

East Belfast Enterprise Ltd

**Trustees' report and
financial statements**

for the year ended 31 December 2022

**Company No: NI023055
Charity No: XR 86644
CCNI No: NIC103061**

East Belfast Enterprise Ltd

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Charity information
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Trustees	Duncan Graham (Chair) William Miskimmin (Co. Secretary) Mervyn Hempton Joanne Jennings (resigned 12 April 2023) Nicola Bothwell Gerry Gilpin Jacqueline Locke Graham Thompson (resigned 21 January 2022) Jason Hempton (appointed 12 April 2023)
Chairman	Mr D Graham
Secretary	Mr W Miskimmin
Chief Executive Officer	Mr J McAlpin
Registered Office	68 - 72 Newtownards Road Belfast BT4 1GW
Company Number	NI023055
Charity Number	XR 86644 NIC103061
Auditors	FPM Accountants Limited Unit 1, Building 10 Central Park, Mallusk Road Newtownabbey, BT36 4FS
Bankers	Danske Bank Limited Donegall Square West Belfast BT1 6JS

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THE TRUSTEES, AS DIRECTORS OF EAST BELFAST ENTERPRISE (EBE), PRESENT THEIR REPORT WITH THE FINANCIAL STATEMENTS OF THE CHARITY FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Chair's Report

By the close of 2021 operations had largely returned to a more normal pattern, following the economic shock caused by the COVID pandemic. Some aspects of the operation had still not fully recovered, with working patterns changed to a more hybrid working approach and less face-to-face meetings, resulting in less use of the training and meeting rooms at City East. The Board agreed the operating plan for 2022 at its first meeting in January. This operating plan was to be the last plan to deliver the strategy that completed in December 2022 and hence part of the operating plan involved work on a new strategy to be in place by the end of 2022 and to guide operations for the period from 2023 to 2025.

The plan for 2022 set out that the charity would continue the work of recovery from COVID and focus on the sustainability of the organisation. The main objectives were as follows:

Core Business Sustainability

- Client relationship activities will continue with KPIs in place focused on tenant retention and attracting new tenants for Foundry services, including meeting room hire. The occupancy levels at City East and ABR will aim to retain occupancy at c90% during 2022, achieving a minimum average monthly income of £36,000 combined per month for City East and ABR and achieving a break-even position by the year end for the Foundry.
- Bids will be submitted to secure new programmes that can be delivered during autumn of 2022 and into 2023, with the aim of achieving a net break-even position for programmes by the year end.
- Administration budgets will be closely monitored to ensure the budget is not exceeded.
- New sites are to be identified for potential property development. This can be progressed in partnership with Inspire Business Centre, subject to the outcome of potential merger negotiations.
- Achieve profitability targets as set out in the operating budget.
- Conduct stakeholder engagement and research as part of a planning process to establish a new strategy for 2023 - 2025.

Promoting Enterprise and Enterprise Culture

- Engage through Enterprise Northern Ireland to develop proposals to work with the Department for the Economy, Invest NI and the Councils to establish an enterprise service for start-up and early-stage businesses.
- Research options to develop the Foundry into a business "membership club". This will include options to create a separately branded business support hub, with potential commercial partners.
- Develop plans and commence implementation to establish EBE as a "carbon neutral" organisation. This will show leadership within the business support sector and create opportunities to provide support for SMEs to move towards a carbon "net zero" position.
- Deliver all contracted programmes and achieve programme targets
- Secure new programmes and prepare bids that can be targeted at Peace+ funding and/or the UK Shared Prosperity Fund.

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Social Good

- Re-engage in charitable activity and encourage tenant engagement through events.
- Continue to engage local suppliers in facilities maintenance.
- Deliver the Eastside Awards to promote local endeavour in East Belfast.
- RE-engage with schools and colleges as part of the stakeholder engagement to be carried out during the strategic planning process.

As well as achieving the delivery objectives, the plan for 2022 also included development of the strategy for 2023 – 2025, which involved a survey of all tenants and programme service users, consultations with key stakeholders including the Board and Staff and a number of Board and staff workshops.

By the end of 2022 all key objectives had been realised with occupancy levels at City East starting the year at c91% and finishing the year at c91%, with small fluctuations during the year where occupancy hit a peak of just over 92% and reduced during the summer months to c88%. The Albertbridge Road site started the year at c94% and increased to 100% by April, where it remained at 100% to the end of the year.

A new programme named Renewal was secured and delivered during the year, which assisted those in the criminal justice system to explore self-employment as an opportunity to re-engage in economic activity. This project was delivered in partnership with NIACRO and contributed to the successful financial programme performance, exceeding the budget that had been set at the start of the year.

Work continued during the year with Enterprise Northern Ireland to deliver services to clients through the Go For It, Kickstart and Pathways to Enterprise programmes and development work continued with Enterprise Northern Ireland to develop plans post Brexit. The final European Erasmus+ project completed this year with all targets met. March 2023 will see the end of most of the European funding as a result of the UK exit from the EU and hence there will be no further opportunity to secure Erasmus+ contracts in forthcoming years.

A process of stakeholder consultation was completed during the year as part of the development of the new strategy for 2023 – 2025. This next period will be extremely challenging as the economy faces the challenges of the cost of living and cost of doing business crises, the continued political vacuum with no functioning Executive in Northern Ireland, the loss of funding as a result of Brexit, the ongoing economic and political difficulties associated with implementation of the Windsor Framework and the ongoing war in Ukraine. All of this will bring more pressure on household incomes. This, in turn, could increase the demand for those seeking help to investigate self-employment as a way in which to bring in revenue to meet these increasing household costs.

The loss of EU funding and risks to tenancy (particularly those charitable organisations which are tenants at City East and rely on EU funding) is likely to bring downward pressure on revenue for EBE, but at a time that demand for support services from the market that EBE is set up to serve is increasing.

Loss in revenue for EBE may necessitate cost reductions, which could result in a reduction in the staff team. However, this would result in a loss of expertise and capacity to deliver services, which are likely to be in increased demand.

The loss of EU funding brings about an opportunity to look at new ways of delivering services, such as developing services that could attract partners willing to support through sponsorship and for clients willing to pay for services, if value can be demonstrated.

EBE has a strong network and experience in partnership working. It has developed some sponsorship relationships with private sector partners, but has never really pro-actively sought these sort of commercial partnerships. The organisation has expertise in the start-up market, but has been unable to deliver client centred services, due to the restrictive nature of the "programme

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delivery”, where the programme criteria are designed by the funding body.

The property asset is the engine that drives unrestricted revenue for the organisation. This has subsidised much of the programme activity in recent years. Further expansion of the property asset would enable the organisation to achieve a greater level of freedom to design and deliver client centred business advisory services. To do this will require capital funding and suitable property development opportunities with property development expertise that is not a strength of the current staff team and has not been a priority for the Board. There is an opportunity to address this through strategic partnerships and by bringing new members with this specific expertise into the Board.

Membership of ENI is a strength, but there is a threat to ENI from the future loss of EU funded programmes. New opportunities may develop with new funding streams and it would seem sensible for EBE to remain involved in the ENI led development work to secure new programme activity.

In addition, or in parallel to the work led by ENI, there is an opportunity for EBE to commit some resource to investigate the market for a market led business services offering, through a business club initiative.

During 2022 and in response to this analysis a three-year strategy has been agreed for 2023 - 2025 with the following guiding statements:

Our Vision:

“To establish East Belfast as a vibrant social and economic hub.”

Our Purpose:

“To inspire and support entrepreneurs to establish and grow businesses in East Belfast and to have a positive social impact in the local community.”

Our Mission:

“To provide entrepreneurs with facilities and valued services, to meet their changing economic and social needs.”

To advance the strategy, focus will be on three strategic aims:

- To be recognised as a centre for business start-up support
- To ensure organisational sustainability and to become financially independent from Government
- To enhance Corporate Governance

Key projects to be advanced during the strategy have been agreed and are set out as follows:

Aim 1: To Be Recognised as a Centre for Business Start-up Support

a. Projects: Business Club

b. SMART Objectives for 2023:

I. to complete costed feasibility study/appraisal by end of 2023; to launch Business Club in 2024

Aim 2: To ensure organisational sustainability and become financially independent from Government funding

a. Projects: Business Club, Property Development, Net Zero, PR & Marketing

b. SMART Objectives for 2023:

I. by end of 2023 to identify services that can be sold to the market, through a fully researched feasibility study into the business club concept

II. By end of 2023 to have identified a short list of property development sites and funding options

III. By end of 2023 to complete pricing and benchmarking of property sites and develop sales and marketing plan

IV. Install PV panels across all property sites by end of 2023

Aim 3: To Enhance Corporate Governance

a. Projects: Board Membership and Roles, Board Committees, Documentation (Articles, Director Handbook, Policies)

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b. SMART Objectives for 2023:

- I. to restructure, renew and refresh the Board and sub-committees by end of 2023;
- II. Update relevant documentation, policies, procedures by end of 2023

There were some changes in staff during 2022. a new business advisor was recruited to deliver the Renewal project and the receptionist at City East left to take on a new role and was replaced by a new full-time receptionist. The advisor recruited for the Renewal programme left the organisation once this project completed.

Overall, the charity has performed well throughout 2022 and I must give credit to the staff team for their diligent work and creativity shown in delivering valued services for the community of East Belfast in very challenging circumstances. The financial performance was strong, providing a solid platform to commence delivery of the new strategy in 2023 and face the challenges as the economy deals with the consequences of the UK exit from the EU.

I would like to conclude my report by acknowledging the support that I have received as Chair from my colleagues on the Board, all of whom are volunteers and bring considerable expertise and experience to their governance of the charity. I was saddened to accept the resignation of Graham Thompson and Joanne Jennings from the Board this year. Graham and Joanne have been a great support while serving on the Board, but, due to other work commitments, they no longer felt able to commit the time required to continue as members of the Board. On behalf of the Board I would like to record my thanks to Graham and Joanne and wish them every success in their future careers. On a happier note, I was delighted to welcome Jason Hempton to the Board this year. Jason comes with a great deal of experience and expertise and I have no doubt will prove to be a great addition to the Board.

As we look forward to 2023, we face a very uncertain time, with many economic, political and social challenges to face, most significant of which will be that resulting from the loss of European funding as a result of the UK exit from the EU. However, in the face of these challenges I remain optimistic that we have got a strategy and a team, incorporating both the Board and Staff, that will guide us through these turbulent times and ensure we continue to be a positive economic force in East Belfast.

Duncan Graham
Chair

Our Purposes and Activities

The Charity's objects ("Objects") are specifically restricted to the following:

The promotion for the public benefit of urban regeneration within East Belfast and its environs (the 'area of benefit') being an area of social and economic deprivation, by all or any of the following means:

- (a) the relief of poverty in such ways as may be thought fit;
- (b) the relief of unemployment in such ways as may be thought fit, including assistance to find employment;
- (c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
- (d) the provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help: (i) in setting up their own business, or (ii) to existing businesses;
- (e) the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms.

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Public Benefit

The public benefits that flow from the advancement of community development and the promotion of urban and rural development are:

(i) the creation of employment, training and work experience opportunities for residents living in economically and socially deprived areas and consequently a reduction in poverty, unemployment and hardship, leading to a better quality of life for the beneficiaries and consequent improvements in health and well-being;

(ii) enhanced knowledge about setting up and running small businesses and social enterprises resulting in increased levels of self-employment and better prospects of sustainable development;

(iii) increased levels of knowledge and transferable vocational skills among employees / work experience trainees, assisting in the creation of a more educated, skilled and qualified community;

(iv) a greater sense among the beneficiaries of more fulfilled and purposeful lives, resulting in a safer, more stable and cohesive community.

These benefits can be evidenced in records kept by various agencies of the number of jobs and work experience opportunities created and the numbers of those who have successfully completed training courses. Evidence can also be found in independent evaluations of the activities of enterprise agencies carried out by funding bodies and in community surveys of living standards and attitudes.

Some private benefit is obtained by the owners of small businesses who rent units on favourable terms, but this is ancillary to the main purpose and is greatly outweighed by the gains in public benefit.

No harm arises from any of these purposes.

Activities

East Belfast Enterprise offers on favourable terms a variety of workshop units at our site on Albertbridge Road and office accommodation at the City East Business Centre.

A variety of meeting facilities, training rooms and a co-working space are available for hire to both businesses and community and voluntary organisations.

A café, Urban Skullery, continues to operate on site, providing an important catering facility on-site for tenants and visitors attending City East and has also provided training to those keen to learn culinary skills and take the first steps into the employment opportunities offered by the catering and hospitality sector.

Following the COVID pandemic, as the charity returning to more normal operations, the business support programmes re-focused on pre-start and start-up interventions and less on business survival, which had been an important element of operations during COVID.

During 2022 there were a number of programmes which completed:

- Street Culture for Regions - This EU Erasmus+ funded programme got underway in January 2021 and completed in December 2022. This was the last Erasmus+ funded programme that East Belfast Enterprise will work on as this funding source is no longer available due to the UK exit from the EU. The programme created resources to support those involved in "street culture", including mural artists, performers, street vendors, musicians and other artisan activities to explore opportunities for self-employment and involved a transnational partnership, led by EBE,

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with partners from Denmark, Portugal, France, Poland, Greece and the Republic of Ireland.

- **Renewal** – This programme was funded by the UK Community Renewal Fund, a fund which was established and funded by the UK Exchequer as a pre-cursor to the UK Shared Prosperity Fund, which is the UK response to the European Social Fund, which will be lost once the UK exits the EU. This project was developed in partnership with NIACRO, a voluntary organisation that works with those at risk of offending and those in the criminal justice system. This project was developed to provide training and guidance to participants interested in exploring self-employment as a option to re-engage in economic activity. The project was a 6 month project, which started and finished during 2022.
- **East Belfast A/R Story / Urban Villages** – Funding for this project concluded in March 2022 and an agreement was reached with EastSide Partnership through their subsidiary EastSide Tourism, to take ownership of the project to make use of its assets, videos and platform moving forward. This ensures the work completed on the project will benefit and promote tourism within East Belfast for many years to come.

The only new programme that was added during 2022 was the Renewal programme, which started and completed during 2022. Funding cuts and, in particular the end of EU funding, which will complete in March 2023, has resulted in a very difficult funding environment and this is expected to continue into 2023.

As well as those programmes that completed and others that started during the year, a number of programmes continued during 2022, which were carried on from 2021. These were:

- **Go for It Programme / LCCC (Council)** – a programme that provides assistance to entrepreneurs with assistance to develop a business plan for their enterprise.
- **Kick Start Programme / Invest NI & Belfast City Council** – A programme supported by Belfast City Council as the 'follow-on' to Go For It for businesses anticipating to recruit and employ within the next 18 months. Each business approved onto the programme is allocated a bank of mentoring hours in specific subjects, bespoke to their business, on topics such as marketing, finance, legal, business development, IP and a bursary of up to £1,500 for the business.
- **Pathway to Enterprise Programme (PEP)** – Belfast City Council - Participants on this programme are supported with access to business training, mentoring and a start-up grant with the target demographic being those currently unemployed.
- **Feel Good With Food / Urban Villages** – This programme supports local residents in the area to attend taster sessions on how to improve their diet to enhance nutrition, combat ailments and on an affordable budget.

Achievements in 2022

At the start of the year it was recognised that 2022 and for the immediate years following will be very challenging due to the outworking of the pandemic, global economic pressures and the loss of EU funding. This focused attention on the importance of the property asset and to maintain occupancy levels. This was successfully achieved throughout 2022 with occupancy targets achieved at City East and exceeded at the Albertbridge Road site. Greater attention to promotion of facilities through the Foundry co-working space also resulted in an increase in revenue from hot-desking and the sale of PO boxes and virtual office products.

Programmes are under severe funding pressure, but a notable success was securing funding from the UK Community Renewal Fund to deliver the Renewal programme. This programme helped clients who have been involved with the criminal justice system and who are one of the most disadvantaged groups when trying to re-enter the labour market. The project provided training and guidance to explore the option of self-employment as an opportunity to re-engage in the

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economy. The success of this project and achievement of delivery targets across the other programmes has resulted in a strong financial performance again in 2022, exceeding budget targets for the year.

The delivery of these programmes has enabled the charity to continue to assist individuals to explore enterprise and entrepreneurship, with the aim of entering self-employment, thereby reducing dependency on state benefits and consequently addressing financial hardship and the relief of poverty and unemployment. This year has been another busy year, but one in which funding for new programmes has been increasingly difficult. Plans for 2023 recognise that this will continue to be the case, but the demand for the services of those seeking assistance to look at self-employment as an option to re-engage in economic activity remains strong.

A summary of some of the programme activity that was delivered under contracts with a range of public funders including Belfast City Council, UK Community Renewal Fund, EU Erasmus+, The Executive Office and Urban Villages is as follows:

- **Go For It:** 112 business plans produced during 2022
- **AR Story:** This project completed in the first quarter of 2022, after which the intellectual property developed was passed to Eastside Tourism, a social enterprise which operates as part of the Eastside Partnership, to develop the tourism product for East Belfast. Work on the project is now displayed on a dedicated website at <http://arbelfaststory.com>
- **Kick Start:** 35 Clients received support during 2022, with 817 hours of mentoring provided, 4 financial incentives paid to clients and 4 jobs created.
- **Pathways to Enterprise Programme:** 3 Clients received support during 2022, with 100 hours of mentoring provided.
- **Street Culture for Regions:** This project was a pan-European partnership, led by East Belfast Enterprise, with partners in Greece, Poland, Portugal, France, Denmark and the Republic of Ireland. The project completed in December 2022 and created resources to assist those involved in street culture to investigate entrepreneurship/self-employment as a viable economic opportunity.
- **Feel Good with Food:** The programme supported by The Executive Office through the Urban Village Initiative continued throughout 2022, providing on-line training and advice about how to improve health through nutrition to people from inner East Belfast. During the year the project worked with 4 local community organisations, Orchardville, East Belfast Mission, Sure Start and Flourish NI to make the sessions available to their clients, with an "in person" event held in East Belfast Mission at the end of the year.
- **Renewal:** Three clients completed the programme, having received 70 hours of mentoring.

The ongoing challenges with operating during the pandemic delayed work with the Board to progress the review of Board and Committee structure, membership and terms of reference, but this has now been prioritised in the new strategy, which will commence in January 2023.

Work on the development of a third site has continued with exploratory discussions with the Board of Inspire Business Centre, to investigate options for a joint approach to property development. This work will continue as a core part of the strategy in 2023. Plans were also completed during 2022 to set out a programme of refurbishment and improvement works at the Albertbridge Road and City East sites, to be progressed during the 2023 to 2025 strategy.

In relation to programme activity, work has been ongoing with ENI, led by the CEO of East Belfast Enterprise in his role as Chair of Enterprise Northern Ireland. This work is seeking options to replace the Go For It, Kickstart and PEP programmes, once European funding finishes in March 2023. It is expected that work will be ongoing during 2023 to find replacement funding for these programmes and hence the charity has put in place additional research plans to investigate opportunities to develop a business club and other potentially stand alone programmes.

Foundry Events

As COVID restrictions eased, there was a gradual return during 2022 to "in person" events. An important part of the charity's strategy is to increase opportunities for tenant engagement and

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networking and so a number of events were hosted in the autumn of 2022. The events included a networking breakfast, attended by 29 tenants in September, a social event based around the World Cup attended by 16 tenants in December and a tenant Christmas event attended by 41 tenants. It is planned to increase the number of networking events during 2023.

Community Partnerships and Community Engagement

EBE continued to engage with local community organisations during its training delivery including the Orchardville Society, East Belfast Mission, Sure Start and Flourish NI. The CEO also continued to act as a Director on the Eastside Partnership and Landmark East companies, which are involved in community led regeneration in East Belfast. These Board roles are important strategic positions to ensure EBE remains connected to and informed about local community plans and activities in East Belfast.

The charity is also a member of the Northern Ireland Council for Voluntary Action, Social Enterprise NI, CO3 and Enterprise Northern Ireland, which enables strategic links to be made to other similar organisations operating across Northern Ireland. In 2021, the CEO took on the role of Chair with Enterprise Northern Ireland and will remain in this position for three years, until February 2024. The CEO served on the Board CO3 during the year, giving further prominence to EBE's role within the broader third sector.

EBE continues to take the lead in organising the Eastside Awards to recognise endeavour from all walks of life across East Belfast. With the easing of COVID restrictions, it was possible to return to the pre-COVID format with a gala black-tie event held in April 2022 at the Hastings Stormont hotel. It was encouraging to again see a sell out event at the hotel, with over 300 in attendance, celebrating all that is good about East Belfast and shining a spotlight in particular on those that work tirelessly and without recognition for the community of East Belfast.

A new project commenced in 2022 to engage with multiple community organisations, schools, sports clubs and businesses to work on a community art project. The project will result in the installation of two large mural artworks on the walls of the City East building and will actively involve those from across the community, living in close proximity to City East. This project will bring prominence to the work of the charity and will further embed the charity within the community fabric of East Belfast. Completion of this project is expected in the autumn of 2023.

Financial Review

In accordance with required accounting policy, grants are recognised in the statement of financial activities when approved by the Trustees and communicated to the recipients, irrespective of the future period over which payments are to be made, and the obligations outstanding at the year end are recognised as creditors.

In the year ended 2022 the Trustees are happy to report that the company exceeded its budgeted plans and returned a surplus after depreciation for the year, despite budgeting for an anticipated loss, which had been forecast due to expected negative pressures on rental revenue as a result of anticipated reduced occupancy following the COVID pandemic. This surplus has built on the surpluses generated in 2018, 2019, 2020 and 2021. This is in line with the plans that were set at the outset in the current strategy and establishes a solid platform for the charity to face another challenging period, having set out its new strategy for 2023 – 2025 to navigate the turbulence expected as the UK economy navigates its exit from the EU.

At the end of 2022 the occupancy levels were retained at both sites at pre-pandemic levels, with the Albertbridge Road site reaching 100% occupancy. In the new strategy for 2023 – 2025 retaining occupancy at these levels will be essential to ensure the charity is sustainable and able to take the opportunities that will present in the next period.

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Reserves Policy and Going Concern

A standing item on the Agenda for each Finance Committee meeting ensures that there is a review of the cash position each month and that the Reserves policy is applied. This has continued throughout 2022 and there has been no concern raised by the committee. Cash reserves remain at a level that the Board is comfortable with in relation to the ongoing needs of the charity. The Board of Trustees has approved a budget for 2023 and is of the view that the charity has no concerns regarding its continued status as a going concern.

Plans for Future Periods

The Trustees will continue to aim to preserve as far as possible the capital base of their investments and to increase annual income levels. Work will commence on the new strategy which will focus on three key strategic aims:

1. To Be Recognised as a Centre for Business Start-up Support
2. To ensure organisational sustainability and to Become Financially Independent from Government Funding
3. To Enhance Corporate Governance

Underpinning this strategy will be the need to maximise revenue from the Charity's asset base and hence there are plans in the first year of the strategy to fund capital projects to renew and revitalise the property assets and invest in new branding and promotional activity. The strategy also pays attention to the charity's environmental responsibilities and plans are in place to reduce the carbon emissions associated with the charity's activities, with a plan to move towards a carbon net zero position.

Plans in the year ahead will also see further work on Board Governance to clarify Board committee structures and membership, as well as ensuring the skills and expertise across the Board team are matched to the needs of the strategy.

Reference and Administrative Details

Charity Number: NIC103061

Company Number: NI023055

Registered Office: City East, 68 – 72 Newtownards Road, Belfast, BT4 1GW

Our Advisors:

Auditors: FPM Accountants Limited (Re-appointed following a tendering process in 2018 for a 3 year period with an option for a further 2 years)

Solicitors: McCartan Turkington Breen

Bank: Danske Bank

Directors and Trustees

The Directors of the Charitable Company (the Charity) are its Trustees for the purpose of Charity Law. The Trustees and officers serving during the year and since the year end were as follows:

Key Management Personnel East Belfast Enterprise: Trustees and Directors

Duncan Graham (Chair)

William Miskimmin (Co. Secretary)

Mervyn Hempton

Joanne Jennings (resigned 12 April 2023)

Nicola Bothwell

Gerry Gilpin

Jacqueline Locke

Graham Thompson (resigned 21 January 2022)

Jason Hempton (appointed 12 April 2023)

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Key Management Personnel East Belfast Enterprise: Chief Executive

Jonathan McAlpin

Structure, Governance and Management

Governing Document

East Belfast Enterprise is a Company Limited by Guarantee, governed by a voluntary Board of Directors.

The company is also a registered Charity with the Charities Commission for Northern Ireland and submitted its first return to the Charities Commission NI during 2017.

Appointment of Trustees

As set out in the Articles, Directors of the Company (who serve as Trustees of the Charity for the purposes of Charity Law) are elected by the members of the company, or can be co-opted by the Directors. The maximum number of Directors will be 12, with a minimum of 3.

Trustee Induction and Training

Incoming Members of the Board of Directors are aware of the aims and objectives of the Charity and the manner in which the Trustees carry out their responsibilities. The Chair, supported by the Chief Executive, oversees an induction process for new Directors, who are provided with key documents, including the Strategic Plan and Articles of Association of the company. An overview of the operations of the company is provided by the Chief Executive and new Directors are afforded the opportunity to meet with key staff and view the key elements of the company's operations.

Organisation

The Board of Trustees, which can have up to 12 members, administers the Charity. The Board meets a minimum of 5 times per annum on a bi-monthly schedule. Standing sub-committees of the Board include a Finance committee, which oversees the organisations finance, reviewing management accounts and overseeing the company's risk policy; a Property sub-committee, which meets as required to oversee capital projects and an HR Sub-committee, which meets a minimum of once annually and as required to set remuneration and to review HR matters.

The operations of the charity are managed on a day-to-day basis by a Chief Executive, appointed by the Board of Trustees. The Chief Executive has delegated authority, within the terms of delegation approved by the Trustees, for operational matters including, finance, employment and HR. A management team has been appointed by the CEO to provide management oversight for key company functions including Programmes, Property & Tenancy and Finance & Administration. These management posts report directly to the CEO.

Related Parties and Co-operation with Other Organisations

During 2022, the Chief Executive continued in his paid role with Enterprise Northern Ireland as the Chair of the Board of Directors of Enterprise Northern Ireland. This appointment was approved at a Board meeting of the Trustees of East Belfast Enterprise in January 2021 and the appointment will be for a period of three years.

All of the Trustees serve in a voluntary capacity and do not receive any remuneration for their role as a Director (or Trustee). Any related interests are declared at meetings where the interest may arise and if any Trustee may benefit personally or in their business interests from a decision to be taken by the Board, the Trustee in question will be absented from the discussion and subsequent decision making process.

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The Company is a member of Enterprise Northern Ireland, which is now under the Chairmanship of the CEO of East Belfast Enterprise and benefits from this membership by accessing contracts as a sub-contracted partner. Other memberships held by the Charity are for the purposes of seeking advice, information or knowledge of the Community and Voluntary sector and potential funders for the work of the charity. These memberships include membership of the Northern Ireland Council for Voluntary Action, CO3 and Social Enterprise Northern Ireland. The Chief Executive also serves on the Board of Directors of CO3 in a voluntary capacity, but there are no contractual relationships between East Belfast Enterprise and CO3.

Pay Policy for Senior Staff

The remuneration of the Chief Executive and other members of senior staff is decided by the HR sub-committee, under delegated authority of the Board of Directors.

Risk Management

The Trustees have a risk management strategy, which is overseen on behalf of the Board by the Finance Sub-committee, under the delegated authority of the Board. A risk register is in place and this is reviewed every month by the Finance Sub-committee. Any risks that are identified as Current risks identified have categorised risks under those relating to Finance, Property, Staff, Equipment and Data, Public liability and Professional liability, Political and those risks relating to the COVID 19 pandemic. The register records procedures to mitigate against these risks both presently and in the future.

As society finally moves on from the COVID pandemic, the charity now turns to face the risks presenting as a result of global economic shocks and the loss of EU Funding as a consequence of the UK exit from the EU. A new strategy has been agreed to guide the organisation through this next period, which is expected to be a financially difficult period and one which will require extra vigilance from Trustees.

Trustee's Responsibilities in relation to the Financial Statements

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's incoming resources and application of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for ensuring the keeping of proper records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the charity's assets and hence taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

East Belfast Enterprise Ltd
Trustees' report (continued)
for the year ended 31 December 2022

Statement of Disclosure to our Auditors

So far as each of the Directors in office at the date of approval of these financial statements are aware:

- There is no relevant audit information of which the auditor's are unaware
- They have taken all the steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees have overall responsibility for ensuring that the charity has an appropriate system of internal controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the trustees



Mr D Graham (Chair)

30th June 2023

Date

Report of the Independent Auditors
to the members of East Belfast Enterprise Ltd
(a company limited by guarantee)

Opinion

We have audited the financial statements of East Belfast Enterprise Ltd for the year ended 31 December 2022 which comprises the Statement of Financial Activities, the Balance Sheet, the cash flow statement and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, 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 trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts 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.

Report of the Independent Auditors

to the members of East Belfast Enterprise Ltd (a company limited by guarantee)

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

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

Responsibilities of Trustees

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

In preparing the accounts, the Trustees are responsible for assessing the charity'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 the Trustees either intend to liquidate the company or to cease operations, or have 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 accounts 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Report of the Independent Auditors (continued)

to the members of East Belfast Enterprise Ltd
(a company limited by guarantee)

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 obtained an understanding of the legal and regulatory framework applicable to the company through enquiry of management, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the company – Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:
Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.


Enquiry of management to identify any instances of non-compliance with laws and regulations.
Reviewing minutes of meetings of those charged with governance.

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.


Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



JL Grant (Senior Statutory Auditor)
for and on behalf of
FPM ACCOUNTANTS LTD
Chartered Accountants &
Statutory Auditor
Unit 1, Building 10
Central Park
Mallusk
Co Antrim
BT36 4FS



Date

East Belfast Enterprise Ltd

**Statement of Financial Activities
(incorporating an Income and Expenditure account)
for the year ended 31 December 2022**

	Notes	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Income and endowments from:					
Charitable Activities	8	68,042	139,560	207,602	196,144
Other Trading Activities	8	29,820	-	29,820	29,933
Investment Income	8	447,797	-	447,797	416,678
Other Income	8	19,175	-	19,175	52,366
Total Income and Endowments	8	564,834	139,560	704,394	695,121
Expenditure on:					
Raising Funds	9	84,381	2,114	86,495	56,411
Charitable Activities	10 & 11	473,054	129,795	602,849	576,875
Total Expenditure		557,435	131,909	689,344	633,286
Net Income for the Year		7,399	7,651	15,050	61,835
Transfers between funds		-	-	-	-
Gain on revaluation of fixed assets	4	-	-	-	300,000
Net movement in funds		7,399	7,651	15,050	361,835
Reconciliation of Funds:					
Fund Balances Brought Forward	12	2,992,793	761,748	3,754,541	3,392,706
Fund Balances Carried Forward	12	3,000,192	769,399	3,769,591	3,754,541

All income derives from continuing activities, therefore no statement of recognised gains or losses is given.

The notes on pages 22 to 29 form an integral part of these financial statements.

East Belfast Enterprise Ltd

**Balance Sheet
as at 31 December 2022**

	Notes	2022 £	2021 £
Fixed assets			
Tangible Assets	4	3,720,448	3,732,298
Current assets			
Debtors	5	66,672	74,801
Cash at bank & in hand		<u>301,332</u>	<u>334,598</u>
		368,004	409,399
Creditors: amounts falling due within one year	6	206,064	209,784
Net Current Assets		161,940	199,615
Total assets less current liabilities		3,882,388	3,931,913
Creditors: amounts falling due after more than one year	7	112,797	177,372
Net assets		<u><u>3,769,591</u></u>	<u><u>3,754,541</u></u>
Funds			
Unrestricted:			
Unrestricted Programmes Fund	12	(28,871)	(27,580)
Unrestricted Property Fund	12	2,942,359	2,824,395
Unrestricted City East Fund	12	86,704	195,978
Restricted:			
Restricted Programmes Fund	12	19,290	11,639
Restricted City East Capital Fund	12	750,109	750,109
	12	<u><u>3,769,591</u></u>	<u><u>3,754,541</u></u>

The financial statements were approved by the Board and signed on its behalf:



Mr D Graham
Director

30th JUNE 2023

Date

Company No: NI 23055

The notes on pages 22 to 29 form an integral part of these financial statements.

East Belfast Enterprise Ltd

**Statement of Cash Flows
as at 31 December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities:	15		
Net cash provided by / (used in) operating activities		<u>36,347</u>	<u>53,844</u>
<i>Cash flows from investing activities:</i>			
Purchase of property, plant and equipment		(5,034)	(12,358)
Net cash provided by (used in) investing activities		<u>(5,034)</u>	<u>(12,358)</u>
<i>Cash flows from financing activities:</i>			
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		31,313	41,486
Cash and cash equivalents at the beginning of the reporting period	16	92,598	51,112
Cash and cash equivalents at the end of the reporting period	16	123,911	92,598

East Belfast Enterprise Ltd

Notes to the Financial Statements for the year ended 31 December 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

East Belfast Enterprise Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The Trustees are of the opinion that the charity is a going concern. Risks to the charity are monitored on a monthly basis through the Finance Committee of the Board and any risks deemed to be of concern brought to the full Board. Following this process provides Trustees with a level of confidence that risks are appropriately managed and suitable mitigation is taken to minimise risks. The Trustees are mindful that the main risks facing the Charity are those posed by the loss of European funding. A new strategy was approved by the Board at the end of 2023, which has as one of its three core strategic aims: "To ensure organisational sustainability and To Become Financially Independent from Government Funding".

Delivery of this strategic plan commenced in 2023 with key targets set to ensure there is a focus on organisational sustainability. Plans are in place to upgrade the property sites and review pricing, which will include increased recovery of energy costs, mitigating risk to the organisation from external energy cost pressures. Bids are being prepared in collaboration with Enterprise Northern Ireland to secure contracts to replace those that will be lost due to the loss of European funding, with the funding being sourced directly from the UK Government Department for Levelling Up, Housing and Communities through the UK Shared Prosperity Fund. A budget has been prepared and approved by the Board for 2023, which is a break-even budget, acknowledging the financial pressures that the company will face this year as it transitions from programme revenue supported by European funding to new revenue sourced from UK Exchequer funds and a new Business Club concept, which will sell services directly to the market. Property income targets have remained conservative, based on 2022 actual results and similar occupancy levels being achieved to those realised in 2022.

Healthy cash reserves have been accumulated with the strong financial performance of the charity for the past four years and the budget set for 2023 will seek to protect these reserves. The Board has also committed to a full review of corporate Governance, to ensure that the Board remains fit for purpose and that Governance structures, processes and procedures continue to follow best practice and manage risks facing the company. The Trustees will not be complacent as the charity continues to navigate an uncertain period for the Northern Ireland economy, but believe that appropriate management and processes are in place to ensure action can be taken, should Trustees believe that the viability of the organisation is under threat."

c) Fund Accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of restricted funds is set out in the notes to the financial statements. Restricted funds may only be transferred to general or designated funds once the criteria for restriction have been discharged or no longer apply.

d) Income

Income is recognised when the charity has entitlement to the rent, funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor/funder has specified that the income

East Belfast Enterprise Ltd

**Notes to the Financial Statements
for the year ended 31 December 2022**

1. ACCOUNTING POLICIES ctd...

d) Income ctd...

is to be expended in a future period.

e) Donated services and facilities

In accordance with the Charities SORP (FRS 102), the general volunteer time of supporters is not recognised.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds;
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure represents those items not falling into any other heading.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities.

h) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and fittings	20% reducing balance
Computer equipment	33% on cost
Other equipment	20% on cost
Investment Property	Nil

The carrying values of tangible fixed assets are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

Revalued investment properties are not depreciated or amortised. Where the valuation indicates a permanent diminution in valuation of the property, the permanent diminution is charged to the Statement of Financial Activities.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term current accounts.

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

East Belfast Enterprise Ltd
Notes to the Financial Statements
for the year ended 31 December 2022

1. ACCOUNTING POLICIES ctd...

m) Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

Following the auto-enrolment staging date in April 2017, the company has now put in place a company pension scheme whereby the company contributes 6% to the scheme and the staff contribute a minimum of 3%. The scheme is set up with Scottish Widows and all staff are now registered on the scheme, which is compliant with auto enrolment.

Kerr Henderson continues to provide guidance and information to the company as required to ensure that any changes to staff pensions are compliant with auto enrolment legislation.

n) Taxation

The company is a registered charity and the charitable tax exemptions are therefore being claimed to the extent that income and/or gains are applicable and applied to charitable purposes only. These exemptions will remain in place as long as income and expenditure is applied to charitable purposes only.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. RESULTS FOR THE YEAR

The result for the year has been arrived at after charging the following:-

	2022	2021
	£	£
Depreciation	16,884	20,660
Auditors remuneration	3,530	3,530
	20,414	24,190

3. EMPLOYEE INFORMATION

	2022	2021
Staff Costs	£	£
Wages and Salaries	259,332	242,717
Employer's NIC	22,709	20,192
Pension	13,378	13,376
	295,419	276,284

Average monthly number of persons employed by	Number	Number
	7	6

There was one high paid staff with one employee receiving over £60,000.

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the charity, neither were they reimbursed expenses during the year (2021: €nil). Refer to note 13 detail on professional services connected to the trustees.

The key management personnel of the charity comprise the trustees and the CEO. The total employee benefits of the key management personnel of the charity were £80,454.

East Belfast Enterprise Ltd

Notes to the Financial Statements
for the year ended 31 December 2022

4. FIXED ASSETS

	Freehold Investment Property	Fixtures & Fittings	Computer Equipment	City East Investment Property	City East Equipment	Foundry	TOTAL
	£	£	£	£	£	£	£
COST							
At 1 January 2022	2,238,330	107,209	93,966	2,040,268	158,054	356,558	4,994,385
Additions	-	-	5,034	-	-	-	5,034
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 31 December 2022	2,238,330	107,209	99,000	2,040,268	158,054	356,558	4,999,419
DEPRECIATION							
At 1 January 2022	558,330	107,209	79,518	340,268	146,915	29,847	1,262,087
Disposals	-	-	-	-	-	-	-
Charge for the year	-	-	4,972	-	7,773	4,139	16,884
At 31 December 2022	558,330	107,209	84,490	340,268	154,688	33,986	1,278,971
NET BOOK VALUE							
At 31 December 2022	1,680,000	-	14,510	1,700,000	3,366	322,572	3,720,448
At 31 December 2021	1,680,000	-	14,448	1,700,000	11,139	326,711	3,732,298

The revaluation of City East is put through the accounts in order for it to match the valuation carried out in October 2021 by Fraser Kidd (Surveyors, Valuers, Agents). The revaluation of Albertbridge Road had been put through the accounts in order for it to match the valuation carried out in 2019 by Fraser Kidd (Surveyors, Valuers, Agents).

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade Debtors	54,037	30,558
Prepayments and accrued income	12,635	44,243
	<u>66,672</u>	<u>74,801</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade Creditors	19,667	42,688
Social security and other taxes	17,882	14,166
Bank Loan	64,631	64,631
Other Creditors	(703)	832
Accrued Expenses and deferred income	104,587	87,467
	<u>206,064</u>	<u>209,784</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank Loan	69,179	129,070
Loan	43,618	48,302
	<u>112,797</u>	<u>177,372</u>

East Belfast Enterprise Ltd

**Notes to the Financial Statements
for the year ended 31 December 2022**

8. INCOME	Programmes Restricted	Programmes Unrestricted	Property Unrestricted	City East Restricted	City East Unrestricted	2022 Total	2021 Total
	£	£	£	£	£	£	£
Income and Endowments from:							
Charitable Activities							
Co Innovate	1,626	-	-	-	-	1,626	1,743
NIBSUP	26,089	-	-	-	-	26,089	30,840
Urban Villages	7,600	-	-	-	-	7,600	24,400
Foundry Income	-	-	-	-	68,042	68,042	58,321
Erasmus Data Set	306	-	-	-	-	306	-
Feel good with food	15,642	-	-	-	-	15,642	15,449
Kickstart	41,191	-	-	-	-	41,191	21,872
Eminent	-	-	-	-	-	-	12,387
Street Culture for Regions	21,853	-	-	-	-	21,853	24,612
Pathway	3,239	-	-	-	-	3,239	6,520
Mural Project	3,614	-	-	-	-	3,614	-
Renewal	18,400	-	-	-	-	18,400	-
	139,560	-	-	-	68,042	207,602	196,144
Other Trading Activities							
Advertising Hoardings	-	-	4,500	-	-	4,500	4,500
Car Park Spaces	-	-	-	-	25,320	25,320	25,433
	-	-	4,500	-	25,320	29,820	29,933
Investment Income							
Rents Received	-	-	195,974	-	145,219	341,193	319,314
Tenants Services	-	-	-	-	90,517	90,517	83,300
Contribution to electricity	-	-	-	-	12,378	12,378	9,897
Tenant Phone calls City East	-	-	-	-	3,709	3,709	4,167
	-	-	195,974	-	251,823	447,797	416,678
Other Income							
Other Income	-	3,149	-	-	16,026	19,175	14,218
Insurance Repayment	-	-	-	-	-	-	38,148
	-	3,149	-	-	16,026	19,175	52,366
Total Incoming resources	139,560	3,149	200,474	-	361,211	704,394	695,121

The 2021 balance of £695,121 was split between restricted funds of £137,823 and unrestricted funds of £557,298.

East Belfast Enterprise Ltd

**Notes to the Financial Statements
for the year ended 31 December 2022**

9. COST OF RAISING FUNDS

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Staff costs	4,296	2,114	6,410	6,410
Investment Management: Repairs and Renewals	80,085	-	80,085	50,001
	<u>84,381</u>	<u>2,114</u>	<u>86,495</u>	<u>56,411</u>

The 2021 balance of £56,411 was split between restricted funds of £2,114 and unrestricted funds of £54,297.

10. COST OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Programmes Restricted	-	128,738	128,738	132,846
Programmes Unrestricted	4,259	-	4,259	3,657
East Belfast Enterprise Park Albertbridge Road	15,406	-	15,406	13,539
City East	153,055	-	153,055	136,733
City East - Capital	-	-	-	-
Support Costs	278,126	-	278,126	259,545
Governance Costs	22,208	1,057	23,265	30,555
	<u>473,054</u>	<u>129,795</u>	<u>602,849</u>	<u>576,875</u>

The 2021 balance of £576,875 was split between restricted funds of £133,903 and unrestricted funds of £442,972.

11. COST OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities Undertaken Directly £	Support Costs £	Governance Costs £	2022 Total £	2021 Total £
Programmes Restricted	128,738	-	1,057	129,795	133,903
Programmes Unrestricted	4,259	181	-	4,440	3,792
East Belfast Enterprise Park	15,406	52,017	-	67,423	58,289
City East	153,055	225,928	22,208	401,191	380,891
City East - Capital	-	-	-	-	-
	<u>301,458</u>	<u>278,126</u>	<u>23,265</u>	<u>602,849</u>	<u>576,875</u>

12 FUNDS

	Restricted Programmes £	Unrestricted Programmes £	Unrestricted Property £	Restricted City East £	Unrestricted City East £	Total £
At 1 January 2022	11,639	(27,580)	2,824,395	750,109	195,978	3,754,541
Surplus / (Deficit) in the Year	7,651	(1,291)	117,964	-	(109,274)	15,050
Transfers Between Funds	-	-	-	-	-	-
At 31 December 2022	<u>19,290</u>	<u>(28,871)</u>	<u>2,942,359</u>	<u>750,109</u>	<u>86,704</u>	<u>3,769,591</u>

East Belfast Enterprise Ltd

Notes to the Financial Statements for the year ended 31 December 2022

Restricted Programme Funds:

	Balance at 1/1/22 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31/12/22 £
Urban Villages	-	7,600	(7,600)	-	-
Co Innovate	-	1,626	(1,626)	-	-
NIBSUP	-	26,089	(26,089)	-	-
Erasmus Data Set	-	306	(306)	-	-
Feel good with food	-	15,642	(15,642)	-	-
Kickstart	-	41,191	(41,191)	-	-
Pathway	-	3,239	(3,239)	-	-
Street Culture for Regions	1,806	21,853	(23,159)	-	500
Mural Project	-	3,614	(3,614)	-	-
Renewal	-	18,400	(9,443)	-	8,957
Enterprise Projects	9,833	-	-	-	9,833
	<u>11,639</u>	<u>139,560</u>	<u>(131,909)</u>	<u>-</u>	<u>19,290</u>

13. RELATED PARTIES

East Belfast Enterprise currently purchases a payroll service from Johnston Kennedy DFK. This service is provided on a commercial basis by the payroll division of Johnston Kennedy DFK. Mr Duncan Graham is a Trustee and Director of East Belfast Enterprise Ltd and also a partner of Johnston Kennedy DFK. The total transactions in the year, and the amount due to Johnston Kennedy DFK at the year end was £1,090.24 net.

The CEO of East Belfast Enterprise, Jonathan McAlpin, was also the Chair of Enterprise Northern Ireland, a role approved by the Board of Trustees at their meeting in January 2021. East Belfast Enterprise is a member of Enterprise Northern Ireland, paying an annual membership and subscription for Research data (Cobweb) of £4,745.66. Jonathan received remuneration for his role with ENI and East Belfast Enterprise delivered contracts on behalf of Enterprise Northern Ireland during 2022, Go For It Programme, Co-Innovate, Kick Start and Pathways to Enterprise. Allocations of contracts by ENI is decided based on market need and previous delivery performance by the agency.

Another related party of East Belfast Enterprise Ltd is the company Creating Retail Magic, which provides services for East Belfast Enterprise as part of the consultancy and advisory associate pool used by the charity. During 2022 gross services and costs of £1,428.60 were agreed with Creating Retail Magic, with no balance outstanding to Creating Retail Magic at the year end.

14. CHARGES

Danske Bank hold a floating charge over the property at 68-72 Newtownards Road.

East Belfast Enterprise Ltd
Notes to the Financial Statements
for the year ended 31 December 2022

15. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	15,050	361,835
Adjustments for:		
Depreciation charges	16,884	20,660
Revaluation Gain	-	(300,000)
(Increase)/decrease in debtors	8,129	(16,049)
Increase/(decrease) in creditors	(3,716)	(12,602)
Net cash provided by (used in) operating activities	36,347	53,844

16. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	301,332	334,598
Bank Loan	(177,421)	(242,000)
Total Cash and cash equivalents	123,911	92,598