIT (Ireland) have provided a loan to Rathmullan Enterprise Group towards the cost of replacing and upgrading a marine based pontoon located at the village pier.

The existing pontoon was 16 years old and with careful maintenance had served the community well being used extensively by the public, coast guard and RNLI. Over time however the structure has suffered from corrosion and general wear and tear.

The replacement of the pontoon will provide an essential boost to tourism in the area through increasing berthing capacity and enabling passengers to come ashore safely.

“The loan from UCIT meant everything to us”, says Angela Crerand, a Director of Rathmullan Enterprise Group, *“Without it the project would not have gone ahead”*.

One of a number of organisations reliant on the pontoon is Rathmullan Sailing School.

“We are delighted to see the new pontoon,” says Martin Kelly, *“The hundreds of boats using the facility have been of great benefit to local pubs, restaurants and shops over the past 10 years and it is good to see tourism projects being supported especially with the downturn in the economy. Rathmullan and Lough Swilly now has great potential to develop water based activities into the future”*.



Trudi Dunbar, UCIT hands over a cheque for €60,000 to Niall Doherty and Angela Crerand, Directors, Rathmullan Enterprise Group towards the costs of replacing the village's marine based pontoon.

Stepping in where others refuse to lend

Originally a creamery, Ballinaglera Community Hall was established as a community centre in the 1960s to meet the needs of the parish for a meeting place and hall. Since then it has been used for every public function other than sports. Over time it deteriorated to the point where it could no longer be used. Ballinaglera Development Company undertook an extensive refurbishment of the Hall during 2008, building a large extension and purchasing a field to provide car-parking space. UCIT have been delighted to provide the organisation with a bridging loan to enable the group to draw down grant funding to cover the final fit out costs.

“The loan we received from UCIT was essential to kick-start the final phase of refurbishment of our beautiful Community Hall,” says **Aedin McLoughlin, Secretary of Ballinaglera Development Company.**

“It is getting more and more difficult for community groups to get projects going when funders will only pay on receipt of invoices paid and banks no longer seem to be a source of capital for community-based organisations. In this situation, UCIT carries out a vital service and we are very grateful for the help given to us. We would recommend them to every community group - we found them easy to deal with, quick to respond and without too much paperwork.”



Directors of Ballinaglera Development Company in front of the new extension to their community hall. UCIT provided the organisation with a bridging loan.

Housing the Vulnerable

Newtowncunningham (Interchurch) Housing Association (NIHA) was established to assist relieve poverty and deprivation through the provision of housing and associated amenities to those in need within the Newtowncunningham area of County Donegal.

UCIT has provided the organisation with a loan to finance the shortfall in a €5 million plus capital build project incorporating a day centre and sheltered residential scheme for the elderly.

The new Trinity Court sheltered housing scheme provides 33 social housing units and a communal day care facility which supplies over 300 members with organised activities each month.



10 Year History

- 2001** - Start up funding is received from LEDU (Invest NI) and International Fund for Ireland. UCIT also take ownership of a £6.6m loan book from International Fund for Ireland, Department for Social Development and Department of Agriculture and Rural Development.
- 2001** - UCIT is awarded Charitable status in the UK and ROI
- 2001** - First loan is made to Moygashel Community Development Association towards the establishment of the Linen Green Designer Outlet Village



- 2003** - Establishment of UCIT Training and Mentoring programme heralds an important step in securing the sustainability of clients and the wider Social Economy sector
- 2003** - £3m secured from Department of Agriculture and Rural Development to set up a fund for lending into the rural sector

- 2004** - UCIT netWORKS Cross-Border Community Enterprise Programme begins providing business support to organisations from both sides of the border
- 2004** - UCIT help secure Belfast as the venue for the annual UK Community Development Finance Association conference thereby raising the profile of the sector and its crucial role within the social economy
- 2004** - Over 200 delegates attend the UCIT 'Community Enterprise – Best Practice for your Business' event in the Canal Court Hotel, Newry



- 2005** - A 'Fundraising, Research and Policy' post is created within UCIT
- 2005** - UCIT Community Enterprise Networking event in the Ramada hotel, Belfast, attracts over 180 delegates to the exhibition, presentations and discussion groups



- 2006** - UCIT is awarded ISO 9001 accreditation
- 2006** - Delegates attending the UCIT Social Economy Finance conference are challenged by Graham Wiles, Green Business Network, to think outside the box when it comes to financing their operations.
- 2007** - Accreditation from the Social Finance Foundation in the Republic of Ireland enables UCIT to access a fund, which will ultimately reach €97million, for investment south of the border



- 2007 - First loan is made in the Republic of Ireland to Fort Dunree towards fitting out costs incurred following an expansion to the museum
- 2008 - A budget is set aside for one-to-one mentoring sessions to assist loan holders address potential problems posed by the recession
- 2008 - Networks 2008 tradeshow attracts 900 delegates and incorporates 87 social economy exhibitors and 150 pre-arranged 'Meet the Buyer' appointments

netWORKS Ireland's Premier
2008 Trade Event
for Social Enterprise

- 2009 - UCIT partners with the Invest NI Social Entrepreneurship Programme
- 2009 - UCIT welcomes a US Investment delegation for a 3 day visit to Belfast to promote a broader understanding of the local social economy and the potential for strategic investment
- 2009 - UCIT mounts an extensive campaign to lobby the NI Executive to increase the flow of investment into the social economy sector. Over 30 meetings are held with Ministers and MLAs.
- 2010 - UCIT in conjunction with the School for Social Entrepreneurs and others organises a series of Social

Economy Masterclasses which aim to assist the private sector to understand more fully the capacity of the social economy in growing the economy



- 2010 - UCIT invest £250,000 into Big Issue Invest's Social Enterprise Investment Fund to ensure local social enterprises have access to a fund which will total £10 million

*Since 2001, UCIT
has assisted
over 200 social
enterprises
through providing
finance totalling in
excess of £30m*

Working in Partnership....

....to increase investment into the sector

UCIT continues to place a strong emphasis on developing partnerships in order that we can increase our impact and bring more services and added value to our clients.

In order to introduce additional new capital to the social economy market in Northern Ireland and the Republic of Ireland, UCIT has developed partnerships with other third sector, social finance providers. In Northern Ireland these partners include Big Issue Invest, Unity Trust, Charity Bank and Triodos Bank.

During 2010 we launched our partnership with Big Issue Invest at an event in Stormont which attracted significant attention from those in the Public sector, Private sector and Social Economy. Our investment of £250,000 into Big Issue Invest's Social Enterprise Investment Fund will ensure social enterprises in Northern Ireland have access to a fund which will total £10 million. The Social Enterprise Investment Fund provides a route for corporates, charitable trusts and wealthy individuals to use their capital to achieve social, ethical or environmental objectives, as an alternative to pursuing the traditional charitable route.

During 2010 UCIT continued to develop relationships in America. We look forward in particular, to working in partnership with Flax Trust America in the pursuit of the growth and sustainability of the social economy across the island of Ireland.

Closer to home we have been lobbying the banking sector and the Northern Ireland Assembly, to seek avenues to bring new sources of capital into the social economy in Northern Ireland. We have also been instrumental in organising the Social Economy Masterclass series. The initiative is in conjunction with the School for Social

Entrepreneurs, Charity Bank and Social Economy Network, and aims to assist policy makers and key influencers within the private sector to understand more fully the role and capacity of the social economy in growing the economy within Northern Ireland.

In the Republic of Ireland, UCIT has partnered with the Social Finance Foundation to give social enterprises access to a fund, which will ultimately reach €97million.

....to bring support to the sector

Ongoing partnerships with bodies such as Social Economy Network, Enterprise Northern Ireland, NICVA, School for Social Entrepreneurs, Community Foundation for NI, Queen's University Belfast, University of Ulster, Building Change Trust and Community Development Finance Association have been fundamental to the workings of UCIT and will continue to generate collaborative support for the sector throughout the economic downturn.

The Trust has also continued to manage its ongoing relationships with Government Departments, in particular the Department of Enterprise, Trade and Investment, Department of Finance and Personnel, and Department of Agriculture and Rural Development, as well as Invest Northern Ireland, International Fund for Ireland and Belfast City Council.

“We are very proud to be working with UCIT in Northern Ireland. Together we can bring financial innovation to support social enterprises which are delivering business solutions that seek to dismantle poverty”.

Nigel Kershaw OBE, CEO of Big Issue Invest and Chairman of The Big Issue



Pictured at the launch of the UCIT/ Big Issue partnership are (L-R) Brendan Whelan, CEO, Social Finance Foundation, Arlene Foster, Minister of Enterprise, Trade and Investment, Seamus O'Prey, Chairman, UCIT and Nigel Kershaw OBE, CEO of Big Issue Invest

“This partnership is encouraging news for our social economy which accounts for approximately five per cent of economic activity. I commend UCIT and Big Issue Invest for their leadership and innovative thinking in bringing finance to the sector”.

Arlene Foster, Minister of Enterprise, Trade and Investment

Pictured at the launch of the Social Economy Tourism Masterclass are (L-R) Maureen Wheeler, Lonely Planet; Ken O'Neill, School for Social Entrepreneurs; Jonathan McAlpin, UCIT; Arlene Foster, Minister of Enterprise, Trade and Investment; Brian Ambrose, Belfast City Airport; Derek Booker, Lagan Legacy and Kathryn Thompson, Northern Ireland Tourist Board



UCIT Board of Directors

Seamus O'Prey

Chair of UCIT
General Manager, ORTUS
Chair of the NOW Project
Eisenhower Fellow 2009

Dermot McGale

Vice-Chair of UCIT
Retired Regional Director, First Trust Bank

Brian M Howe*

Chief Executive of UCIT
Previously Senior Manager, Business Development Unit, Corporate and Commercial Banking, First Trust Bank

Helen Matthews*

Business consultant
Board Member of Sure Start Village Children's Centre

Erskine Holmes OBE

Retired Chief Executive of the Federation of Housing Associations
Chair of Ulster Provident Trust
Chair of Glenall Housing Co-op
Chair of Ulster Waterways
Chair of Blackwater Valley Museum
Vice-Chair of Co-operative Fund

Fr. Dr. Myles Kavanagh

Parish Priest and one of the visionaries who founded UCIT
Founder and Chairman of Flax Trust

Jim Malone

Director of Ardee Community Development Company
Member of Louth County Enterprise Board Evaluation Committee

Michael McGarrigle

Financial Advisor, Council for the West
Chairman of The Breesy Centre, Ballyshannon
Member of The Green Box Ltd

Alan Moneyppenny

Chief Executive of Strabane Lifford Development Commission
Trustee of the Odyssey Trust
Council member of Sport NI
Chairman of Audit and Finance Committee, Riverside Theatre
Independent Director of Enterprise NI
Independent member of North Down Borough Council

Dr Arthur Mitchell

Retired General Medical Practitioner
Founder Trustee/Director of Mourne Heritage Trust
Board Member of Rural Development Council
Chair of Mourne Grange Village Council
Chair of River Valley Development Association

Audrey Murray

Business Development Manager, LEDCOM
Programme Manager for Social Entrepreneurship Programme
Deputy Chair of Social Economy Network
Board Member of NICVA

Seamus McAleavey

Chief Executive, NICVA
Director of A2B and 4 Nations Company

Anna McAleavy

Director of Oxfam,
Director of Co-operative Forum N.I.
Director of Social Economy Network

William Patterson

Chief Executive, Greater Shankill Community Council
Director of Farset Development Ltd
Director of Farset Youth & Community Development Ltd

UCIT (Ireland) Board of Directors

Seamus O'Prey

Chair of UCIT Ltd
General Manager, ORTUS
Chair of the NOW Project
Eisenhower Fellow 2009

Dermot McGale

Vice-Chair UCIT Ltd
Retired Regional Director, First Trust Bank

Kevin Helferty

Director of Irish League of Credit Unions Foundation
Director of Buncrana Credit Union

Jim Malone

Director, Ardee Community Development Company Ltd
Member, Louth County Enterprise Board Evaluation Committee

Helen Matthews*

Business consultant
Board Member of Sure Start Village Children's Centre

Michael McGarrigle

Financial Advisor, Council for the West
Chairman of The Breesy Centre, Ballyshannon
Member of The Green Box Ltd

Alan Moneypenny

Chief Executive of Strabane Lifford Development
Commission
Trustee of the Odyssey Trust
Council member of Sport NI
Chairman of Audit and Finance Committee, Riverside
Theatre
Independent Director of Enterprise NI
Independent member of North Down Borough
Council

Michael Ludlow

Chief Executive of Meath Partnership

Dr Arthur Mitchell

Retired General Medical Practitioner
Founder Trustee/Director of Mourne Heritage Trust
Board Member of Rural Development Council
Chair of Mourne Grange Village Council
Chair of River Valley Development Association

Andrew Ward

Manager of Inishowen Development Partnership

** Resigned from the Board during the year of 2010*

UCIT Staff**Brian Howe***

Chief Executive

Jonathan McAlpin

Director of Operations

Sandra Cowan

Office Manager

Paddy Shanks

Lending Manager

Phelim Sharvin

Client Relationship Supervisor

Sinead McCrory

Client Relationship Executive

Donal Traynor

Client Relationship Executive

Mark Dougan*

Research, Policy & Fundraising Officer

Trudi Dunbar

Marketing Executive

Kelly Donnelly*

Marketing Executive

Dawn Lyness*

Administrator

** Resigned during the year of 2010*

Quality

UCIT is committed to achieving and maintaining the highest standards in the work we do.

Since 2006, UCIT has achieved and maintained ISO accreditation for the successful implementation of a quality management system. The adopted system ensures consistency and improvement of working practices within UCIT, ensuring we continue to provide products and services that meet customer requirements.

In addition to the ongoing independent assessments of our procedures, we monitor customer satisfaction levels through the collection of feedback concerning both our loan application process and our ongoing business services.



UCIT provided a loan to Lagan Legacy towards the costs associated with the refurbishment of their barge

Financial Accounts – UCIT Ltd.

Summarised financial statements

Trustees' Statement

The trustees, who are also directors for the purposes of company law, present the summarised financial statements for the year ended 31 December 2010.

The summarised financial statements are not the full annual report and financial statements but a summary of information derived from both the charity's Statement of Financial Activities and the charity's Balance Sheet. The summarised financial statements do not contain additional

The composition of the trustees at the date of this report is as follows:

Directors/Trustees

Mr S O'Prey	Chairperson
Mr B Howe	(resigned 31 March 2010)
Ms H Matthews	(resigned 27 May 2010)
Fr M Kavanagh	
Mr D McGale	
Mr M McGarrigle	
Dr A Mitchell	
Mr J E Holmes	
Ms A Murray	
Mr A Money Penny	
Mr J Malone	
Ms A McAleavy	(resigned 21 February 2011)
Mr S McAleavey	
Mr W Patterson	

information derived from the Trustees' Report.

The full annual report and financial statements, from which the summarised financial statements are derived, were approved by the trustees on 28th April 2011 and copies have been filed with the Registrar of Companies.

The independent auditors have issued an unqualified report on the full financial statements and on the

consistency of the Trustees' Report with those financial statements. The statement in the independent auditors' report was unqualified.

The full annual report and financial statements are available free of charge from the Company Secretary, Ulster Community Investment Trust Limited, 13-19 Linenhall Street, Belfast, BT2 8AA.

Company secretary

Mr B Howe	(resigned 31 March 2010)
Dr A Mitchell	(appointed 1 April 2010)

A review of the trust's business during the financial year and indications of likely future developments are contained in the Chairman's Statement and the Operating Review accompanying this report.

Mr S O'Prey
Chairperson
 28th April 2011

Summary statement of financial activities (including income and expenditure account) for the year ended 31 December 2010

	unrestricted £	2010 restricted £	Total £	2009 Total £
Incoming resources/Income				
<i>Interest receivable</i>	312,847	-	312,847	257,791
Total incoming resources	312,847	-	312,847	257,791
Resources expended/ expenditure				
<i>Charitable activities</i>	(391,823)	-	(391,823)	(431,190)
<i>Governance costs</i>	(55,876)	-	(55,876)	(27,796)
Other resources expended				
<i>Bad debts (provided)/recovered</i>	(598)	-	(598)	221,821
<i>Total net administrative income/(expenses)</i>	(448,297)	-	(448,297)	(237,165)
Net (outgoing)/incoming resources/Net income and expenditure	(135,450)	-	(135,450)	20,626
<i>Fund balance brought forward</i>	5,572,317	9,977,614	15,549,931	15,529,305
Total fund balance carried forward	5,436,867	9,977,614	15,414,481	15,549,931

Summary balance sheet as at 31 December 2010

	2010 £	2009 £
Fixed assets		
Tangible assets	34,512	5,229
Investments	240,393	8
	274,905	5,237
Current assets		
Debtors: amounts falling due after more than one year	10,792,062	10,812,438
amounts falling due within one year	1,556,178	1,440,496
Cash at bank and in hand	2,851,569	3,337,851
Debtors: amounts falling due within one year	15,199,809	15,590,785
	(41,983)	(28,341)
Net current assets	15,157,826	15,562,444
Net assets	15,432,731	15,567,681
Capital and reserves		
Called up share capital	18,250	17,750
Unrestricted funds	5,436,867	5,572,317
Restricted funds	9,977,614	9,977,614
Shareholders' funds	15,432,731	15,567,681

The summarised financial statements were approved by the board on 28th April 2011 and signed on its behalf by:

Mr S O'Prey
Chairperson

Notes to the summarised financial statements for the year ended 31 December 2010

1 Restricted and unrestricted funds

Restricted funds are amounts which are expendable only in line with the donor's expressed wishes. Unrestricted funds are amounts which are expendable at the discretion of the trustees in furtherance of the aims of Ulster Community Investment Trust Limited.

2 Employee information

	2010	2009
	£	£
Staff costs (including the former Chief Executive who was a trustee):		
Wages and salaries	188,356	259,419
Social security costs	23,155	26,999
Pension costs	22,731	28,760
Redundancy costs	32,031	-
	266,273	315,178

	2010	2009
	Number	Number
The average monthly number of persons employed by the Trust during the year by activity was:		
Administration	8	9

The number of employees, other than the former Chief Executive, falling in emolument bands over £60,000 is Nil (2009: Nil).

3 Trustees' emoluments

	2010	2009
	£	£
Salary of the former Chief Executive	16,780	67,130
Pension costs	3,392	9,588
Benefits in kind	575	1,359
Redundancy costs	32,031	-
Aggregate emoluments	52,778	78,077

The Trust's other trustees do not receive remuneration for their services, and were reimbursed for out of pocket expenses of £3,040 (2009: £3,850) in the year. No indemnity insurance for directors and officers has been purchased by the charity.

4 Investments

The Trust has the following investments in subsidiary undertakings which had a cost of £8 in total. These are:

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

Ulster Community Investment plc made a loss for the year to 31 December 2010 of £83 (2009: loss of £62) and had net liabilities of £32,609 (2009: £32,526) at that date.

Ulster Community Investment Trust (Ireland) Limited became operational in 2007. It had net outgoing resources for the year of €70,872 (2009: €56,182) and had net liabilities of €6,013 (2009: net assets of €64,859).

5 Related party disclosures

Ulster Community Investment Foundation is regarded as a related party as defined by Financial Reporting Standard 8 “Related Party Disclosures” due to common control being exercised over both companies. During the year the following facilities were provided free of charge to Ulster Community Investment Foundation:

- (a) office and storage space and sundry services relating thereto;
- (b) administration services, including maintenance of accounting records, the preparation of annual accounts and other financial statements.

The balance due from Ulster Community Investment Foundation at 31 December 2010 is £Nil (2009: £598). The outstanding balance due from the Trust’s subsidiary, Ulster Community Investment Trust (Ireland) Limited, at 31 December 2010 is £960,432 (2009: £960,432).

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

We have examined the summarised financial statements which comprise the Summary Statement of Financial Activities, the Summary Balance Sheet and the related notes set out on pages 32 to 34.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the summarised annual report in accordance with applicable United Kingdom law and the Statement of Recommended Practice: Accounting and Reporting for Charities (revised 2005).

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements within the summarised annual report with the full annual financial statements and the Trustees' Report, and its compliance with the relevant requirements of the Industrial and Provident Societies (Northern Ireland) Act 1969.

We also read the other information contained in the summarised annual report and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

The other information comprises only the Chairperson's Report, the Director of Operation's report and the other items listed on the contents page.

This statement, including the opinion, has been prepared for and only for the company's members as a body in accordance with the Industrial and Provident Societies (Northern Ireland) Act 1969 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our audit opinion on those financial statements and the Trustees' Report.

Opinion

In our opinion the summarised financial statements are consistent with the full annual financial statements and the Trustees' Report of Ulster Community Investment Trust Limited for the year ended 31 December 2010 and comply with the applicable requirements of Industrial and Provident Societies (Northern Ireland) Act 1969.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Belfast
9th May 2011

Financial Accounts - UCIT (Ireland) Ltd.

Summarised financial statements

Trustees' Statement

The trustees, who are also directors for the purposes of company law, present the summarised financial statements for the year ended 31 December 2010.

The summarised financial statements are not the full annual report and financial statements but a summary of information derived from both the charity's Statement of Financial Activities and the charity's Balance Sheet. The summarised financial statements do not contain additional

information derived from the Trustees' Report.

The full annual report and financial statements, from which the summarised financial statements are derived, were approved by the trustees on 28th April 2011 and copies have been filed with the Registrar of Companies.

The independent auditors have issued an unqualified report on the full financial statements and on the

consistency of the Trustees' Report with those financial statements. The statement in the independent auditors' report was unqualified.

The full annual report and financial statements are available free of charge from the Company Secretary, Ulster Community Investment Trust (Ireland) Limited, 5 Harbourmaster Place, IFSC, Dublin 1.

The composition of the trustees at the date of this report is as follows:

Directors/Trustees

Company secretary

Mr S O'Prey	(Chairperson)
Mr B Howe	(resigned 31 March 2010)
Mr J Malone	
Mr M McGarrigle	
Ms H Matthews	(resigned 27 May 2010)
Mr D McGale	
Mr M Ludlow	
Mr K Helferty	
Mr A Ward	
Mr A Moneypenny	(appointed 29 July 2010)
Dr A Mitchell	(appointed 29 July 2010)

Mr B Howe	(resigned 31 March 2010)
Dr A Mitchell	(appointed 29 July 2010)

A review of the company's business during the financial year and indications of likely future developments are contained in the Chairman's Statement and the Operating Review accompanying this report.

Mr S O'Prey
Chairperson
 28th April 2011

Summary statement of financial activities (including income and expenditure account) for the year ended 31 December 2010

	Total Unrestricted funds 2010 €	Total Unrestricted funds 2009 €
Incoming resources/income		
Other incoming resources		
Interest receivable	37,964	25,859
Grants received	-	59,912
Total incoming resources	37,964	85,771
Resources expended/expenditure		
Charitable activities	(68,978)	(68,399)
Foreign exchange loss	(39,858)	(69,796)
Governance costs	-	(3,758)
Total resources expended	(108,836)	(141,953)
Net outgoing resources/net income and expenditure	(70,872)	(56,182)
Total unrestricted funds brought forward	64,856	121,038
Total unrestricted funds carried forward	(6,016)	64,856

Summary balance sheet as at 31 December 2010

	2010 €	2009 €
Current assets		
Debtors : amounts falling due after more than one year	1,616,354	1,033,268
: amounts falling due within one year	170,285	196,093
Cash at bank and in hand	273,749	193,211
	2,060,388	1,422,572
Creditors: amounts falling due within one year	(1,358,743)	(1,156,046)
Net current assets	701,645	266,526
Creditors: amounts falling due after more than one year	(707,658)	(201,667)
Net (liabilities)/assets	(6,013)	64,859
Capital and reserves		
Called up share capital	2	2
Unrestricted funds	(6,016)	64,856
Other reserves	1	1
Total funds	(6,013)	64,859

The summarised financial statements were approved by the board on 28th April 2011 and signed on its behalf by:

Mr S O'Prey
Chairperson

Mr D McGale
Trustee

Notes to the summarised financial statements for the year ended 31 December 2010

1 Restricted and unrestricted funds

The general fund represents unrestricted funds, which are expendable at the discretion of the trustees in furtherance of the objects of the charity.

2 Employee information

	2010 €	2009 €
Staff costs:		
Wages and salaries	41,068	41,063
Social welfare costs	4,055	3,961
Other pension costs	3,638	3,638
	48,761	48,662
	2010 Number	2009 Number
The average number of persons employed by the trust during the year (excluding directors) was:		
Administration	1	1

No trustees received any remuneration during the year (2009: €Nil). No indemnity insurance for directors and officers has been purchased by the charity.

3 Related party disclosures

At the year end the Trust had a balance owing to its ultimate controlling party of €1,120,824 (2009: €1,080,966). The movement during the year represents fluctuation in exchange rates.

Independent auditors' statement to the members of Ulster Community Investment Trust (Ireland) Limited

We have examined the Summary Statement of Financial Activities, the Summary Balance Sheet and the Notes to the summarised financial statements (together hereafter referred to as the "summarised financial statements") for the year ended 31 December 2010.

Respective responsibilities of directors and auditors

These summarised financial statements are the responsibility of the company's management. Our responsibility is to express an opinion as to whether these summarised financial statements are consistent, in all material respects, with the financial statements from which they are derived. We also read the other information contained in the annual report and summarised financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

We have audited the financial statements of the company for the year ended 31 December 2010 from which the summarised financial statements were derived, in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. In our report, dated 9th May 2011, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with your instructions and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

Our examination comprised an assessment of whether the summarised financial statements are consistent with the financial statements.

Opinion

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the company's financial position and the results of its operations for the period and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Belfast
9th May 2011

Our Members

Advanced Learning Systems, Belfast
 Ahoghill Community Property Development Co.
 Ardee Community Development Company
 Argyle Business Centre, Belfast
 Arva Area Development
 Aston Reinvestment Trust, Birmingham
 Belleek and District Development Trust
 Belturbet Community Development Assoc.
 Buncrana Youth and Community Development Co.
 Brian M. Howe
 Brownlow, Craigavon
 Castlewellan Regeneration
 Clones Development Society
 Cookstown Enterprise Centre
 Council for the West, Sligo
 Creevy and District Community Development Co-op
 Creggan Enterprises, Derry
 Dermot McGale
 Derry Northside Development Trust
 Disability Action (NI), Belfast
 Drumshanbo Enterprise Centre
 Dungannon Enterprise Centre
 Eamon F McElroy
 East Belfast Enterprise Park
 Erskine Holmes OBE
 Farset Development, Belfast
 Filor Housing Association, Belfast
 Flax Housing Association, Belfast
 Fold Housing Association, Holywood
 Forkhill and District Development Association
 Fort Dunree Military Museum, Buncrana
 Fr. Myles Kavanagh
 Greater East Belfast Partnership
 Greater Village Regeneration Trust, Belfast
 Greysteel Community Enterprises

Grove Housing Association, Belfast
 Guys and Dolls Playgroup, Eskra
 Larne Enterprise Development Company
 Londonderry Inner City Trust
 Mayfair Business Centre, Portadown
 Merville House, Newtownabbey
 Moygashel Community Development Assoc.
 N.I. Co-ownership Housing Association
 New Haven Trust, Newry
 Newry and Mourne Enterprise Agency
 North and West Housing, Derry
 North City Business Centre, Belfast
 Oaklee Housing Association, Belfast
 Omagh Enterprise Company
 Onus (N.I.), Ballymena
 Ortus - The Business Development Agency, Belfast
 Phab N.I. Face Inclusion Matters
 Portavogie and District Community Development
 Rathfriland Regeneration
 River Valley Development Association
 School for Social Entrepreneurs
 Sion Mills Buildings Preservation Trust
 Stewartstown Development Association
 Strabane Lifford Development Commission
 The Co-operative Forum (NI)
 Ti Chulainn, Mullaghbawn
 Triangle Housing Association, Ballymoney
 Trinity Housing
 Victor Haslett
 Waterside Development Group
 Whitegates Community Business, Newry
 Whitehead Community Association
 Windsor Women's Centre, Belfast
 Workspace (Draperstown)

What our Borrowers say

“All of the Trustees were impressed by the efficient and flexible, but commercial-like, terms offered by UCIT. In short, UCIT understood much more clearly than others the nature of our business as a company with charitable status. This understanding is reflected in the conditions attached to the loan. All in all we are delighted that we formed this partnership with UCIT”

A N King CMG LVO OBE, Trust Administrator, Sion Mills Buildings Preservation Trust, County Tyrone

“The social finance received from UCIT provides lifeline funding to ensure that this project remains financially viable. The Iontas Resource Centre provides a number of inclusive, cross-border community infrastructure services, which had been grossly lacking in the area for some time”

Sister Celine McArdle, Director of the Iontas Resource Centre, County Monaghan

“Due to the project running behind we found ourselves with a build up of costs and a subsequent shortfall in funding. UCIT were vital in providing the finance to fill this gap in order that the project could proceed”

Alan Johnston, Centre Manager, Monkstown Community Forum, County Antrim

“We found it very difficult to get funding for start-up costs for Sparkles and we are indebted to UCIT for being willing to invest in this new venture. The money we borrowed also helped us to draw down other funding under the Peace II Programme. Without this investment Sparkles wouldn't have been possible”

Jean Brown, Suffolk Community Forum, Belfast

“The bridging loan from UCIT has been a great help. It provided the cash flow to allow the project to meet a number of funders deadlines. We would have no hesitation in recommending UCIT as a funding source for community projects”.

Kieran Haughey, Chairman, Friends of Lissan Trust, County Tyrone

“We at Fort Dunree have found UCIT very easy to deal with and prompt in their loan process”

David Magee, Manager, Fort Dunree, County Donegal

“The investment by UCIT has enabled the Workhouse to effectively manage its cash flow, which otherwise would have been impossible”

Sian McCann, Manager, Donegal Famine & Heritage Centre (Dunfanaghy) Ltd., County Donegal

Thank You

UCIT is very grateful for the financial support that it has received from its main funders:



Department of
**Enterprise, Trade
and Investment**

www.detini.gov.uk



Department of
**Agriculture and
Rural Development**

www.dardni.gov.uk



Department for
**Social
Development**

www.dsdni.gov.uk



Invest
Northern
Ireland

Building Locally
Competing Globally



Project part financed
by the European Union
Peace and Reconciliation Programme



INTERNATIONAL FUND FOR IRELAND

UCIT was founded in 1995 in recognition that with decreasing grant support, the future of community economic regeneration depended on access to alternative sources of funding. UCIT was established as a provider of affordable loans and free business support and mentoring for the social economy sector. While all operations are secured on a profit basis, all profits are recycled for reinvestment into the social economy.

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