

REGISTERED COMPANY NUMBER: NI018888 (Northern Ireland)
REGISTERED CHARITY NUMBER: NIC103294

GROUP REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2019 FOR
NORTHERN IRELAND TRADE UNION
EDUCATIONAL & SOCIAL CENTRE LIMITED

McAleer Jackson Ltd
Chartered Accountants & Statutory Auditors
Arthur House
41 Arthur Street
BELFAST
BT1 4GB



NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2019

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NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

GROUP REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

NI018888 (Northern Ireland)

Registered Charity number

NIC103294

Registered office

45/47 Donegall Street
Belfast
Co Antrim
BT1 2FG

Trustees

J Bowers
B Mackin
K Doherty
M Gray
P Mackle
W McMullan (resigned 26.06.2019)
A Molloy
A McKeown
A Hall-Callaghan (appointed 26.06.2019)

Company Secretary

B Mackin

Auditors

McAleer Jackson Ltd
Chartered Accountants & Statutory Auditors
Arthur House
41 Arthur Street
BELFAST BT1 4GB

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

GROUP REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity and the group for the year ended 31 December 2019. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the charity are to:

- promote equality through supporting the participation and inclusion of all individuals, groups and communities;
- provide support, education and training, and facilities to the unemployed and other groups suffering from social and economic disadvantage;
- be an innovative provider in effecting change towards a fair and inclusive society.

STRATEGIC REPORT

Achievement and performance

Review of activities

The Charity continued to focus on the delivery of programmes to support local communities in disadvantaged areas. The Charity works closely with its partners and funders, namely the Big Lottery Fund, Belfast City Council, EURES, Department of Foreign Affairs, Advice NI and others.

The Charity also continued to oversee the activities of affiliated social enterprises, providing guidance and support in respect of their activities.

The John Hewitt Bar continued to provide bar and restaurant facilities in Belfast's Cathedral Quarter. Whilst competition for business is increasing in the locality the company continues to be a premier beer venue, supporting local craft brews and contributing significantly to local Arts and festivals.

Access Skills Ireland Ltd continues to operate as an approved training provider, working throughout Ireland with State bodies and employers to re-skill and up-skill workers.

BDA (Property Projects) Limited continues to provide workspace and support facilities to small businesses at the Portview Trade Centre premises, maintaining the high rates of occupancy that have prevailed over recent years.

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

GROUP REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

Investment policy and performance

The group's policy is to maximise total investment return from all of its assets whilst utilising these assets to deliver the company's principal charitable activities. The group has continued to invest in its related undertakings to reduce long term dependence upon grant funding and increase commercial trading revenue.

Financial review

Financial position

The financial results for the year are set out on pages 10 - 11 following with the accompanying notes to the financial statements.

Reserves policy

The reserves of the charity are set by the Management Committee and take the following into consideration:

- Holding reserves for the designated funds which reflect the objects of NITU;
- Recommending reserve levels which balance the variable nature of the income received, and the longer-term commitments of the charity to its various shareholders.
- The responsibilities of the Management Committee to the prudent management of NITU;
- The reserves will be held primarily as investments or in the form of tangible assets;
- The level of reserves will be reviewed annually as part of the budget and planning process. This actual policy paper and levels of reserve will be revisited as part of the planning cycle.
- Withdrawal of funds from the reserves whether on an occasional or on a regular basis will only be made as a result of a decision taken at a Management Committee Meeting.

The Trustees aim to maintain to sufficient free reserves in unrestricted, undesignated funds to bridge any funding gaps experienced by the charity, and to mitigate the risks and costs of unplanned closure of the organisation. The target level of funding to be held is £200,000. At the balance sheet date £45,142 of the charity's unrestricted funds were undesignated, which is significantly less than the targeted amount. The Trustees and the Management Committee are considering all options to secure and retain additional unrestricted funding for the forthcoming year.

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

GROUP REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

Reserves policy (continued..)

The Trustees aim to hold sufficient designated funds to support social enterprise activity and to enable those enterprises to operate with autonomy. In addition reserves are maintained to provide a hedge against the loss of traditional project funding for the delivery of NITUs objectives, and to fund the Charity's capital and property maintenance plans to fund for the upkeep and renewal of premises and to plan and execute capital type projects. The Trustees are satisfied the designated funds remain adequate for the time being.

Future plans

The group plans to continue to develop innovative programmes for unemployed and disadvantaged individuals and groups. In addition, the Board actively seeks opportunities to develop social enterprise activities that support its objectives.

A key project under consideration by the Charity at present is the regeneration of parts of the Portview Trade Centre. In the short term the Trustees will also focus their attention to mitigating the impact of Covid-19 on the operations and programmes undertaken by the group, and to develop alternative service delivery methods to ensure the Charity's objectives can be achieved.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The company is registered as a company limited by guarantee.

The company is constituted under a Memorandum of Association dated 21 October 1985 and is registered as a charity with both the Charity Commission for Northern Ireland and HM Revenue & Customs.

Method of appointment or election of Directors

The oversight of the company and group is the responsibility of the management committee who are elected and co-opted under the terms of the Articles of Association. The management committee are Directors for the purposes of Company Law.

Organisational structure and decision making

The management committee is appointed by the company's members in accordance with the company's Memorandum and Articles of Association. The management are responsible for the governance of the company and group. Responsibility for the day to day operations of the company is delegated to the Directors and management team and performance is reviewed on a monthly basis.

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

GROUP REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Northern Ireland Trade Union Educational & Social Centre Limited for the purposes of company law) are responsible for preparing the Group Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

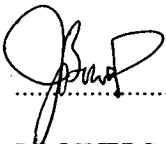
GROUP REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

AUDITORS

The auditors, McAleer Jackson Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 October 2020 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to be 'J Bowers', is written over a horizontal dotted line.

J BOWERS
Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED

Opinion

We have audited the consolidated financial statements of Northern Ireland Trade Union Educational & Social Centre Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated Statement of Financial Activities, consolidated Balance Sheet, company balance sheet, consolidated Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2019 and of the group's 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for smaller entities in the circumstances set out in Note 26 to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED (cont'd)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements 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.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED (cont'd)

Responsibilities of trustees (cont'd)

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

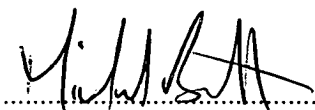
Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Michael Barnett
McAleer Jackson Ltd
Chartered Accountants & Statutory Auditors
Arthur House
41 Arthur Street
BELFAST BT1 4GB
Date: 13 October 2020

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	32,125	-	32,125	25,252
Charitable activities	5	5,031	256,154	261,185	245,253
Other trading activities	6	847,438	-	847,438	729,952
Investment income	7	<u>468,674</u>	<u>-</u>	<u>468,674</u>	<u>276,622</u>
Total		1,353,268	256,154	1,609,422	1,277,079
EXPENDITURE ON					
Other trading activities	8	853,683	-	853,683	846,529
Charitable activities	9	153,971	218,058	372,029	311,530
Governance	9	5,947	15,249	21,196	21,093
Investment activities	10	401,234	-	401,234	191,959
Foreign exchange on consolidation		(2,929)	-	(2,929)	-
Taxation		<u>10,020</u>	<u>-</u>	<u>10,020</u>	<u>-</u>
Total		1,421,926	233,307	1,655,233	1,371,111
NET INCOME/(EXPENDITURE)		(68,658)	22,847	(45,811)	(94,032)
Net gain/(loss) on Investments		64,918	-	64,918	-
Transfers between funds	24	<u>26,865</u>	<u>(26,865)</u>	<u>-</u>	<u>-</u>
Net movement in funds		23,125	(4,018)	19,107	(94,032)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,080,541</u>	<u>19,978</u>	<u>3,100,519</u>	<u>3,194,551</u>
TOTAL FUNDS CARRIED FORWARD		<u>3,103,666</u>	<u>15,960</u>	<u>3,119,626</u>	<u>3,100,519</u>

The notes form part of these financial statements

NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2019

	Notes	2019 Total funds £	2018 Total funds £
FIXED ASSETS			
Intangible assets	14	-	-
Tangible assets	15	557,255	539,025
Investments	16	898,665	885,800
Investment property	17	<u>1,566,943</u>	<u>1,566,943</u>
		3,022,863	2,991,768
CURRENT ASSETS			
Stocks	18	13,952	12,778
Debtors	19	163,477	212,696
Cash at bank and in hand		<u>344,068</u>	<u>297,056</u>
		521,497	522,530
CREDITORS			
Amounts falling due within one year	20	<u>225,839</u>	<u>202,123</u>
NET CURRENT ASSETS		<u>295,658</u>	<u>320,407</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,318,521	3,312,175
CREDITORS			
Amounts falling due after more than one year	21	158,227	169,684
PROVISION FOR LIABILITIES	23	<u>40,668</u>	<u>41,972</u>
NET ASSETS		<u>3,119,626</u>	<u>3,100,519</u>
FUNDS	24		
Unrestricted funds		3,103,666	3,080,541
Restricted funds		<u>15,960</u>	<u>19,978</u>
TOTAL FUNDS		<u>3,119,626</u>	<u>3,100,519</u>

The notes form part of these financial statements

NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2019 (cont'd)

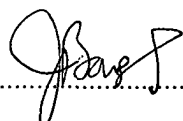
The trustees acknowledge their responsibilities for:-

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 regarding small companies and S398 of the Companies Act 2006 regarding group accounts.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees on 13. October 2020 and were signed on its behalf by:



J BOWERS
Trustee



B MACKIN
Trustee

The notes form part of these financial statements

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

COMPANY BALANCE SHEET

AT 31 DECEMBER 2019

		2019 Total funds	2018 Total funds
	Notes	£	£
Investments			
Investments	16	250,002	250,002
Investment property	17	<u>603,948</u>	<u>603,948</u>
		853,950	853,950
 CURRENT ASSETS			
Debtors	19	115,619	114,580
Cash at bank and in hand		<u>58,318</u>	<u>62,767</u>
		173,937	177,347
 CREDITORS			
Amounts falling due within one year	20	<u>155,212</u>	<u>85,437</u>
 NET CURRENT ASSETS		<u>18,725</u>	<u>91,910</u>
 NET ASSETS		<u>872,675</u>	<u>945,860</u>
 FUNDS	24		
Unrestricted funds		856,715	925,882
Restricted funds		<u>15,960</u>	<u>19,978</u>
 TOTAL FUNDS		<u>872,675</u>	<u>945,860</u>

The notes form part of these financial statements

NORTHERN IRELAND TRADE UNION EDUCATIONAL

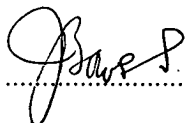
& SOCIAL CENTRE LIMITED

BALANCE SHEET

AT 31 DECEMBER 2019 (cont'd)

The financial statements have been prepared in accordance with Part 15 of the Companies Act 2006 regarding small companies.

The financial statements were approved and authorised by the Board of Trustees on 13 October 2020 and were signed on its behalf by:



J BOWERS
Trustee



B MACKIN
Trustee

The notes form part of these financial statements

NORTHERN IRELAND TRADE UNION EDUCATIONAL

& SOCIAL CENTRE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Notes	£	£
Cash flows from operating activities:			
Cash generated from operations	1	(12,635)	(109,854)
Interest paid		(8,648)	(8,429)
Tax paid		<u>(10,286)</u>	<u>-</u>
Net cash provided by (used in) operating activities		<u>(31,569)</u>	<u>(118,283)</u>
Cash flows from investing activities:			
Purchase of listed investments		(82,914)	-
Proceeds from sale of listed investments		140,453	-
Purchase of tangible fixed assets		(28,466)	(85,256)
Interest received		<u>-</u>	<u>3</u>
Net cash provided by (used in) investing activities		<u>29,073</u>	<u>(85,253)</u>
Cash flows from financing activities:			
New loans in year		-	20,000
Loan repayments in year		<u>(11,257)</u>	<u>(17,843)</u>
Net cash provided by (used in) financing activities		<u>(11,257)</u>	<u>2,157</u>
Change in cash and cash equivalents in the reporting period		(13,753)	(201,379)
Cash and cash equivalents at the beginning of the reporting period	2	<u>287,802</u>	<u>489,181</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>274,049</u></u>	<u><u>287,802</u></u>

The notes form part of these financial statements

NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	-19,107	(94,032)
Adjustments for:		
Depreciation charges	10,236	12,147
Profit on disposal of investments	(5,486)	-
Finance costs	8,648	8,429
Finance income	-	(3)
Revaluation gain	(64,918)	-
Tax charge	10,020	-
(Increase)/decrease in stocks	(1,174)	(432)
(Increase)/decrease in debtors	49,219	(41,236)
Increase/(decrease) in creditors	<u>(38,287)</u>	<u>5,273</u>
Net cash provided by (used in) operating activities	<u>(12,635)</u>	<u>(109,854)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash at bank and in hand	344,068	297,056
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(70,019)</u>	<u>(9,254)</u>
Total cash and cash equivalents	<u>274,049</u>	<u>287,802</u>

NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The charity is a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is 45/47 Donegall Street, Belfast, Co Antrim, BT1 2FG.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act (Northern Ireland) 2008.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The trustees have assessed, based on the anticipated activities of the charity and the group, that there are adequate resources in place to meet the on-going costs of the group for a minimum of 12 months from the date of signing of the financial statements. In coming to this conclusion, the trustees have assessed the entity's current financial arrangements and resources of the group as a whole and have obtained confirmation that financial support will be made available between fellow group companies, if required. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Basis of Consolidation

Northern Ireland Trade Union Educational and Social Centre Limited considers that where the organisation is the sole member of a company limited by guarantee, these entities should be treated as wholly owned subsidiaries by virtue of common control.

The parent charity has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activity.

NORTHERN IRELAND TRADE UNION EDUCATIONAL
& SOCIAL CENTRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

3. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Valuation of Investments

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line
Plant & machinery	- 20% straight line
Fixtures, fittings & equipment	- 20% straight line

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

It has not been depreciated.

Taxation

The charity is exempt from tax on income and gains falling within S505 of the Taxes Act 1988 or S252 of TCGA 1992 to the extent that these are applied to its chargeable objects.

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

NORTHERN IRELAND TRADE UNION EDUCATIONAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

3. ACCOUNTING POLICIES - continued

Taxation (continued..)

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transactional price. Any losses arising from impairment are recognised in the Consolidated Statement of Financial activities in other trading activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

3. ACCOUNTING POLICIES - continued

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	<u>32,125</u>	<u>25,252</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		2019	2018
	Activity	£	£
Big Lottery Fund	Charitable activities	132,958	130,630
Department of Foreign Affairs	Charitable activities	-	7,212
Belfast City Council	Charitable activities	23,588	48,632
EURES	Charitable activities	22,285	22,656
Advice NI	Charitable activities	-	9,058
Sligo City Council	Charitable activities	19,978	5,381
Belfast Met	Charitable activities	47,947	21,684
Communities in Transmission	Charitable activities	7,423	-
Donegal Peace IV	Charitable activities	1,975	-
Grants	Charitable activities	<u>5,031</u>	<u>-</u>
		<u>261,185</u>	<u>245,253</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

6. INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Subsidiary trading activities	<u>847,438</u>	<u>729,952</u>

7. INVESTMENT INCOME

	2019	2018
	£	£
Rents and service charges received	<u>468,674</u>	<u>276,622</u>

8. COSTS OF OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Trading costs	845,035	838,047
Finance costs	<u>8,648</u>	<u>8,482</u>
	<u>853,683</u>	<u>846,529</u>

NORTHERN IRELAND TRADE UNION EDUCATIONAL

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

9. CHARITABLE ACTIVITIES COSTS

	2019	2018
	£	£
Charitable activities	372,029	311,530
Governance	<u>21,196</u>	<u>21,093</u>
	<u>393,225</u>	<u>332,623</u>

GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Direct costs - Governance	<u>5,947</u>	<u>15,249</u>	<u>21,196</u>	<u>21,093</u>

10. COSTS OF INVESTMENT ACTIVITIES

	2019	2018
	£	£
Property management costs	<u>401,234</u>	<u>191,959</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	10,236	9,246
Amortisation of intangible assets	-	2,901
Profit on disposal of assets	<u>(5,486)</u>	<u>-</u>
	<u>4,750</u>	<u>12,147</u>

NORTHERN IRELAND TRADE UNION EDUCATIONAL

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

13. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	<u>526,125</u>	<u>495,434</u>

The average monthly number of employees during the year was as follows:

	2019	2018
Support staff	<u>26</u>	<u>31</u>

No employees received emoluments in excess of £60,000.

NORTHERN IRELAND TRADE UNION EDUCATIONAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

14. INTANGIBLE FIXED ASSETS

Group

	Licence £
COST	
At 1 January 2019 and 31 December 2019	<u>58,195</u>
AMORTISATION	
At 1 January 2019	<u>58,195</u>
At 31 December 2019	<u>58,195</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>-</u></u>
At 31 December 2018	<u><u>-</u></u>

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant & machinery £	Fixtures, fittings & equipment £	Totals £
COST				
At 1 January 2019	633,776	75,829	128,033	837,638
Additions	<u>25,745</u>	<u>2,721</u>	<u>-</u>	<u>28,466</u>
At 31 December 2019	<u>659,521</u>	<u>78,550</u>	<u>128,033</u>	<u>866,104</u>
DEPRECIATION				
At 1 January 2019	99,337	73,094	126,182	298,613
Charge for year	<u>7,790</u>	<u>2,061</u>	<u>385</u>	<u>10,236</u>
At 31 December 2019	<u>107,127</u>	<u>75,155</u>	<u>126,567</u>	<u>308,849</u>
NET BOOK VALUE				
At 31 December 2019	<u><u>552,394</u></u>	<u><u>3,395</u></u>	<u><u>1,466</u></u>	<u><u>557,255</u></u>
At 31 December 2018	<u><u>534,439</u></u>	<u><u>2,735</u></u>	<u><u>1,851</u></u>	<u><u>539,025</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

15. TANGIBLE FIXED ASSETS - continued

Company	Fixtures, fittings & equipment £
COST	
At 1 January 2019 and 31 December 2019	<u>61,213</u>
DEPRECIATION	
At 1 January 2019 and 31 December 2019	<u>61,213</u>
NET BOOK VALUE	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

16. FIXED ASSET INVESTMENTS

Group	Listed investments £
COST OR VALUATION	
At 1 January 2019 and 31 December 2019	885,800
Additions	82,914
Valuation changes	64,918
Disposals	<u>(134,967)</u>
NET BOOK VALUE	
At 31 December 2019	<u>898,665</u>
At 31 December 2018	<u>885,800</u>

All investments shown above are held at valuation.

Company	2019 £	2018 £
Shares	2	2
Capital contribution	<u>250,000</u>	<u>250,000</u>
	<u>250,002</u>	<u>250,002</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

16. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

B.D.A. (Property Projects) Limited

Registered office: Portview Trade Centre, 310 Newtownards Road, Belfast, BT1 1HE

Nature of business: Business support service activities

Class of share:	%
Ordinary shares	holding 100

The following companies are limited by guarantee. Northern Ireland Trade Union Educational & Social Centre Limited is the sole member of each of the companies, and therefore exercises control.

Company name	Registered
- Community Training & Research Services Limited	Northern Ireland
- Access Skills Ireland Limited	Northern Ireland
- Access Skills Ireland CLG	Republic of Ireland
- Radius (NI) Limited	Northern Ireland
- Radius Training Limited	Republic of Ireland

17. INVESTMENT PROPERTY

Group

£

MARKET VALUE

At 1 January 2019 and 31 December 2019

1,566,943

NET BOOK VALUE

At 31 December 2019

1,566,943

At 31 December 2018

1,566,943

NORTHERN IRELAND TRADE UNION EDUCATIONAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

17. INVESTMENT PROPERTY - continued

Company

	£
MARKET VALUE	
At 1 January 2019 and 31 December 2019	<u>603,948</u>
NET BOOK VALUE	
At 31 December 2019	<u>603,948</u>
At 31 December 2018	<u>603,948</u>

18. STOCKS

Group

	2019	2018
	£	£
Stock	<u>13,952</u>	<u>12,778</u>

19. DEBTORS

Group

	2019	2018
	£	£
Trade debtors	3,245	5,802
Other debtors	154,345	197,506
Prepayments	<u>5,887</u>	<u>9,388</u>
	<u>163,477</u>	<u>212,696</u>

Company

	2019	2018
	£	£
Other debtors	109,732	108,723
Prepayments	<u>5,887</u>	<u>5,857</u>
	<u>115,619</u>	<u>114,580</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

	2019	2018
	£	£
Bank loans and overdrafts (see note 22)	81,379	20,414
Trade creditors	43,989	36,786
Taxation and social security	30,330	12,950
Other creditors	14,233	111,876
Accruals and deferred income	55,908	20,097
	<u>225,839</u>	<u>202,123</u>

Company

	2019	2018
	£	£
Bank loans and overdrafts (see note 22)	70,019	9,254
Other creditors	65,161	58,669
Accruals and deferred income	20,032	17,514
	<u>155,212</u>	<u>85,437</u>

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

Group

	2019	2018
	£	£
Bank loans (see note 22)	<u>158,227</u>	<u>169,684</u>

22. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2018
	£	£
Bank overdrafts	70,019	9,254
Bank loans	<u>169,587</u>	<u>180,844</u>
	<u>239,606</u>	<u>190,098</u>

The bank overdrafts are secured by an all monies debenture held giving a fixed and floating charge over the company assets.

The bank loans are secured against assets of a subsidiary company.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

23. PROVISIONS

Group	Deferred tax £
Balance at 1 January 2019	41,972
Movement during year	<u>(1,304)</u>
Balance at 31 December 2019	<u>40,668</u>

24. MOVEMENT IN FUNDS

Group	At 1.1.19 £	Net Movement £	Transfers £	Gain on investments £	At 31.12.19 £
Unrestricted funds					
Unrestricted funds	114,309	(96,032)	26,865	-	45,142
Designated Social Enterprise funds	2,154,659	27,374	-	64,918	2,246,951
Other Designated funds	<u>811,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811,573</u>
	<u>3,080,541</u>	<u>(68,658)</u>	<u>26,865</u>	<u>64,918</u>	<u>3,103,666</u>
Restricted funds					
Big Lottery Fund	-	(2,363)	-	-	(2,363)
Department of Foreign Affairs	7,212	-	(7,212)	-	-
Belfast City Council	-	18,323	-	-	18,323
EURES	5,673	16,631	(22,304)	-	-
Advice NI	1,712	(4,789)	3,077	-	-
Belfast Met	-	(8,113)	8,113	-	-
Sligo City Council	5,381	5,656	(11,037)	-	-
Communities in Transmission	-	(2,498)	2,498	-	-
Donegal Peace IV	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>19,978</u>	<u>22,847</u>	<u>(26,865)</u>	<u>-</u>	<u>15,960</u>
TOTAL FUNDS	<u>3,100,519</u>	<u>(45,811)</u>	<u>-</u>	<u>64,918</u>	<u>3,119,626</u>

NORTHERN IRELAND TRADE UNION EDUCATIONAL

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 (cont'd)

24. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

Group	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
Unrestricted fund	1,353,268	(1,421,926)	(68,658)
Restricted funds			
Big Lottery Fund	132,959	(135,322)	(2,363)
Belfast City Council	23,587	(5,264)	18,323
EURES	22,285	(5,654)	16,631
Advice NI	-	(4,789)	(4,789)
Belfast Met	47,948	(56,061)	(8,113)
Sligo County Council	19,978	(14,322)	5,656
Communities in Transition	7,422	(9,920)	(2,498)
Donegal Peace IV	1,975	(1,975)	-
	256,154	(233,307)	22,847
TOTAL FUNDS	<u>1,609,422</u>	<u>(1,655,233)</u>	<u>(45,811)</u>

25. LEGAL STATUS

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

26. FRC ETHICAL STANDARD – PROVISIONS AVAILABLE FOR SMALLER ENTITIES

In common with many other organisations of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.