



# ULSTER GARDEN VILLAGES LIMITED

REPORT AND  
FINANCIAL STATEMENTS

2018



## **CHAIRMAN'S FOREWORD**

### **YEAR ENDED 31 DECEMBER 2018**

I am pleased to introduce the Report and Financial Accounts of Ulster Garden Villages Limited for the year ended 31 December 2018.

We had a very active year as the Report of the Committee makes clear, both in our grant giving work and on the property front. Supporting 53 significant projects with some £1.46 million took our charitable giving up substantially from the previous year. Expenditure on our properties continued at a high level as we invested in the refurbishment of our older properties while we also deployed major funds into our new properties.

In our office Mrs Valerie Ingram, our Executive Director, and Mrs Ruth Culbert gave their usual unstinting commitment to our affairs and I would like to thank them for their support to the Committee and to me. We recruited a property professional to our ranks on a part-time basis also, in the person of Mr Conor McKenna, to provide specialist support on our various property issues and I welcome his helpful involvement there.

As always I thank my volunteer colleagues on the Committee for their support both in the work of the Committee of Management itself and on our Property and Audit Committees. Their contribution and their combined experience add greatly to our ability to manage our affairs effectively and to enable us to make such a major contribution to helping local people and communities.

I must also pay special thanks to Mr Drew Crawford who retired from the Committee of Management at the end of the year. He had served as Secretary for decades and also as an active Member of the Committee itself and I am grateful to him for his contribution over so many years.

May I encourage Members and other readers to take a little time to read about our work over this last year as I hope they will be encouraged to see how we continued to be a positive factor in improving the lives of so many in our community.

*Tony Hopkins*

CHAIRMAN



## **REPORT OF THE COMMITTEE OF MANAGEMENT**

### **YEAR ENDED 31 DECEMBER 2018**

The Committee of Management is pleased to present their report and financial statements for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document i.e. "Rules of Ulster Garden Villages Limited", The Charities Act (Northern Ireland) 2008 (as amended by the Charities Act (Northern Ireland) 2013), the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 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).

Ulster Garden Villages Limited ('The Charity') was established under the Industrial and Provident Societies Acts (Northern Ireland) in 1946 with the principal objective of providing good quality housing and associated amenities for the disadvantaged and aged.

#### **Who are we?**

Since that time government's approach to housing has changed dramatically and in Northern Ireland the establishment of the Northern Ireland Housing Executive and the Housing Association movement has largely catered for housing needs.

In 1983 the Committee of Management of Ulster Garden Villages Limited took the necessary steps to become a registered charity and under its amended regulations empowered it to transfer from reserves to a Common Fund amounts to be available for distribution of such general charitable purposes, not necessarily connected with housing, as the Committee shall from time to time determine.

Ulster Garden Villages Limited was formally registered with the Charity Commission for Northern Ireland in January 2015 and submitted their first Annual Return to the Commission in 2017.

#### **OBJECTIVES AND ACTIVITIES**

The charitable objects of the Charity are:

- a) To carry on, for the benefit of the community, the business of providing housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means;
- b) To provide, for aged persons in need thereof, housing and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;





## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

c) To carry out such added purposes which are charitable under the law of Northern Ireland as the Charity shall from time to time determine and to use any of the Charity's funds including accumulations of past profits not required for the purposes of (a) or (b) above for such charitable purposes as the Committee shall from time to time determine.

#### **Housing and Associated Amenities**

The Charity, under its objects (a) and (b), provides and manages housing and property stock.

Ulster Garden Villages Limited was founded over 70 years ago and by March 1950 had built and founded Merville Garden Village, Northern Ireland's first 'Garden Village', with 450 houses, flats and shops and, significantly, with a Community Centre, Little Theatre and extensive gardens. The vision was to build high-standard dwellings in a superbly landscaped environment to meet an urgent need for post-war housing. The Village created a sense of community togetherness and involvement rather than simply providing houses for those who needed accommodation.

Other developments followed at Abbots Cross, Fernagh in Whiteabbey and at new Garden Villages in Muckamore and Whitehead. Although the Charity has sold a significant proportion of the original properties, it continues to manage the estates at Merville and Abbots Cross on behalf of others and owns and provides housing and associated amenities in Newtownabbey, Whitehead and at Garvey Court, Lisburn (a development of apartments for older people).

#### **The Common Fund**

In pursuit of Object (c) the Charity primarily allocates funds to or for projects within Northern Ireland which will have a positive impact in Northern Ireland. Funds are not given retrospectively and it is not usual to give grants for office expenses or administrative staff salaries. In addition to outright grants, assistance may be given by way of loans which may carry certain conditions at the discretion of the Committee. The purpose of any application must be charitable and normally the Committee will only consider requests from registered charities. Applications for grants are made on the Ulster Garden Villages Limited application form and also require applicants to submit their most recent certified accounts. A copy of the 'Guidelines for Applicants' is available on the Charity's website or from the registered office on request.

The Achievements and Performance section of this Report details specific examples of the Charity acting through its Common Fund of donations to charitable ventures in the wider community for the year ending 31 December 2018. In shaping the objectives for the year and making donations the Committee has considered the Charity Commission's guidance on public benefit and all members have received a copy of the Commission's guidance notes on 'public benefit'.



## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

#### **Public benefit statement**

Ulster Garden Villages Limited operates for the public benefit with the ultimate beneficiaries being the many people supported and worked with by the charities that we fund.

The main objectives for which funds were allocated under Object (c) are:

#### **People with Disabilities**

Carers, Sheltered Accommodation, Mental and Physical Disabilities, Transport and Advice.

#### **Health**

Hospices and Hospitals, Home Nursing, Mental Health, Substance Abuse, Prevention of Disease.

#### **Community**

Youth at Risk, Rehabilitation, the Aged, Victim Support, Crime Prevention, Regeneration.

#### **Scientific and Medical Research**

To support fields of research which are not capable of total government support, particularly involving the aged and specific diseases such as Cancer and Cardiac related conditions.

#### **Culture and Heritage**

Assisting underfunded activities involving the Arts, in all its forms, and the preservation of our natural heritage. Assisting the restoration of buildings of historic or architectural interest to enable them to be rehabilitated to the use and service to the community and the conservation of artefacts.

#### **Education and Training Skills**

Promotion of life skills and independent living skills and employment and training for people with disabilities and disadvantaged people. Enhancing education and literacy skills for young people with disabilities.

#### **Priorities**

From time to time the Committee will review the range of activities they are prepared to support and place special emphasis on areas that they wish to encourage.

### **ACHIEVEMENTS AND PERFORMANCE**

The Ulster Garden Villages focus is to support charitable bodies whose work and impact will make a real and lasting difference.

Looking back at 2018 we continued to invest in projects which are at the heart of local people and communities with £1,460,013 donated to charitable activities across



## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

Northern Ireland. This compared with a figure of £1,016,277 for 2017 and ranged from major grants of £500,000 to smaller sums of £1,000.

The Common Fund remains the mainstay of our giving and all applications are considered on an individual basis. The applications are reviewed quarterly at Committee meetings and we respond to as many requests as possible.

Applicants are encouraged to contact the Staff Team prior to making an application. The Staff Team try to meet with as many applicants as possible and in 2018 over 150 face to face meetings were facilitated. This is in addition to enquiries by telephone and email. These meetings and conversations allow us to gain a better understanding of the projects under consideration.

We generally only accept applications from registered charities and we do not accept applications from individuals or award funding to projects which have already commenced.

Our policy of making grants conditional on the applicants successfully using our funds as a catalyst to secure funds from other sources has continued to yield positive impact and results. Awards and support were given to a broad range of charitable activities across Northern Ireland and as usual we sought to assist projects that might otherwise not have gone ahead without our support.

Priorities are grouped around six main areas and we continue our policy of awarding both revenue and capital grants. In 2018 capital grants included awards for new buildings, refurbishment projects and equipment all based around our key priority areas.

Ulster Garden Villages helped some 53 projects in the year under review with the majority of donations being made to the key priority areas of Health and Disabilities. A sum of £1,000,115 was donated to these priority areas out of total donations of £1,460,013 awarded in 2018. The largest award was to the Belfast Health and Social Care Trust for a new PET/CT scanner. The scanner will be located at the Belfast City Hospital's Regional Cancer Centre and commissioning and preparation works are in progress. The second tranche of three in the sum of £500,000 was awarded out of a total grant of £1.5million.

Support of £200,000 was given to Belfast Central Mission for a new 60 bed dementia, nursing and residential care home located at Millisle, County Down. The new Copelands Centre will be a contemporary and luxurious space with a spacious roof top garden and stunning sea views providing additional outdoor space for those who live there.

A grant of £50,000 was given for the Now Group's Loaf Pottery and Café based in Crawfordsburn. This new venture has already secured jobs and opportunities for people with learning difficulties.



## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

A number of multi-year grants came to an end in 2018. These included the Marie Curie 'Rapid Response Nursing Support Service'. This initiative has enhanced the lives of thousands of people in Northern Ireland living with a terminal illness and their loved ones. Marie Curie reported that 100% of respondents said that the Rapid Response Service fully delivered the support and care that they needed. We provided a total of £90,000 to support this Service (2018:£30,000).

Action Cancer opened their new premises at Windsor Avenue, Belfast and our final award of £30,000 (out of a total grant of £60,000) was awarded in 2018. This funding enabled the installation of new state of the art Mammography and Digital Breast Tomosynthesis (DBT) equipment. For every 1,000 breast screenings, 6 women have their cancer detected when it may have otherwise gone unnoticed. We are pleased to report that lives have already been saved through early detection.

We also provided financial assistance of £20,000 to Men Against Cancer toward the cost of buying and installing the 'Da Vinci Robot'. Use of the robot in surgery will mean that patients can expect a shorter stay in hospital, reduced medication and decreased blood loss during surgery.

Other grants made during the period included a grant of £20,000 to the National Autism Society to help create new day care provision for Adults with autism and complex needs. Our grant supported the purchase of multi-sensory equipment for the new facility in Carryduff which is scheduled to open in Autumn 2019. The space will offer people with cognitive impairments and other challenging conditions the opportunity to enjoy and control a variety of sensory experiences.

Our continued support for Arts and Culture initiatives across Northern Ireland recognises the importance of the creative sector. One of the larger initiatives which completed in 2018 was the Ulster Orchestra's 'Music Room' project. A substantial grant of £300,000 was spread across four years (2018:£50,000). In a twelve month period the Orchestra worked with over 4,000 Key Stage 2 (Primary School) pupils in 73 schools in Newry, Derry/Londonderry, Enniskillen, Ballymena and Belfast. In addition a series of public relaxed performances for people with additional needs and their families were held. A parent of a child with Autism Spectrum Disorder (ASD) said of the initiative "I found myself becoming emotional for a number of reasons. Watching the children's faces and reactions, the enjoyment, acceptance and inclusivity it gave them and us all had me close to tears of joy." Many other initiatives were rolled out including work in prisons and the first Tea Dance by full orchestra for people with dementia and their carers. This was part of a project delivered in partnership with the Alzheimers' Society and this and other initiatives have brought a variety of musical experiences to every corner of Northern Ireland with a series of workshops, concerts, masterclasses and educational collaborations.



## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

Ulster Garden Villages also awarded grants to the Friends of Glenariffe (£30,000) and Cashel Community Association (£20,000), Scribbagh, Enniskillen. Our support helped to upgrade, extend and refurbish existing community space. After years of hard work by the volunteers and staff, the people living in these areas will be able to access a range of opportunities in the new bespoke facilities.

Managing our property and housing stock remains one of our major functions and we continued our programme of refurbishment and compliance works to our older properties. Communal Area upgrade works at Abbots Cross were completed in March 2018 while a significant pilot refurbishment scheme at Merville Garden Village is planned to commence in 2019.

Work is also ongoing at our latest development 'The Banks', Groomsport Road, Bangor with an expected completion date of 2020. This will when completed provide long-term property rental for people aged 55 years and over.

A full list of our Donations for the financial year 2018 can be found at the end of the Annual Report and Accounts. We are delighted to share this information and hope that it will prove useful. In addition to these donations we have pledges of a further £2.13 million in place, subject to specific conditions being met and projects commencing.

### **FINANCIAL REVIEW**

The Association continues to enjoy a robust financial position. The deficit for the year (£951,530) (2017: £5,231,384 surplus) largely reflects the reduction in market value of our quoted investments at 31 December 2018.

The Balance Sheet demonstrates that the financial position of Ulster Garden Villages Limited is strong and the Association is very well placed to meet our forward commitments to charitable initiatives and to our priority objectives.

During 2018 we made donations of £1,460,013 to charitable causes compared to £1,016,277 (2017).

Income and expenditure are in line with the previous year. Additional expenditure has been provided for Health and Safety and compliance works at our older affordable housing stock and significant remedial works at our investment properties in Belfast.

Work is progressing well at The Banks, Bangor and will be completed in Spring 2020 providing 30 apartments for the over 55s. Additional expenditure for construction at The Banks during 2018 of over £1million is reflected in the Tangible Assets on the Balance Sheet at 31 December 2018 of £5 million. Cash at Bank remains high at £5 million to allow liquidity to fund ongoing construction at the Bangor Site, continuing maintenance and improvements at our older properties and our substantial forward commitments to charities.





## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

#### **Investment policy**

The purpose of the Charity's investment policy is to generate funds for our grant-making and the main sources are rental income from the ownership of properties and dividends and interest from a diversified investment portfolio.

A formal investment policy statement has been agreed between the portfolio manager and Ulster Garden Villages Limited which outlines its general goals, objectives and exclusions and describes the strategies that the manager and Ulster Garden Villages Limited will employ to meet these objectives. The policy is reviewed by the Committee of Management on a regular basis.

#### **Reserves policy**

At 31 December 2018 free reserves in the form of General Fund amounted to £41,437,061 (2017: £42,928,578). Other unrestricted reserves designated by the Committee as the Common Fund and representing surpluses set aside to provide grants, loans and other public benefit in furtherance of the objectives of the Association amounted to £15,300,763 (2017: £14,760,776).

During the year the Committee of Management transferred £2,000,000 from the General Fund to the Common Fund. The Association has no restricted reserves. The Committee of Management regularly reviews the level of reserves, having regard to the risk management review, and currently considers reserves to be adequate to meet the needs of the Association.

#### **Going concern**

Having reviewed future commitments over the next 12-18 months the Committee of Management is of the opinion that the financial statements can be prepared on a going concern basis.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Committee of Management**

The Rules of Ulster Garden Villages Limited lay down the constitutional provisions for the appointment of Members of the Committee of Management (The Trustees, in terms of Charity Law). The process requires nomination from within the membership of the Charity, election by the Members and the retirement of one-third of the Committee each year. Such members may offer themselves for re-election at the Annual General Meeting.

Dr A S Hopkins, Mr K Baird, Mrs M Boyd, Mr W A Crawford, Mrs S P Crowe, Mr B Garrett, Mr E Holmes, Dame Rotha Johnston, Sir Desmond Lorimer and Mr W J Webb served during the year. As per the Rules of Ulster Garden Villages Limited, Dr A S Hopkins, Mr K Baird and Mr B Garrett retire and, being eligible, offer themselves for re-election.



## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

Sir Desmond Lorimer stepped down from his elected position on the Committee of Management at the 2018 AGM held on the 24th May 2018. We are pleased to say that his role as President of the Association will allow him to continue to attend our Committee meetings. We will welcome his continuing involvement with this body to which he has devoted so much time and effort.

Mr W A Crawford resigned from the Committee on 31st December 2018.

Dame Rotha Johnston joined the Committee of Management in May 2018 and Mr Colin Walsh has also been co-opted to serve and this appointment will be effective from March 2019. These new members have extensive skill sets and experience across the Public, Private and Voluntary Sector in Northern Ireland and we are delighted that they have agreed to serve the Association.

#### **Committee Members - Induction and Training**

Committee Members understand their roles individually and collectively in relation to their legal duties, the stewardship of assets and the provisions of the governing document. The Members of the Committee of Management confirm that they have complied with their duty under the The Charities Act (Northern Ireland) 2008, as amended by the Charities Act (Northern Ireland) 2013 to have regard to the Charity Commission NI's guidance on public benefit and that the public benefit requirement has informed the activities of the Charity in the year to 31 December 2018.

The induction process for newly appointed Committee members comprises of a meeting with the Chairman and Executive Director. An orientation session is held along with relevant site visits. The areas covered as part of the induction process are governance, grant-making process and policies and investments. A copy of the Rules of Ulster Garden Villages Limited is also provided along with copies of previous minutes.

All Committee Members are aware of their responsibilities under Company Law and Charity Law. Those who serve abide by the 'Rules of Ulster Garden Villages Limited' and the Committee Members also receive updates and training through briefing notes and meetings.

During the year under review four Committee Meetings were held. At these meetings the Committee agreed broad strategy and areas of significant activity for the Charity. At present the Committee has eight members with significant experience of the public, private and voluntary sectors of Northern Ireland. The Executive Director also attends the meetings but has no voting rights. Additional meetings were held for the purpose of planning, property portfolio matters and audit. Policy and Strategic Planning is determined by the Committee with the implementation thereof being the responsibility of the Executive Director.



## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

#### **Risk Management**

The Committee has reviewed the major risks to which the Charity is exposed. This involves identifying the types of risks the Charity faces, prioritising them in terms of impact and likelihood of occurrence and identifying means of mitigating the risks. The Committee has reviewed the effectiveness of the Charity's system of internal financial control and is responsible for establishing and operating detailed control and reporting procedures. The systems of control are designed to provide reasonable but not absolute assurance against material misstatement and loss. The Audit Committee monitors financial reporting and provides a forum through which the Charity's auditors report to the Committee of Management.

#### **Pay and Remuneration**

The average number of employees during the year calculated on the basis of full-time equivalents was two. Salaries are reviewed annually by the Committee and no employee received remuneration of more than £60,000 during the year (2017: None). Staff costs and emoluments include one Committee member, Mr W J Webb, who received a total remuneration of £5,806 (2017: £5,806). No other Committee Member received remuneration or expenses in the year. (2017: None).

A related party, ASM (B) Ltd, where Committee Member Mr W A Crawford was a consultant until 1 June 2018, received £13,253 including VAT during the period for secretarial, payroll and accountancy services. An accrual of £12,600 has been included in the accounts in respect of accountancy and audit services provided by ASM (B) Ltd. Mr W A Crawford resigned from the Committee on 31 December 2018.

The key management personnel comprises the Committee of Management Members and the Executive Director. The total employee benefits of key management personnel was £42,868 (2017: £41,405).

#### **PLANS FOR FUTURE PERIODS**

The Committee carries out a continuous review of the Charity's activities and current plans do not envisage a departure from the present objectives and activities. We will continue to look at where Ulster Garden Villages Limited is best placed to provide support. This will include reviewing our grant-making and continuing to work with our current and multi-year grant and loan recipients.

#### **REFERENCE AND ADMINISTRATION DETAILS**

Ulster Garden Villages Limited is registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (NO.IP000083). Ulster Garden Villages Limited is also registered with the Charity Commission Northern Ireland NIC 101248 and with the Inland Revenue XN72342.



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## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

#### **Committee of Management**

Dr A S Hopkins CBE, FCA (Chairman)  
Sir Desmond Lorimer FCA (President) (resigned 24 May 2018)  
Mr K Baird  
Mrs M Boyd MBE  
Mr W A Crawford FCA (resigned 31 December 2018)  
Mrs S P Crowe BSc, FCA  
Mr B Garrett LL.B, FCIA, Arb.  
Mr E Holmes OBE  
Dame R Johnston (appointed 24 May 2018)  
Mr W J Webb MBE, JP

#### **Secretary**

Mr W A Crawford FCA (resigned 31 December 2018)

#### **Key Management Personnel**

##### **Executive Director**

Mrs Valerie Ingram MBA, BA Hons

##### **Bankers and Advisers**

###### **Bankers**

Danske Bank  
P.O. Box 183  
Donegall Square West  
Belfast  
BT1 6JS

###### **Auditors**

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

###### **Registered Office**

Forestview  
Purdys Lane, Newtownbreda  
Belfast BT8 7AR  
Tel: 028 9049 1111  
Email: [admin@ulstergardenvillages.co.uk](mailto:admin@ulstergardenvillages.co.uk)  
Website: [www.ulstergardenvillages.co.uk](http://www.ulstergardenvillages.co.uk)

###### **Solicitors**

John McKee Solicitors  
32-38 Linenhall Street  
Belfast  
BT2 8BG

###### **Financial Advisors**

Brewin Dolphin  
Waterfront Plaza  
8 Laganbank Road  
Belfast  
BT1 3LY



## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)*

### **YEAR ENDED 31 DECEMBER 2018**

#### **Statement of Committee of Management's responsibilities**

The Committee of Management is responsible for preparing the Committee of Management's Report and the financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 requires the Committee of Management to prepare financial statements for each financial year. Under that law the Committee of Management is required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Under law the Committee of Management must not approve the financial statements unless they are satisfied that these give a true and fair view of the state of affairs of the Charity and of the excess of expenditure over income for that period.

In preparing these financial statements, the Committee of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Committee of Management is responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016. The Committee of Management has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

The Committee of Management is responsible for the corporate and financial information included on the Charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.





## **REPORT OF THE COMMITTEE OF MANAGEMENT** *(continued)* **YEAR ENDED 31 DECEMBER 2018**

### **Statement as to disclosure to our auditors**

In so far as the Committee of Management is aware at the time of approving our Committee of Management's annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Committee of Management, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The report of the Committee of Management and the Strategic Report contained therein were approved by the Committee on 26 March 2019.

By order of the Committee of Management

Dr A S Hopkins  
Chairman



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ULSTER GARDEN VILLAGES LIMITED.**

**YEAR ENDED 31 DECEMBER 2018**

### **Opinion**

We have audited the financial statements of Ulster Garden Villages Limited (the 'Charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and related notes). 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 financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 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 Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016.

### **Basis of 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 financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

### **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 use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee of Management have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity'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.

### **Other information**

The Committee of Management is responsible for the other information. The other information comprises the information included in the Report of the Committee of Management, other than



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ULSTER GARDEN VILLAGES LIMITED.**

**YEAR ENDED 31 DECEMBER 2018**

the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 that 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.

**Opinions on other matters prescribed by the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016**

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

- the information given in the Committee of Management's report is consistent with the financial statements; and
- the Committee of Management's report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

We have nothing to report to you in respect of the following matters in relation to which legislation 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 financial statements are not in agreement with the accounting records; or
- certain disclosures of Committee of Management remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in this regard.

### **Responsibilities of the Committee of Management**

As explained more fully in the Statement of Committee of Management's responsibilities in the Report of the Committee of Management, the Committee of Management is responsible for preparation of the financial statements in accordance with applicable financial reporting framework and for being satisfied that they give a true and fair view and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ULSTER GARDEN VILLAGES LIMITED.**

**YEAR ENDED 31 DECEMBER 2018**

In preparing the financial statements, the Committee of Management is 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 Committee of Management either intend to liquidate the Charity 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### **Use of our report**

This report is made solely to the Charity's members, as a body in accordance with Section 43 of Industrial Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clerkin (Senior Statutory Auditor)  
for and on behalf of  
ASM (B) Ltd  
Chartered Accountants & Statutory Auditors  
4th Floor, Glendinning House  
6 Murray Street  
Belfast  
BT1 6DN

Date: 26th March 2019



## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2018

	Notes	Total Funds unrestricted 2018 £	Total Funds unrestricted 2017 £
<b>INCOME FROM:</b>			
Rental and investment income	3	<u>2,440,490</u>	<u>2,680,302</u>
<b>TOTAL INCOME</b>		<u>2,440,490</u>	<u>2,680,302</u>
<b>EXPENDITURE ON:</b>			
Generating funds	4	(632,035)	(438,656)
Charitable activities	5	<u>(2,167,891)</u>	<u>(2,635,448)</u>
<b>TOTAL EXPENDITURE</b>		<u>(2,799,926)</u>	<u>(3,074,104)</u>
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		(359,436)	(393,802)
Net gains / (losses) on investments	6	<u>(592,094)</u>	<u>5,625,186</u>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		(951,530)	5,231,384

### RECONCILIATION OF FUNDS

Total funds brought forward	57,692,056	52,460,67
Reduction in share capital	<u>(89)</u>	<u>-</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>56,740,437</u>	<u>57,692,056</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All of the above amounts relate to continuing activities.

The notes on pages 20 to 31 form part of these financial statements.





## BALANCE SHEET AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Investment properties including housing stock	12	26,552,000	26,339,350
Tangible assets	13	5,053,030	4,045,052
Other investments	14	19,530,676	23,134,363
		<u>51,135,706</u>	<u>53,518,765</u>
<b>CURRENT ASSETS</b>			
Debtors	15	418,388	610,070
Charitable loans	16	969,609	1,038,109
Cash at bank		5,556,939	3,643,029
		<u>6,944,936</u>	<u>5,291,208</u>
<b>CREDITORS: Amounts falling due within one year</b>	17	<u>(305,205)</u>	<u>(552,917)</u>
<b>NET CURRENT ASSETS</b>		<u>6,639,731</u>	<u>4,738,291</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		57,775,437	58,257,056
<b>PROVISIONS FOR LIABILITIES</b>	18	(1,035,000)	(565,000)
<b>NET ASSETS</b>		<u>56,740,437</u>	<u>57,692,056</u>
<b>FUNDS</b>			
Share capital	19	2,613	2,702
Unrestricted income funds	20	56,737,824	57,689,354
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>		<u>56,740,437</u>	<u>57,692,056</u>
<b>TOTAL CHARITY FUNDS</b>		<u>56,740,437</u>	<u>57,692,056</u>

The notes on pages 20 to 31 form part of these financial statements.

These financial statements were approved and authorised for issue by the Committee of Management on 26 March 2019, and are signed on its behalf by:

Dr A S Hopkins

Chairman

Mrs S P Crowe



## STATEMENT OF CASH FLOWS AT 31 DECEMBER 2018

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net cash used in operating activities (Note A)</b>	<b>(1,468,729)</b>	<b>(1,409,627)</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	1,591,674	1,767,784
Proceeds from sale of properties	210,119	231,471
Purchase of tangible fixed assets	(1,007,978)	(2,268,066)
Proceeds from sale of investments	2,639,143	3,106,622
Purchase of investments	(50,319)	(11,625)
<b>Net cash provided by investing activities</b>	<b>3,382,639</b>	<b>2,826,186</b>
<b>Change in cash and cash equivalents in the year</b>	<b>1,913,910</b>	<b>1,416,559</b>
<b>Cash and cash equivalents at start of the year</b>	<b>3,643,029</b>	<b>2,226,470</b>
<b>Cash and cash equivalents at end of the year (Note B)</b>	<b>5,556,939</b>	<b>3,643,029</b>

### NOTE A

#### Reconciliation of net movement in funds to net cash flows from operating activities

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net movement in funds as per the Statement of Financial Activities</b>	<b>(951,530)</b>	<b>5,231,384</b>
Adjustments for:		
Depreciation charges/amounts written off	-	30,000
Losses / (Gains) on investments	592,094	(5,625,186)
Dividends, interest and rents from investments	(1,591,674)	(1,767,784)
Decrease in debtors	260,182	62,462
Increase/(Decrease) in creditors	(247,801)	159,497
Increase/(Decrease) in provisions	470,000	500,000
<b>Net cash used in operating activities</b>	<b>(1,468,729)</b>	<b>(1,409,627)</b>

### NOTE B

#### Analysis of cash and cash equivalents

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at bank	5,556,939	3,643,029

The notes on pages 20 to 31 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016.

Ulster Garden Villages Limited 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 notes.

#### **Preparation of the accounts on a going concern basis**

Having reviewed the potential income and commitments for the next 12-18 month period the Committee of Management are of the view that there are no material uncertainties about the Charity's ability to continue as a going concern.

#### **Income**

Income is recognised when the Charity has entitlement to the funds and it is probable that the income will be received and the amount reliably measured.

Property rents are brought into account on the basis of amounts receivable.

Investment income is reported gross before any management fees are deducted.

Interest on funds on deposit is included when receivable and the amount can be measured reliably. This is normally upon notification of the interest paid or payable by the bank.

#### **Expenditure**

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 generating funds comprise investment management charges relating to investments and investment properties; and
- Expenditure on charitable activities, being grant-making and support. The Committee of Management considers, in detail, all requests for grants and support to ensure that it meets the Charity's objectives.



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**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**1. ACCOUNTING POLICIES (continued)**

**Allocation of support costs**

Support costs are those functions that assist the work of the Charity but do not directly relate to charitable activities and include administration and finance costs. An analysis of support costs is included at Note 7.

**Investment properties (including housing stock)**

In accordance with FRS 102 the investment property portfolio is stated at fair value with all gains or impairments reported through the Statement of Financial Activities. Fair value is determined by reference to valuations carried out by appropriately qualified external valuers.

Where stated, the historical cost of properties is cost less subsidies.

Investment properties includes housing stock held as part of the charitable activities of the Association and from which rental income is generated.

**Tangible fixed assets**

All fixed assets are initially recorded at cost or deemed cost.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and undeveloped properties - Nil

Plant & Equipment – 20%

**Other investments**

Listed investments are stated at market value, on the basis of the middle market price at the close of business. Whilst day to day management of the investment portfolio is carried on by experienced, registered investment managers (currently Brewin Dolphin) the ultimate control and responsibility rests with the Committee of Management.

Unlisted equity investments are stated at fair value and all gains or losses, whether realised or unrealised, are reported through the Statement of Financial Activities.

**Debtors**

Other debtors are recognised at the settlement amount due less any provision for impairment.



## 1. ACCOUNTING POLICIES *(continued)*

### **Charitable Loans**

Charitable loans made are initially recognised and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and adjusted, if necessary, for any impairment.

### **Cash at Bank**

Cash at bank includes short term highly liquid investments with a short maturity of three months or less.

### **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. They are usually recognised at their settlement amount after allowing for any trade discounts due.

### **Financial instruments**

The Charity 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.

### **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. The Common Fund is a designated fund, being unrestricted funds of the Charity, which the Committee of Management have decided at their discretion to set aside to use for a specific purpose. Restricted funds are funds received which the donor has specified are to be solely used for a particular area of the Charity's work.

### **Accounting estimates and judgements**

Judgements made by the Committee of Management, in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 23.

## 2. LEGAL STATUS

The Charity is a limited company having share capital and is registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 and the Industrial and Provident Societies (Northern Ireland) Order 2006 as amended by the Credit Unions and Co-operative and Community Benefit Societies Act (Northern Ireland) 2016, Reg. No. IP000083 and is registered with The Charity Commission for Northern Ireland Reg. No. NIC 101248.





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**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**3. RENTAL AND INVESTMENT INCOME**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2018 £</b>	<b>Total Funds 2017 £</b>
Property rents	892,099	892,099	909,289
Investment income	675,160	675,160	843,090
Interest receivable	24,415	24,415	15,405
	<u>1,591,674</u>	<u>1,591,674</u>	<u>1,767,784</u>
Rents - social housing	848,816	848,816	912,518
	<u>2,440,490</u>	<u>2,440,490</u>	<u>2,680,302</u>

**4. EXPENDITURE ON GENERATING FUNDS**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2018 £</b>	<b>Total Funds 2017 £</b>
Provision against charitable loans	28,350	28,350	-
Amounts written off (tangible assets)	-	-	30,000
Rates and service charge	137,718	137,718	141,917
Insurance	3,808	3,808	2,628
Repairs and upkeep	405,934	405,934	98,295
Collection costs	81,108	81,108	83,826
Letting costs	-	-	22,590
Legal and professional fees	(39,382)	(39,382)	45,000
Management fees – quoted investments	14,499	14,499	14,400
	<u>632,035</u>	<u>632,035</u>	<u>438,656</u>



**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**5. COSTS OF CHARITABLE ACTIVITIES BY FUND AND ACTIVITY TYPE**

		Unrestricted Funds	Total Funds 2018	Total Funds 2017
<b>Donations:</b>	<b>No.</b>	<b>£</b>	<b>£</b>	<b>£</b>
People with Disabilities	14	132,615	132,615	102,000
Health	13	867,500	867,500	162,606
Community	17	218,000	218,000	135,633
Scientific and Medical Research	1	13,906	13,906	44,280
Culture and Heritage	5	177,992	177,992	464,608
Education and Training Skills	3	50,000	50,000	107,150
		<u>1,460,013</u>	<u>1,460,013</u>	<u>1,016,277</u>
Social housing costs		554,476	554,476	1,491,198
Support costs - administration (Note 7)		153,402	153,402	127,973
		<u>2,167,891</u>	<u>2,167,891</u>	<u>2,635,448</u>

The donations are all made to charities or organisations falling within the above activity types. A full list of donations is disclosed in the Annual Report, a copy of which is available on request from the Charity's registered office.

**6. NET GAINS ON INVESTMENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
(Loss) / Gain on sale of properties	(3,131)	56,471
Gain on sale of other investments	<u>105,590</u>	<u>274,212</u>
Realised gains	<u>102,459</u>	<u>330,683</u>
(Loss) / Gain on revaluation of other investments	(1,120,453)	982,402
Gain on revaluation of investment properties	<u>425,900</u>	<u>4,312,101</u>
Unrealised (loss) / gain	<u>(694,553)</u>	<u>5,294,503</u>
<b>Net (loss) / gains on investments</b>	<u>(592,094)</u>	<u>5,625,186</u>



**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**7. SUPPORT COSTS - ADMINISTRATION**

	<b>Unrestricted Funds £</b>	<b>Total Funds 2018 £</b>	<b>Total Funds 2017 £</b>
Salaries, wages & pension contributions (Note 10)	67,387	67,387	56,152
Premises costs	41,299	41,299	36,785
Auditors' remuneration	8,400	8,400	12,000
Accountancy and professional fees	22,923	22,923	17,038
Printing, stationery and postage	2,921	2,921	3,008
Miscellaneous	8,665	8,665	1,183
Interest payable	1,807	1,807	1,807
	<u>153,402</u>	<u>153,402</u>	<u>127,973</u>

**8. RELATED PARTY TRANSACTIONS**

ASM (B) Ltd, where Committee Member Mr W A Crawford was a consultant until 1 June 2018, received £13,253 including VAT (2017: £17,038) for secretarial, payroll and accountancy services during the year. An accrual of £12,600 has been included in the accounts in respect of accountancy and audit services provided by ASM (B) Ltd.

Committee Member W J Webb received remuneration of £5,806 (2017: £5,806) as detailed in Note 10. Other than this, no related party disclosures are required.

**9. NET (EXPENDITURE) FOR THE YEAR**

This is stated after charging:	<b>2018 £</b>	<b>2017 £</b>
Auditors' remuneration:		
- audit of the financial statements	8,400	12,000
- other services (including payroll, secretarial and accountancy)	<u>17,453</u>	<u>17,038</u>

**10. STAFF COSTS AND EMOLUMENTS**

<b>Total staff costs were as follows:</b>	<b>2018 £</b>	<b>2017 £</b>
Wages and salaries	62,472	52,273
Social security costs	2,001	1,129
Employer's contributions to defined contribution pension schemes	<u>2,914</u>	<u>2,750</u>
	<u>67,387</u>	<u>56,152</u>



**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**10. STAFF COSTS AND EMOLUMENTS (cont'd)**

**Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	<b>2018</b>	<b>2017</b>
	<b><u>No</u></b>	<b><u>No</u></b>
Number of management staff	2	1

No employee received remuneration of more than £60,000 during the year (2017: None).

Staff costs and emoluments include the undernoted payment to a Committee Member in relation to property management and co-ordination services, as permitted by the governing document.

	<b>2018</b>	<b>2017</b>
	<b><u>£</u></b>	<b><u>£</u></b>
W J Webb	<u>5,806</u>	<u>5,806</u>

No other committee member received remuneration or expenses in the year (2017: None).

The key management personnel comprises the Committee of Management Members and the Executive Director. The total employee benefits of key management personnel of the Charity was £42,868 (2017: £41,405).

**11. CORPORATION TAXATION**

The Charity is exempt from tax on income and gains to the extent that these are applied to its charitable objects. At 31 December 2018 no provision was necessary.



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**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**12. INVESTMENT PROPERTY INCLUDING HOUSING STOCK**

	£
<b>AT VALUATION</b>	
At 1 January 2018	26,339,350
Additions	-
Disposal proceeds	(210,119)
(Loss) on disposal	(3,131)
Revaluations	425,900
<b>At 31 December 2018</b>	<b><u>26,552,000</u></b>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2018</b>	<b><u>26,552,000</u></b>
At 31 December 2017	<u>26,339,350</u>

On 28 January 2019, the Committee of Management obtained an independent professional valuation from Rory Clark (MRICS) and Caroline McKillen (MRICS) of McConnell Chartered Surveyors, at open market valuation, of residential and commercial properties located in Newtownabbey, Whitehead and Lisburn in the sum of £16,023,200. This recognises an uplift in value of £19,350. These properties are held by Ulster Garden Villages Limited as part of its charitable activities of providing housing and associated amenities for persons in necessitous circumstances upon terms appropriate to their means.

On 30 January 2019 a valuation of The Residence, Victoria Square, Belfast was obtained from Thomas O'Doherty (MRICS) of Simon Brien Residential in the sum of £10,528,800. This recognises an increase in value of the investment property of £406,550.

The comparable historical cost and net book value as at 31 December 2018 is £7,029,181. (2017: £7,031,808).



**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**13. TANGIBLE FIXED ASSETS**

	<b>Land and Properties undeveloped £</b>	<b>Land and Properties under development £</b>	<b>Plant &amp; Equipment £</b>	<b>Total £</b>
<b>COST</b>				
At 1 January 2018	100,000	3,945,051	389,871	4,434,922
Additions	-	1,007,978	-	1,007,978
Disposals	-	-	-	-
Amount written off	-	-	-	-
At 31 December 2018	<u>100,000</u>	<u>4,953,029</u>	<u>389,871</u>	<u>5,442,900</u>

**DEPRECIATION**

At 1 January 2018	-	-	389,870	389,870
Charge for the year	-	-	-	-
At 31 December 2018	<u>-</u>	<u>-</u>	<u>389,870</u>	<u>389,870</u>

**NET BOOK VALUE**

<b>At 31 December 2018</b>	<b><u>100,000</u></b>	<b><u>4,953,029</u></b>	<b><u>1</u></b>	<b><u>5,053,030</u></b>
At 31 December 2017	<u>100,000</u>	<u>3,945,051</u>	<u>1</u>	<u>4,045,052</u>

**14. OTHER INVESTMENTS**

**Movement in Market Value**

	<b>2018 £</b>	<b>2017 £</b>
Market value at 1 January	23,134,363	24,972,746
Acquisitions at cost	50,319	11,625
Disposal proceeds	(2,639,143)	(3,106,622)
Net gains on disposal	105,590	274,212
Net gains / (losses) on revaluations in the year	(1,120,453)	982,402
Market value at 31 December	<u>19,530,676</u>	<u>23,134,363</u>
Historical cost at 31 December	<u>12,496,487</u>	<u>14,423,250</u>



**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**14. OTHER INVESTMENTS (cont'd)**

Analysis of investments at 31 December 2018 between funds

	<b>Total Funds unrestricted 2018 £</b>	<b>Total Funds unrestricted 2017 £</b>
<b>Listed investments</b>		
UK Quoted Shares	19,480,676	23,084,363
<b>Other investments</b>		
UK Unquoted Shares	50,000	50,000
	<u>19,530,676</u>	<u>23,134,363</u>

**15. DEBTORS DUE IN LESS THAN ONE YEAR**

	<b>2018 £</b>	<b>2017 £</b>
Other debtors	378,052	594,719
Prepayments	40,336	15,351
	<u>418,388</u>	<u>610,070</u>

**16. CHARITABLE LOANS**

	<b>2018 £</b>	<b>2017 £</b>
<b>Due in less than one year</b>		
Loans	878,250	753,400
Impairment provision	(128,250)	(99,900)
	<u>750,000</u>	<u>653,500</u>
<b>Due in more than one year</b>		
Loans	<u>219,609</u>	<u>384,609</u>
<b>Total charitable loans</b>	<u>969,609</u>	<u>1,038,109</u>

In addition to outright grants, assistance may be given by way of charitable loans which carry certain conditions at the discretion of the Committee. The Committee agrees on a case by case basis as to whether a fixed charge should be secured on a particular property or other asset.

Hearth Heritage Buildings Trust £760,000 (2017: £760,000) is the largest debtor, £210,000 of which is due after more than one year.





**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**17. CREDITORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Loan stock Housing bonds, principal	52,728	52,728
Loan stock Housing bonds, interest	122,863	121,055
Accruals and deferred income	129,614	379,134
	<u>305,205</u>	<u>552,917</u>

**18. PROVISIONS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At 1 January	565,000	65,000
Provisions made	540,000	500,000
Provisions utilised	(70,000)	-
At 31 December	<u>1,035,000</u>	<u>565,000</u>

Provisions for remedial work on investment properties relating to health, safety and other risks.

**19. SHARE CAPITAL**

2,613 shares of £1 each fully paid (2017: 2,702)

**20. UNRESTRICTED INCOME FUNDS**

	<b>Balance at 1 Jan 2018</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Other Gains</b>	<b>Transfers</b>	<b>Balance at 31 Dec 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Common Fund	14,760,776	-	(1,460,013)	-	2,000,000	15,300,763
General Fund	42,928,578	2,440,490	(1,339,913)	(592,094)	(2,000,000)	41,437,061
	<u>57,689,354</u>	<u>2,440,490</u>	<u>(2,799,926)</u>	<u>(592,094)</u>	<u>-</u>	<u>56,737,824</u>

Common Fund – this represents amounts set aside out of accumulated surpluses to provide grants, loans and other public benefit in furtherance of the main objectives of the Charity. In this respect, a transfer of £2,000,000 was made to the Common Fund in the year.

General Fund – this represents accumulated surpluses retained for the general furtherance of the charitable objectives after transfers to the Common Fund.



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**NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (cont'd)**

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Common Designated Funds</b>	<b>General Funds</b>	<b>Share Capital</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed Assets	15,300,763	35,834,943	-	51,135,706
Cash at bank	-	5,554,240	2,699	5,556,939
Other net current assets	-	1,082,878	-	1,082,878
Provisions	-	(1,035,000)	-	(1,035,000)
	<u>15,300,763</u>	<u>41,437,061</u>	<u>2,699</u>	<u>56,740,523</u>

**22. COMMITMENTS AND CONTINGENCIES**

**Capital Commitments**

The Charity has contracted commitments of £5.6 million (2017: £4.46 million) in relation to building and development costs at 'The Banks', Groomsport Road, Bangor.

**Other Commitments**

There are commitments of £2.13 million (2017: £3.18 million) to contribute to charitable projects covering the years 2018 to 2020, on which a legal or constructive obligation to make payment does not yet exist, of which £0.55 million (2017: £0.69 million) is subject to project commencement and scheduling. These commitments will be financed through the Common Fund.

**23. ACCOUNTING ESTIMATES AND JUDGEMENTS**

**Key sources of estimation uncertainty**

Valuation of investment properties – The Committee of Management obtained independent professional valuations from McConnell Chartered Surveyors Ltd and Simon Brien Residential Ltd for the properties held as at 31 December 2018. The external valuations, which are adopted in these financial statements, provided an open market valuation of the residential and commercial properties owned by Ulster Garden Villages Limited.

**24. POST BALANCE SHEET EVENT**

In February 2019 the Charity became aware of a pre-existing structural issue at one of its investment properties. A provision has been made in the financial statements for the expected costs associated with remedial works in relation to this issue (Note 18).



**THE FOLLOWING PAGES  
DO NOT FORM PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**





## INCOME AND EXPENDITURE ACCOUNT EXTRACT YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	£
Property rents	3	1,740,915	1,821,807
Property expenses	4/5	(1,172,012)	(1,915,454)
Net property income / (expenditure)		568,903	(93,647)
Interest and investment income	3	685,076	844,095
Realised gains on disposal of investment assets	6	102,459	330,683
Total income		1,356,438	1,081,131
Financial and administrative expenses	7	(153,402)	(127,973)
Income before donations		1,203,036	953,158
Donations paid in year	5	(1,460,013)	(1,016,277)
Net income/(expenditure) for year before revaluations		(256,977)	(63,119)



## **DONATIONS – YEAR TO 31 DECEMBER 2018**

£

***Belfast Health & Social Care Trust*** **500,000**

- PET/CT Scanner – Regional Cancer Centre

- 2nd tranche of 3

***Belfast Central Mission*** **200,000**

- Ballycopeland Nursing and Dementia Centre

***Tyrone Guthrie Centre*** **97,991**

- Refurbishment of Dance Studio and

Build New Recording Studio

- 3rd-7th tranches of 9

***The Resurgam Trust*** **60,000**

- The Welcome House

***Now Group*** **50,000**

- Crawfordsburn Pottery and Café

***Ulster Orchestra*** **50,000**

- The Music Room

- 4th & final tranche

***Fighting Words Belfast*** **37,000**

- Fighting Words –Creative writing for children

- 2nd & final tranche

***Friends of Glenariffe*** **30,000**

- Glenariffe Community & Recreation Centre

***Fisherwick Presbyterian Church*** **30,000**

- Fisherwick Outreach Project

***Marie Curie*** **30,000**

- Rapid Response Nursing Service in Northern Ireland

- 3rd & final tranche

***Action Cancer*** **30,000**

- Cancer Breast Screening & Therapeutic Centre

- 2nd & final tranche



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**DONATIONS – YEAR TO 31 DECEMBER 2018** (cont'd) **£**

***Cancer Fund for Children***

**25,000**

- Daisy Lodge, Newcastle, County Down
- 2nd tranche of 3

***The Somme Nursing Home***

**21,000**

- Extension and Upgrade of Home

***Cushendun Preservation Society***

**20,000**

- Cushendun Old Church Centre
- 1st tranche of 2

***Cashel Community Association***

**20,000**

- Refurbishment & Extension to Cashel Community Hall

***Men Against Cancer Foundation***

**20,000**

- Acquisition of Sterilising Unit for new Robotic Surgeon

***National Autistic Society***

**20,000**

- The Autism Centre, Carryduff

***Action Mental Health***

**20,000**

- MenSana and Healthy Me
- 3rd & final tranche

***Vineyard Compassion***

**18,000**

- Foundation 4 Change

***Prison Fellowship NI***

**15,000**

- Prisoner & Families Support Programme
- 3rd & final tranche

***Centre for Advanced Cardiovascular Research***

**13,906**

- Cardiovascular Research Institute
- 10th & final tranche

***The Fostering Network***

**12,000**

- Supporting Kinship Carers
- 1st tranche of 3



**DONATIONS – YEAR TO 31 DECEMBER 2018** (cont'd) **£**

***The Prince's Trust*** **10,000**

- 3rd & final tranche

***Autism NI*** **10,000**

- Girls & Autism Project
- 1st tranche of 2

***Kids Together*** **10,000**

- The Jigsaw Project
- 1st tranche of 3

***Shopmobility Belfast*** **10,000**

- Shopmobility Service at the Belfast City Hospital
- 1st tranche of 3

***Huntington's Disease Association NI*** **8,000**

- Supporting HD Families in Northern Ireland
- 2nd tranche of 3

***Tinylife*** **5,000**

- Outreach Programme
- 3rd & final tranche

***Meningitis Now*** **5,000**

- Community Nurse
- 3rd tranche of 4

***Belfast Community Circus*** **5,000**

- Circus in the Communities
- 2nd tranche of 3

***Arts and Business*** **5,000**

- Creative Internships Programme 2015-2018
- 2nd tranche of 2

***The Ulster Orchestra Foundation*** **5,000**

- Support for publication





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**DONATIONS – YEAR TO 31 DECEMBER 2018** (cont'd) **£**

<b><i>Kairos Enterprises</i></b>	<b>5,000</b>
- Ark Community Gardens – Workshop and External Store/Work Area	
<b><i>Caring Breaks</i></b>	<b>4,000</b>
- Respite Weekends	
<b><i>Rathlane Care Farm</i></b>	<b>4,000</b>
- A More Accessible Rathlane	
<b><i>Via Wings</i></b>	<b>4,000</b>
- Dare 2 Care	
<b><i>National Deaf Children's Society</i></b>	<b>4,000</b>
- Supporting Deaf Children in Northern Ireland	
<b><i>Street Soccer</i></b>	<b>4,000</b>
- NI Women's Homeless Word Cup Team Mexico	
<b><i>Love for Life</i></b>	<b>4,000</b>
- Vehicle running costs	
<b><i>Willowfield Parish Community Association</i></b>	<b>4,000</b>
- Moving Forward Programme	
- 1st tranche of 3	
<b><i>Guide Dogs for the Blind Association</i></b>	<b>3,615</b>
- My Guide Belfast	
<b><i>Lisburn Sea Cadets</i></b>	<b>3,500</b>
- Safety Boat	
<b><i>Lisburn &amp; District Scout Council</i></b>	<b>3,500</b>
- Concrete Access to Slievenaman Bothy	
<b><i>Macular Society</i></b>	<b>3,000</b>
- Volunteer Recruitment and Retention Programme	
<b><i>Brain Injury Foundation</i></b>	<b>3,000</b>
- Horticultural Project	



<b>DONATIONS – YEAR TO 31 DECEMBER 2018</b> <i>(cont'd)</i>	<b>£</b>
<b><i>Drake Music Project NI</i></b>	<b>3,000</b>
- Technology Hub	
<b>Hillcrest Trust</b>	<b>3,000</b>
- Something for All	
<b>SENAC</b>	<b>3,000</b>
- Community Support and Information Service	
- 1st tranche of 2	
<b>Care in Crisis</b>	<b>2,500</b>
- All the Way to Better Mental Health Programme	
<b>Tools for Solidarity</b>	<b>2,000</b>
- Extraction System for Blast Room	
<b>The Dock Titanic Quarter Ltd</b>	<b>2,000</b>
- The Dock Development Project	
- 3rd & final tranche	
<b>Cystic Fibrosis</b>	<b>1,000</b>
- Welfare Rights Service	
- 3rd & final tranche	
<b>Derry Well Woman</b>	<b>1,000</b>
- Furnishings for Step Down Room	

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