

Charity Registration No. NIC106151

Company Registration No. NI024698 (Northern Ireland)

ARGYLE BUSINESS CENTRE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

ARGYLE BUSINESS CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr James Carvill Baroness May Blood Mr Brian Kingston Mr James Mullan Mr John Simpson Mr David Sims Mr William Ellison Lord Reg Empey Mrs Marie Hamill
Charity number	NIC106151
Company number	NI024698
Registered office	39 North Howard Street Belfast BT13 2AP
Independent examiner	Harbinson Mulholland Centrepoint 24 Ormeau Avenue Belfast Co. Antrim Northern Ireland BT2 8HS
Bankers	Ulster Bank 185-189 Shankill Road Belfast Antrim BT13 1FH

ARGYLE BUSINESS CENTRE

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ARGYLE BUSINESS CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", effective January 2015.

This report provides information on Argyle Business Centre's activities and financial performance, it forms part of a range of public information designed to give an open account of our work.

Objectives and activities

The charity's objects are to advance economic regeneration and entrepreneurship, to engage with other organisations in the promotion of local economic development and promotion of relevant charitable objectives.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The main area of activity is the rental of units to local businesses, in total there are 55 units and 2 other areas.

Phase I - 41 units rented, 1 units used by Argyle and 1 units vacant
Phase II - 10 units rented, 1 units vacant, 1 unit held in reserve
Other - 2 areas rented

Achievements and performance

The company believes it achieved its goals of advising and promoting economic regeneration and entrepreneurship throughout the Greater Shankill area.

Financial review

The results are set in full in the financial statements. The reserves of Argyle Business Centre have increased by £37,685. The directors have obtained funding for the near future

Principal Funding Sources

The principal source of funding was the initial release of capital funding from Invest NI, the International Fund for Ireland, Belfast City Council and ERDF, along with current rental income from the property located on North Howard Street, Belfast. There have been two major capital investments in Argyle,

- £1.2M to open in 1992, of which £250k was a bank loan taken out by Argyle Directors
- £1.8M expansion in 2007, of which £250k was a bank loan taken out by Argyle Directors
- Both these Bank Loans have been repaid in full.

The directors retain funds in the charity in order to provide sufficient working capital to facilitate the ongoing activities. The target for unrestricted fund reserves is six months costs in cash at bank.

The charity's surplus funds remain in their current account, as a Letter of Offer for Phase 3 has been received, with building work expected to commence in April 2020 on a further 9,000sq.ft of lettable workspace.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

ARGYLE BUSINESS CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

The charity

- wishes to have all units rented.
- is working on the Phase 3 Expansion to build more industrial units for rent within its current site, with building work expected to commence in April 2020.
- The charity which now owns the former Shankill Road Mission building is working on a major project to create a social economy 4 Star Hotel with a community base and a focus on training and up-skilling of local people. Belfast City Council has announced a commitment of £750k to this project.

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 3 January 1990 and was registered as a charity on 28 September 2011. The company was established under a Memorandum of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr James Carvill
Baroness May Blood
Mr Brian Kingston
Mr James Mullan
Mr John Simpson
Mr David Sims
Mr William Ellison
Lord Reg Empey
Mrs Marie Hamill

Under the requirements of the Memorandum and Articles of Association the directors, subject to article 38, hold office until the next Annual General Meeting and are eligible for re-election.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the directors, subject to Article 38, hold office until the next annual general meeting and are eligible for re-election.

Individuals are invited to serve as directors on the basis of their abilities and background so as to achieve a balance between those from the business, voluntary and charity sectors.

Most directors are already aware of the activities of the charity prior to appointment. When invited to serve they are provided with the charity's objectives and its day to day operations.

At present Argyle Business Centre has a Board of Directors of 9 members who meet regularly and are responsible for the strategic direction and policy of the charity.

From the Board of Directors there are formed occasional sub-committee or working groups, who work on the policies and structures within the organisation, and also on particular projects to expand the facilities and scope of Argyle Business Centre.

The director's review major risks to the company on an ongoing basis. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the premises. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

ARGYLE BUSINESS CENTRE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2019*

The trustees' report was approved by the Board of Trustees.

.....
Mr William Ellison
Trustee

Dated:

ARGYLE BUSINESS CENTRE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ARGYLE BUSINESS CENTRE

We report on the accounts of the charity for the year ended 31 December 2019, which are set out on pages 5 to 12.

Respective responsibilities of trustees and examiner

As the charity trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

We are satisfied that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, we report in respect of our examination of the charity's accounts carried out under section 65 of the Charities Act. In carrying out our examination we have followed all the applicable Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act.

Basis of independent examiner's report

We are satisfied that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, we report in respect of our examination of the charity's accounts carried out under section 65 of the Charities Act. In carrying out our examination we have followed all the applicable Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act.

Independent examiner's statement

In connection with our examination, no matter has come to our attention:

- (a) which gives us reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Harbinson Mulholland Chartered Accountants

Centrepoint
24 Ormeau Avenue
Belfast
Co. Antrim
BT2 8HS
Northern Ireland

Dated:

ARGYLE BUSINESS CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	710	-	710	50
Charitable activities	4	279,136	18,115	297,251	274,129
Total income		<u>279,846</u>	<u>18,115</u>	<u>297,961</u>	<u>274,179</u>
<u>Expenditure on:</u>					
Charitable activities	5	<u>242,161</u>	<u>18,115</u>	<u>260,276</u>	<u>234,337</u>
Net income for the year/ Net movement in funds		37,685	-	37,685	39,842
Fund balances at 1 January 2019		<u>1,386,248</u>	<u>-</u>	<u>1,386,248</u>	<u>1,346,406</u>
Fund balances at 31 December 2019		<u><u>1,423,933</u></u>	<u><u>-</u></u>	<u><u>1,423,933</u></u>	<u><u>1,386,248</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities and is unrestricted.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 7 to 12 form part of these financial statements.

ARGYLE BUSINESS CENTRE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		929,808		1,001,242
Current assets					
Debtors	10	7,563		19,751	
Cash at bank and in hand		499,712		407,172	
		<u>507,275</u>		<u>426,923</u>	
Creditors: amounts falling due within one year	11	<u>(13,150)</u>		<u>(41,917)</u>	
Net current assets			494,125		385,006
Total assets less current liabilities			<u>1,423,933</u>		<u>1,386,248</u>
Income funds					
Unrestricted funds			1,423,933		1,386,248
			<u>1,423,933</u>		<u>1,386,248</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

.....
Mr William Ellison
Trustee

Company Registration No. NI024698

The notes on pages 7 to 12 form part of these financial statements.

ARGYLE BUSINESS CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Argyle Business Centre is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 39 North Howard Street, Belfast, BT13 2AP.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

ARGYLE BUSINESS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of any VAT which can be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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 the liability simultaneously.

ARGYLE BUSINESS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 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.

Key sources of estimation uncertainty

Tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually.

ARGYLE BUSINESS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

3 Donations and legacies

	2019 £	2018 £
Donations and gifts	710	50

4 Income from charitable activities

	2019 £	2018 £
Service charge	57,542	55,823
Rental income	218,594	209,802
Other income	21,115	8,504
	<u>297,251</u>	<u>274,129</u>

Analysis by fund		
Unrestricted funds	279,136	
Restricted funds	18,115	
	<u>297,251</u>	

For the year ended 31 December 2018

Unrestricted funds		<u>274,129</u>
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5 Expenditure on charitable activities

	2019 £	2018 £
Staff costs	79,858	81,224
Rates and water	2,952	2,826
Light and heat	5,602	9,044
Repairs and maintenance	13,239	32,682
Catering	416	327
	<u>102,067</u>	<u>126,103</u>
Share of support costs (see note 6)	158,209	108,234
	<u>260,276</u>	<u>234,337</u>

ARGYLE BUSINESS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Depreciation	71,435	-	71,435	35,894
Insurance	5,290	-	5,290	7,344
Telephone	1,361	-	1,361	2,284
General expenses	6,348	-	6,348	5,589
Bad debt	4,308	-	4,308	8,773
Sponsorship	6,358	-	6,358	2,648
Management fee	5,000	-	5,000	5,000
Legal and professional	56,257	-	56,257	38,348
Accountancy fees	1,200	-	1,200	1,200
Bank interest	652	-	652	1,154
	<u>158,209</u>	<u>-</u>	<u>158,209</u>	<u>108,234</u>
Analysed between Charitable activities	<u>158,209</u>	<u>-</u>	<u>158,209</u>	<u>108,234</u>

7 Trustees

There were no payments to Trustees during the year to 31 December 2019.

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	<u>5</u>	<u>5</u>
Employment costs	2019	2018
	£	£
Wages and salaries	77,573	78,680
Social security costs	2,285	2,544
	<u>79,858</u>	<u>81,224</u>

No employee was paid more than £60,000 during the year.

The total amount of employee benefits received by key management personnel in the year was £nil (2018: £nil). The charity considers its key management personnel comprises of the trustees, the chair and the CEO.

ARGYLE BUSINESS CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2019	3,042,790	61,249	49,066	9,018	3,162,123
At 31 December 2019	3,042,790	61,249	49,066	9,018	3,162,123
Depreciation and impairment					
At 1 January 2019	2,043,258	61,249	47,599	8,775	2,160,881
Depreciation charged in the year	71,142	-	133	159	71,434
At 31 December 2019	2,114,400	61,249	47,732	8,934	2,232,315
Carrying amount					
At 31 December 2019	928,390	-	1,334	84	929,808
At 31 December 2018	999,532	-	1,467	243	1,001,242

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	7,431	19,751
Other debtors	132	-
	7,563	19,751

11 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans		-	12,928
Other taxation and social security		7,151	7,003
Trade creditors		2,607	18,499
Other creditors		2,142	2,237
Accruals and deferred income		1,250	1,250
		13,150	41,917

12 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).