

THE COMMON INVESTMENT FUND

Annual Report and Financial Statements

For the year ended 31 December 2022

THE COMMON INVESTMENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

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THE COMMON INVESTMENT FUND

AUTHORITY AND OTHER INFORMATION

THE CHARITIES REGULATORY AUTHORITY (“The Authority”)

Patrick Hopkins (Chairperson)
David Brady (Retired 15 October 2022)
Tom Costello (Retired 15 October 2022)
Patricia Cronin (Retired 15 October 2022)
Maire McMahon
Ercus Stewart
Martin Sisk
Rosemary Keogh
Cathy Holahan (Appointed 27 April 2022)
Geraldine Smith (Appointed 27 April 2022)
Lorraine Lally (Appointed 27 April 2022)
Nicola Keogh (Appointed 27 April 2022)
Tony Ward (Appointed 27 April 2022)
Stephen Keogh (Appointed 26 October 2022)
Darren Lehane (Appointed 26 October 2022)
Michael O’Sullivan (Appointed 26 October 2022)

TRUSTEES

IQ-EQ
5th Floor
76 Sir John Rogerson's Quay
Dublin 2

CHIEF EXECUTIVE

Helen Martin

REGISTERED OFFICE

3 George’s Dock
International Financial Services Centre
Dublin 1
D01X5X0

SOLICITORS

Beauchamps Solicitors
Riverside Two
Sir John Rogerson’s Quay
Dublin 2

McCann FitzGerald LLP
Riverside One
Sir John Rogerson’s Quay
Dublin 2

THE COMMON INVESTMENT FUND

AUTHORITY AND OTHER INFORMATION

INVESTMENT MANAGER

IQ-EQ
5th Floor
76 Sir John Rogerson's Quay
Dublin 2

GLOBAL CUSTODIAN

Northern Trust Fiduciary Services (Ireland) Limited,
George's Court, 54-62 Townsend Street,
Dublin 2

PRINCIPAL BANKERS

Ulster Bank
33 College Green
Dublin 2

AUDITORS

ASM (B) Ltd
Chartered Accountants, Statutory Audit Firm
Glendinning House
4th Floor
6 Murray Street
Belfast
BT1 6DN

THE COMMON INVESTMENT FUND

REPORT OF THE CHARITIES REGULATORY AUTHORITY

The Charities Regulatory Authority (also referred to as the “Authority”) presents the Annual Report and the audited financial statements of the Common Investment Fund (also referred to as the “Fund”) for the year ended 31 December 2022.

Organisational structure and aims of the Fund

The Authority is mandated under the Charities Act 2009 to provide services to trustees of charities and to carry out the intentions of persons making donations and bequests to charity.

The Charities Regulatory Authority has been entrusted with the assets of various charities which were entrusted to them pursuant to Section 83 of the Charities Act 2009. Such assets are held by the Authority, on behalf of the charity in whom the assets are vested, in trust for:

- the trusts and purposes upon and for which the assets were so vested; or
- such of those trusts or purposes as are subsisting or capable of taking effect.

The Authority may appoint such persons as it thinks proper to act as Trustees and to administer the assets of the Fund.

The Trustees of the Fund for the financial year ended 31 December 2022 were IQ-EQ.

The scheme for the establishment of the Common Investment Fund (also referred to as the “Scheme”) contains provisions detailing the investment powers of the Fund trustees; the establishment of a share register; the valuation basis for investments; dividend distributions (to be undertaken on a semi-annual basis in June and December) as well as provisions regarding withdrawals from and additions to the Fund and the maintenance and preparation of accounts.

The Fund is €40 million (2021: €44 million) in size and is managed on a discretionary basis by an Investment Manager, IQ-EQ. Investors in the Fund are charities with a valid charitable tax exemption from the Revenue Commissioners or such other charitable trusts as the Charities Regulatory Authority at its discretion admits as investors into the Fund. Investment is by way of purchase of units based on unit prices which are struck for the Fund at 30 June and 31 December or such time as the Charities Regulatory Authority may deem appropriate. Encashments are arranged through redemption of units held with redemption prices being struck twice yearly as above.

The unit prices reflect a single NAV price. A dividend or distribution is paid to unit holders in respect of the half year ending 30 June and 31 December where funds are available.

A dividend reinvestment scheme is in place allowing unit holders the choice of receiving dividend income in cash or to reinvest back into the Fund which would be reflected in additional units at the end June or end December price as appropriate.

Investors in the Fund are not guaranteed as to their investment in any way. The Fund carries a medium overall level of risk. It is not a cash fund. It is invested with the intention of achieving income and capital growth over the long term. In this regard the price of units held may go down as well as up and an investor may get back less than that invested.

THE COMMON INVESTMENT FUND

REPORT OF THE CHARITIES REGULATORY AUTHORITY

The investments making up the capital of the fund at 31 December 2022 were as follows:

Irish fixed interest	3.3%
Foreign fixed interest	21.3%
Irish property	7.2%
UK equities	4.9%
Eurozone and global equities	57.5%
Cash and cash equivalents	5.8%
	<u>100%</u>

Principal activities

The primary long-term investment objective is to seek security followed by the achievement of optimal return, taking account of the income generation and capital growth requirements of the beneficiaries and having regard to market conditions generally. This equates to seeking to maximise the return on invested assets subject to the income and liquidity requirements of the beneficiaries.

These high-level investment objectives are supported by the more detailed investment objectives:

- a) Diversified portfolio of assets. Diversification should occur within an asset category and also between different asset types.
- b) A sufficient level of monetary assets (e.g. fixed interest/cash). This element would be used to meet ongoing cash-flow needs.
- c) Sufficient real assets. Real assets are required to broadly neutralise the effects of inflation on future cash payments.

Results and dividends

The Statement of Income and Expenditure for the financial year ended 31 December 2022 is set out on page 13. The Net Income before realised and unrealised gains for the financial year to 31 December 2022 amounted to €991,831 (2021: €962,866).

Principal risks and uncertainties

All investments involve some degree of risk (i.e. future value is unknown) and that risk varies from asset class to asset class. A strategy with a higher risk profile should only be adopted if there is a reasonable expectation that over time it will produce a return significantly in excess of a strategy with a lower risk profile.

THE COMMON INVESTMENT FUND

REPORT OF THE CHARITIES REGULATORY AUTHORITY

Investment policy and performance

The investment policy of the Fund is as follows:

- a) To invest in accordance with the Charities Acts 2009 as well as all relevant ministerial orders;
- b) To permit investments in Government Stocks in any country which is a member of the European Union or other trustee investments in accordance with the provisions contained in the first schedule of the Trustee Order, 1998 (amendment) Order 2002;
- c) To permit the fund to retain any investment in securities or holdings in any Unauthorised Unit Trust held prior to the date of the Investment Management Agreement;
- d) To delegate the investment management of the assets to recognised experts;
- e) To retain a single manager to manage the assets;
- f) To delegate the management of the assets to the Investment Manager;
- g) To ask the Investment Manager to use an active, balanced investment approach, i.e. within very broad guidelines and minimal investment constraints. The Investment Manager has total discretion both in the distribution of the fund among markets and asset classes and the selection of stocks etc. within those classes;
- h) To set investment guidelines and constraints designed only to exclude asset distributions which are totally unacceptable to the Charities Regulatory Authority;
- i) To set specific performance objectives which have regard to the investment guidelines/constraints set by the Charities Regulatory Authority and the level of risk acceptable to them;
- j) To request the Trustees to delegate the custody and safe-keeping of the assets to the custodian.

Investment markets performance

➤ Equities

Euro-based investors saw modest gains in global equities during the final quarter of 2022, with the MSCI World Index adding 0.76% in euro terms. The return for the full year was -12.78% in euros. The outturn for the quarter reflected a strong underlying performance from equities, but also a significant weakening of the US dollar, which had been strong for most of 2022. This currency move was a headwind for euro-based investors – dollar-based investors enjoyed a 10% return from global equities during the quarter.

Equity markets reached their lows points for 2022 during October, before rallying strongly for the rest of quarter. Sentiment was buoyed by rising expectations that inflation pressures were nearing a peak and that the pace of interest rate increases would abate early in 2023. Returns might have been stronger during the quarter but for comments from Fed Chair, Jerome Powell, at the Fed's December meeting, pouring cold water on these expectations. Powell stated that the Fed's expectation was for rates to peak at 5.1% in 2023, somewhat higher than the market had been expecting.

Despite concerns about a possible recession in 2023, sectors exposed to the global economy, such as Energy, Industrials and Materials, performed best during the quarter. The Technology and Consumer Discretionary sectors were among the worst performers. This pattern dominated returns during most of 2022. The Materials sector was boosted by hopes that China would ease Covid restrictions. The country's economy has been out of synch with the other major economies due to its troubled property market and its "Covid-Zero" policy. The government relaxed Covid restrictions and pledged support for the property market during December, extending the rally in the Materials sector.

Several large technology and internet-related companies, which had sailed through 2021 due to consistent delivery of earnings as work-from-home policies were implemented, faced multiple challenges during 2022. Rising interest rates pressured valuations of certain highly valued sectors, such as Technology and Consumer Discretionary. There were also some notable earnings disappointments in the fourth quarter

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REPORT OF THE CHARITIES REGULATORY AUTHORITY

from internet heavyweights Meta Platforms and Alphabet, owners of Facebook and Google, respectively. Semiconductor manufacturing companies also disappointed during the quarter as the cycle turned down.

➤ Bonds

Having begun the quarter on a positive note with yields falling (prices rising), bonds went into reverse following Powell's comments. To add to the gloom, the Bank of Japan raised its cap on 10-year Japanese Government Bond yields, allowing them to move higher. These events led bonds to sell off into year end, resulting in the JP Morgan Global Bond Index ending the quarter in negative territory at -0.69%.

One market that bucked the negative trend was UK Gilts. Their yields soared in September following the Kwasi Kwarteng's expansionary "mini-budget". However, calm was restored when it was replaced by a more prudent budget under the new Chancellor of the Exchequer, Jeremy Hunt. This resulted in UK Gilt yields falling and the ICE BofA UK Gilts Index returning +1.67% for the quarter.

Corporate bonds and other Fixed Income sectors generally outperformed government bonds during the period. They were supported by relatively resilient economic data, particularly in the US, improved risk appetite and less primary market issuance. As a result, the yield demanded by investors to hold these bonds fell relative to the yield on highly rated "risk free" government bonds such as US Treasuries and German Bunds.

➤ Property

While Q4 results are awaited, the total year-to-date investment spend in 2022 is expected to be in the region of €6bn, which follows a robust outturn in 2021 when turnover reached €5.5bn. Even excluding some large-scale transactions in 2022, such as the Brookfield acquisition of Hibernia Reit and Blackstone's purchase of Salesforce Tower, total turnover will be in the region of €4.4 billion, which is a strong outcome by historical standards.

Notwithstanding higher rates and stalling transactions of late, equity capital and debt remain available to be deployed in the sector. This would suggest that pricing is the key inhibitor to transactions, as opposed to a lack of investor demand.

The PRS sector has seen a significant reduction in the number of forward purchase/forward funding transactions given the widening in yields and increase in construction costs. Planning uncertainty, material cost inflation, supply-chain constraints and the cost and availability of finance have all played a factor in exerting a downward drag on pricing.

Regarding the office sector, the number of workers returning to work has been lower than expected in the second half of the year. The sector has also seen a number of job losses in the tech sector, which is impacting investor sentiment negatively. These factors, combined with ESG considerations, are presenting challenges for the absorption of older office stock.

The retail sector continues to face challenges including labour shortages, rising prices, online competition, inflation and higher interest rates. As a result, rental levels have fallen. However, Grafton Street has had a positive year with a host of new lettings to 'best-in-class' international brands, which has brought vacancy levels down.

In logistics, there is a significant pipeline of supply coming through (forecast completions of three million sq. ft.). Strong demand for warehousing due to population growth, the ongoing expansion of ecommerce

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REPORT OF THE CHARITIES REGULATORY AUTHORITY

and the adoption of on-shoring is expected to ensure this is easily absorbed. It is also expected that vacancy will remain low, and rents should continue on an upward trajectory.

➤ **Cash**

The ECB raised rates from 1.25% to 2.5% during the fourth quarter and sought to drain liquidity from the system by targeting the rate on Targeted Longer-term Refinancing Operations (TLTRO). The move was intended to stop banks benefitting unduly as it hikes rates. In December ECB Chief Economist Lane said that he believed we were close to peak inflation, adding that while there are more rates hikes to come, a lot has been done already in terms of monetary tightening. Lane also stated that wage growth over the next three years may lead to a second round of inflation. Meanwhile, ECB President Lagarde added that the prior market expectations for an eventual rate peak of 3% were too low in the context of the fight against inflation. Lagarde remains committed to making data-driven decisions and continuing with supportive monetary policy as required.

Auditors

The auditors, ASM (B) Ltd, Chartered Accountants and Statutory Audit Firm, are willing to continue as auditors of the Charities Regulatory Authority's Common Investment Fund pending the outcome of a new tender process for external audit services.



A Member of the Authority



Chief Executive Officer

30 March 2023

THE COMMON INVESTMENT FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required by the Authority under the "scheme" to prepare the annual report and financial statements on behalf of the Charities Regulatory Authority for each financial year in accordance with Irish law and regulations, which give a true and fair view of the state of affairs of the Fund as well as a Balance Sheet, Statement of Income and Expenditure, Statement of Changes in Net Assets and notes to the financial statements.

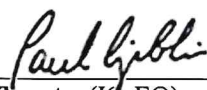
The Trustees have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Fund as at the financial year end and of the net income of the Fund for the financial year.

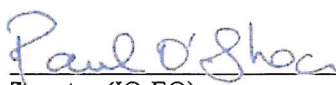
In preparing those financial statements the Fund Trustees are required to;

- select suitable accounting policies as described in page 17 - 19 and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 Fund will continue in operation.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are responsible for ensuring that the Fund keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Fund, enable at any time the assets, liabilities, financial position and profit or loss of the Fund to be determined with reasonable accuracy, enable them to ensure that the financial statements and report of the Charities Regulatory Authority comply with the Financial Reporting Standard, and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees confirm to the best of their knowledge that they have complied with the above requirements in preparing the financial statements.


Trustee (IQ-EQ)


Trustee (IQ-EQ)

30 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE CHARITIES REGULATORY AUTHORITY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Common Investment Fund ('the Fund') for the year ended 31 December 2022, which comprise the Statement of Income and Expenditure, the Statement of Changes in Net Assets, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at 31 December 2022 and of its net deficit for the year then ended; and
- have been properly prepared in accordance with FRS 102, Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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 Fund's use of the 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 Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE CHARITIES REGULATORY AUTHORITY (*continued*)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees and the Charities Regulatory Authority are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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

- in our opinion, the information given in the report of the Charities Regulatory Authority is consistent with the financial statements; we have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- in our opinion, the accounting records of the Fund were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Fund and its environment obtained in the course of the audit, we have not identified any material misstatements in the report of the Charities Regulatory Authority.

Respective responsibilities

Responsibilities of Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

INDEPENDENT AUDITOR'S REPORT TO THE CHARITIES REGULATORY AUTHORITY (*continued*)

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

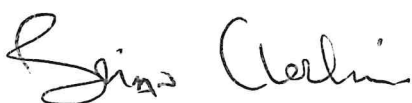
We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals including complex transactions. We discussed this risk with client management, designed audit procedures to test the timing of revenue, tested a sample of journals to confirm they were appropriate and reviewed areas of judgment for indicators of management bias to address these risks.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://iaasa.ie>. This description forms part of our Auditors' Report.

Use of our report

Our report is made solely to the Authority, as a body in relation to the Fund. Our audit work has been undertaken so that we might state to the Authority 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 Authority, as a body, for our audit work in respect of the Fund, for this report, or for the opinions we have formed.



Brian Clerkin
for and on behalf of
ASM (B) Ltd
Chartered Accountants, Statutory Audit Firm
Glendinning House
6 Murray Street
Belfast
BT1 6DN

Date: 30 March 2023

THE COMMON INVESTMENT FUND

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 €	2021 €
Investment income	7	1,174,701	1,116,880
Deposit interest income		380	5
TOTAL INCOME		1,175,081	1,116,885
Management and administrative expenses	8	(183,250)	(154,019)
NET INCOME BEFORE NET REALISED AND UNREALISED GAINS		991,831	962,866
Net realised and unrealised gains/(losses)		(3,547,066)	5,329,413
NET INCOME/(DEFICIT) AFTER NET REALISED AND UNREALISED GAINS/(LOSS)		(2,555,235)	6,292,279

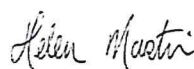
All income and expenditure in the financial year and the preceding financial year was in respect of continuing operations.

The notes on pages 17 to 22 form part of these financial statements.

The financial statements were approved and authorised for issue by the Charities Regulatory Authority on 30 March 2023. They are signed on its behalf by:



A Member of the Authority



Chief Executive Officer

THE COMMON INVESTMENT FUND

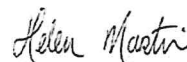
STATEMENT OF CHANGES IN NET ASSETS AS AT 31 DECEMBER 2022

	2022 €	2021 €
Net income/(deficit) after net realised and unrealised gain/(loss)	(2,555,235)	6,292,279
Contributions by charities	136,086	201,541
Redemptions		
Withdrawals by charities	(173,526)	(497,007)
Amount distributed	(940,227)	(941,833)
Change in net assets	(3,532,902)	5,054,980
Net assets as at 1 January	43,754,148	38,699,168
Net assets as at 31 December	40,221,246	43,754,148

The financial statements were approved and authorised for issue by the Charities Regulatory Authority on 30 March 2023. They are signed on its behalf by:



A Member of the Authority



Chief Executive Officer

THE COMMON INVESTMENT FUND

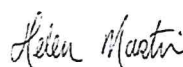
BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	31-Dec-22	31-Dec-21
ASSETS		€	€
Investments at fair value	3	38,389,021	42,075,100
Cash and cash equivalents	3	1,545,897	1,433,088
Equalisation reserve	3,4	298,656	300,499
Dividend account	3	493,944	442,181
Distribution account	3	681	927
Debtors	5	76,294	72,746
		<u>40,804,493</u>	<u>44,324,541</u>
LIABILITIES			
Amounts falling due within one year	6	<u>(583,247)</u>	<u>(570,393)</u>
NET ASSETS		<u>40,221,246</u>	<u>43,754,148</u>
Represented by:			
Value of Fund		<u>40,221,246</u>	<u>43,754,148</u>
Number of units in issue		<u>7,504,178</u>	<u>7,497,116</u>
Net Asset Value per unit		<u>5.36</u>	<u>5.84</u>

The financial statements were approved and authorised for issue by the Charities Regulatory Authority on 30 March 2023. They are signed on its behalf by:



A Member of the Authority



Chief Executive Officer

THE COMMON INVESTMENT FUND

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 €	2021 €
Net cash from operating activities		
Net (deficit)/income for the year	(2,555,235)	6,292,279
<i>Adjustments for:</i>		
Purchases of financial assets	(1,700,134)	(1,247,752)
Disposals of financial assets	1,839,146	2,283,970
Net unrealised loss/(gain) on investments at fair value	3,547,067	(5,356,413)
Decrease in equalisation reserve	1,843	2,692
Decrease/ (Increase) in dividend account	(51,763)	(39,183)
Decrease in distribution account	246	8
Decrease in charges account	-	-
Decrease/(Increase) in debtors	(3,548)	(36,061)
(Decrease)/Increase in creditors	12,854	1,921
Net cash inflow from operating activities	1,090,476	1,901,461
Cash flows from financing activities		
Amounts distributed to charities	(940,227)	(941,833)
Withdrawals by charities	(173,526)	(497,007)
Contributions by charities	136,086	201,541
Net cash flows used in financing activities	(977,667)	(1,237,299)
Net increase/(decrease) in cash and cash equivalents	112,809	664,162
Cash and cash equivalents at the beginning of the period	1,433,088	768,926
Cash and cash equivalents at end of the period	1,545,897	1,433,088

THE COMMON INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

The main accounting policies adopted by the fund are as follows:

1. GENERAL INFORMATION

The financial statements comprising the Statement of Income and Expenditure, the Statement of Changes in Net Assets, the Balance Sheet, the Statement of Cash Flows and the related notes constitute the individual financial statements of the Common Investment Fund for the financial period ended 31 December 2022.

The Common Investment Fund (the “Fund”) is mandated under the Charities Act 2009.

2. ACCOUNTING POLICIES

a) *Basis of preparation*

The financial statements have been prepared on the going concern basis under the historical cost convention modified to include certain items at fair value and in accordance with applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) *Income recognition*

Gross dividend income received or receivable in respect of equity securities held during the year, based on ex-dividend date, and are included in the Statement of Income and Expenditure.

Interest on fixed interest securities (gross of taxation) together with deposit interest is recognised on an accrual basis.

c) *Foreign currencies*

Functional currency and presentation currency

The financial statements are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements are presented in Euro (“€”) which is also the functional currency of the Fund.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity’s functional currency by applying the spot exchange rate ruling at the date of the transaction or an average rate where this rate approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Income and Expenditure.

THE COMMON INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (*continued*)

d) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

e) *Financial instruments*

Financial instruments

The Fund has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, which include cash and cash equivalents, equalisation reserve, dividend account, distribution account and charges account, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, whereby the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Income and Expenditure.

Other financial assets, including investments in equity instruments, non-convertible preference shares and non-puttable ordinary shares which are not subsidiaries, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

THE COMMON INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (*continued*)

e) *Financial instruments (continued)*

Financial liabilities

Basic financial liabilities, which include dividends payable and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

f) *Provisions and contingencies*

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Fund's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

g) *Judgement as a key source of estimation uncertainty*

Judgements are used in determining the accounting policies to be applied in the financial statements. The Fund applies accounting policies that results in the financial statements providing relevant and reliable information about the effect of transactions, other events and conditions on the entity's financial position and financial performance.

THE COMMON INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS AT FAIR VALUE AND CASH AND CASH EQUIVALENTS

	% of	31 December 2022 €	% of	31 December 2021 €
Irish fixed interest	3.3%	1,339,640	3.2%	1,413,896
Foreign fixed interest	21.3%	8,678,039	21.3%	9,414,343
Irish property	7.2%	2,930,342	7.1%	3,153,696
UK equities	4.9%	2,007,542	4.7%	2,089,800
Eurozone and global equities	57.5%	23,433,458	58.8%	26,003,365
	94.2%	38,389,021	95.1%	42,075,100
Cash	3.8%	1,545,897	3.2%	1,433,088
Equalisation reserve	0.7%	298,656	0.7%	300,499
Dividend account	1.2%	493,944	1.0%	442,181
Distribution account	0.1%	681	0.0%	927
	5.8%	40,728,199	4.9%	44,251,795

Investments are valued on the basis outlined in note 2 at the reporting dates by the Fund trustees in accordance with Clause 9 of the Scheme.

4. EQUALISATION RESERVE & DIVIDEND ACCOUNT

This represents the net funds (including interest) which have been transferred from cash by the trustees to an Equalisation Reserve. This reserve has been constituted in accordance with Clause 10 of the Scheme for the purpose of regulating distributions of income to the participating charities. Under the terms of Clause 10, the amount of the Equalisation Reserve is a charge upon the Fund. Under Clause 12 of the Scheme, the Equalisation Reserve is included in the value of the total assets of the Fund for the purpose of determining the basic value of a unit in the Fund.

Equalisation Reserve is maintained at a level of between 0.5% and 1% of the Fund.

5. DEBTORS

	31 December 2022 €	31 December 2021 €
Dividends receivable	76,294	72,746
	<u>76,294</u>	<u>72,746</u>

THE COMMON INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

6. CREDITORS - amounts falling due within one year

	31 December 2022 €	31 December 2021 €
Dividends payable	478,632	475,526
Other creditors	104,615	94,867
	<u>583,247</u>	<u>570,393</u>

Dividends are declared twice annually at 30 June and 31 December.

7. INVESTMENT INCOME

Investment income comprises dividends received and receivable during the year from equity securities.

8. MANAGEMENT AND ADMINISTRATIVE EXPENSES

	2022 €	2021 €
Investment management fees	97,304	92,544
Professional fees	51,342	33,062
Administration fees	9,112	8,869
Other expenses	25,492	19,544
	<u>183,250</u>	<u>154,019</u>

9. TAXATION

Under Section 24 of the Finance Act 2015, income from the Fund is tax exempt.

THE COMMON INVESTMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL INSTRUMENTS

The analysis of the carrying amounts of the financial instruments of the Fund required under Section 11 of FRS 102 is as follows:

	2022 €	2021 €
<i>Financial assets at fair value</i>		
Investments at fair value	<u>38,389,021</u>	<u>42,075,100</u>
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	1,545,897	1,433,088
Equalisation reserve	298,656	300,499
Dividend account	493,944	442,181
Distribution account	681	927
	<u>2,339,178</u>	<u>2,176,695</u>
<i>Financial liabilities at amortised cost</i>		
Dividends payable	478,632	475,526
Other creditors	<u>104,615</u>	<u>94,867</u>
	<u>583,247</u>	<u>570,393</u>

11. COMMITMENTS

The Fund had no capital or other commitments at 31 December 2022 (2021: €nil).

12. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2022 (2021: €nil).

13. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events affecting the Fund since the year end.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the trustees on 30 March 2023.

