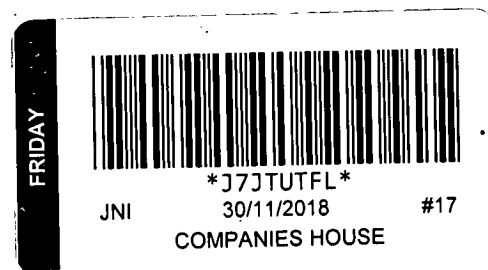


Company No: NI053673  
NI Charity No: NIC103204

## **Skainos Limited (a company limited by guarantee)**

### **Report and Financial Statements**

31 March 2018



**Directors**

Rev B Anderson (appointed 26<sup>th</sup> July 2018)  
J Anderson (appointed 15 May 2017)  
N A Blair  
M Grey  
L J Hopley  
B McConnell  
M McElhinney  
T Millar  
J O'Donnell  
N M T Sheridan  
Rev. M A Ferguson (deceased 12 June 2017)  
R R C Johnston (resigned 24 July 2017)  
Rev R Waugh (appointed 24 July 2017 and resigned 26 July 2018)

**Auditors**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast BT2 7DT

**Bankers**

Ulster Bank Limited  
Arches Retail Park  
Belfast BT5 4AF

**Solicitors**

Ian MacCorkell Solicitor  
MacCorkell Legal & Commercial  
Garvey Studios  
8-10 Longstone Street  
Lisburn  
Co. Antrim BT28 1TP

**Registered Office**

239 Newtownards Road  
Belfast  
Antrim BT4 1AF

**Company number**

NI053673

**Charity number**

NIC103204

Company No. NI053673  
NI Charity Registered No. NIC103204

## Directors' report

The board have pleasure in presenting their report for the year ended 31 March 2018. This report is prepared in accordance with the Memorandum of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities (Revised 2015)"

### Structure, governance and management

#### Constitution

The company is incorporated as Skainos Limited and registered in Northern Ireland as a company limited by guarantee and not having a share capital. Its company number is NI053673.

The company is governed by its Memorandum and Articles of Association. The company has been granted charitable status by the Inland Revenue and accordingly is exempt from income tax, corporation tax and capital gains tax. Its charity reference number is NIC103204

#### Policies adopted for the induction and training of board members

New board members receive an induction process and the training needs of the board are assessed further on a regular basis. Ongoing training has been provided to existing directors. A conflicts of interest policy has been implemented.

#### Risk management

The board assessed the major risks to which the charity is exposed on an ongoing basis. In particular the Corporate Risk plan was monitored during the year highlighting current risks related to the operations and finances of the company and the board are satisfied that systems are in place to mitigate our exposure to the major risks.

The principal risk facing Skainos relates to the funding environment in which the company operates.

### Objectives and activities

The objects of the company include:

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

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

## Directors' report

### Activities during 2017/18

Skainos has had another busy year and continues to successfully provide a warm, welcoming facility and a shared space for community transformation and growth.

Once again this year we saw around 100,000 visitors come to Skainos Square, indicating a growing level of acceptance and use of the development. At least 40% of these visitors continue to be from externally organised events, which also represent a considerable success in attracting non-residents in to the area.

In keeping with our original 'Vision', we are delighted to report that the Skainos Centre has truly become a shared space that is used and advocated by all communities. We are really making a difference not only to the lives of individuals in the local community but across Belfast and beyond.

The building hosted over 300 events in the last year; this ranged from children's birthday parties to major conference events. This allows us to showcase the Centre as a facility for the local community, as well as promoting the Centre to the wider city and beyond.

Visitors from across the globe continue to visit Skainos, and our guided tours are increasingly popular; local and international visitors, politicians and dignitaries frequently visit the Centre.

Skainos continues to enhance its excellent reputation both locally and further afield for the work it does and service it provides. Despite the economic difficulties, the Centre continues to generate income and interest in its activities, and is seen as a venue of choice for organisations that not only want premium facilities, but also want to bring benefit to the surrounding community. We continue to work closely with EBM in maximising the use of the building both commercially and from a community perspective.

We remain grateful for those agencies that have chosen to operate in Skainos Square. Thanks are therefore due to East Belfast Mission, Age NI, Storyhouse Films, Todd's Leap, Terra Nova Theatre, Cairde Turas, Specialisterne and Irish Methodist Youth & Children's Department.

### Financial review

The net outgoing resources for the year was £299,761 after depreciation of £311,526 (2017 – net outgoing resources of £3,574,224 after depreciation of £332,027).

### Unrestricted reserves

Unrestricted reserves ("free reserves") are those reserves which Skainos can expend at the discretion of the directors to promote the objects of the charity. The directors do not believe that the company needs excessive amounts of unrestricted reserves.

Skainos derives most of its income from landlord services. At present expenditure and income is equal before depreciation because there is scope to grow the levels of occupancy.

## Directors' report

However the company needs to maintain a level of unrestricted reserves in order to:-

- Ensure that it continues to operate on a going concern basis and remains viable to be able to adapt its activities from time to time to cope with changing circumstances, which cannot always be reliably foreseen and anticipated;
- Protect against a decline or interruption of current sources of income – for example should room hire be disrupted by civil commotion; and
- Provide for working capital or regular fluctuations in income and expenditure. Given the nature of the company's multiple funding streams, incomings and outgoings do not always coincide exactly resulting in peaks and troughs which need to be provided for to ensure continuity of service provision.

Given the above the directors have established a policy which is reviewed annually, whereby the unrestricted funds held by the charity should be a target of at least three months of average expenditure.

### Unrestricted designated reserves

Unrestricted designated reserves comprise unrestricted funds designated for a particular purpose by the directors. These are typically reserves set aside for maintenance projects.

### Restricted reserves

Restricted reserves are those reserves which have specific conditions attached to them as to how they are spent. This has arisen due to the receipt of capital funding from East Belfast Mission, the Department for Social Development, the International Fund for Ireland and the Special EU Programmes Body which under the terms of the funding agreement, there is a requirement for Skainos to facilitate the performance of certain community related activities for a number of years.

### Plans for future

#### Future developments

The board is engaged in a strategic mapping process designed to chart the future of the company now that the construction is complete. As well as continuing to maintain an excellent facility and developing relationships between tenants and residents, Skainos also has a responsibility to host events which extend the commitment to shared space.

The Skainos team will continue to work in liaison with East Belfast Mission and other major tenants and the new residents to ensure a smooth transition into the new development.

### Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1.

### Directors

The directors who served the company during the year were as listed on page 1. The board notes with regret the passing of their esteemed colleague Rev. M A Ferguson and wish to pay tribute to her work during her period of service to the Mission. The board would like to thank those who resigned during the year for their contribution during the period on which they served on the board.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Directors' report

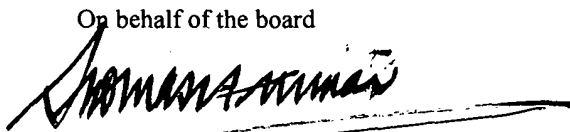
### Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditors will be put to the members of the company at the Annual General Meeting.

### Small company exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board



T.H. Millar MBE

Chairman

November 2018

## Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the profit or loss of the charitable company for that period.

In preparing these financial statements, the directors are 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities (Revised 2015)". 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.

# **Independent auditors' report**

**to the members of Skainos Limited (a company limited by guarantee)**

## **Opinion**

We have audited the financial statements of Skainos Limited (a company limited by guarantee) for the year ended 31 March 2018 which comprise the Statement of financial activities, Statement of other comprehensive income, Balance sheet, Statement of cash flows and the related notes, 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), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 31 March 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 Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.



# **Independent auditors' report**

**to the members of Skainos Limited (a company limited by guarantee)**

## **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the directors' report, which includes the directors' report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report included within the directors' report have been prepared in accordance with applicable legal requirements

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the directors' report included within the directors' report.

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:

- ▶ 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 and returns; or
- ▶ certain disclosures of directors' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit; or
- ▶ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Annual Report.

# **Independent auditors' report**

**to the members of Skainos Limited (a company limited by guarantee)**

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors (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 give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

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



Ian Gibson (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast

Date: 29 November 2018

## Statement of financial activities

(Incorporating income and expenditure account)

for the year ended 31 March 2018

		<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>	<i>Total funds 2017 £</i>
	<i>Notes</i>				
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income	2	2,090	–	2,090	142,008
Other income		–	–	–	–
Incoming resources from charitable activities	3	–	433,431	433,431	479,223
<b>Total incoming resources</b>		<b>2,090</b>	<b>433,431</b>	<b>435,521</b>	<b>621,231</b>
<b>Resources expended</b>					
Charitable activities	4	–	734,048	734,048	868,755
Governance costs	5	–	1,234	1,234	3,500
Impairment loss on fixed assets		–	–	–	3,323,200
<b>Total resources expended</b>		<b>–</b>	<b>735,282</b>	<b>735,282</b>	<b>4,195,455</b>
<b>Net income/(expenditure) before transfers</b>		<b>2,090</b>	<b>(301,851)</b>	<b>(299,761)</b>	<b>(3,574,224)</b>
<b>Net movement in funds for the year</b>					
		2,090	(301,851)	(299,761)	(3,574,224)
Transfers between funds		–	–	–	–
Total funds at 1 April		14,860,229	(3,841,878)	11,018,351	14,592,575
<b>Total funds at 31 March</b>		<b>14,862,319</b>	<b>(4,143,729)</b>	<b>10,718,590</b>	<b>11,108,351</b>

All amounts relate to continuing activities.

## Statement of other Comprehensive Income

for the year ended 31 March 2018

There are no recognised gains and losses other than the net outgoing resources of £299,761 for the year ended 31 March 2018 (2017 net outgoing resources – £3,574,224).


## Balance sheet

at 31 March 2018


Registered No: NI053673

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	7	10,683,974	10,995,500
<b>Current assets</b>			
Debtors	8	134,185	46,817
Cash at bank and in hand		90,607	59,352
		224,792	106,169
<b>Creditors: amounts falling due within one year</b>	9	(124,054)	(83,318)
<b>Net current assets/(liabilities)</b>		100,738	22,851
<b>Total assets less current liabilities</b>		10,784,711	11,018,351
<b>Creditors: amounts falling due after more than one year</b>	10	(66,122)	—
<b>Net Assets</b>		10,718,590	11,018,351
<b>Charity funds</b>			
Restricted funds	11	14,862,318	14,860,229
Unrestricted funds		(4,143,729)	(3,841,878)
<b>Total funds</b>		10,718,590	11,018,351

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

  
N Sheridan  
Director  
Date: 29/11/18.

T Millar  
Director  
Date:

  
29/11/2018

## Statement of Cashflows

at 31 March 2018

Registered No: NI053673

	2018	2017
	£	£
<b>Cash flows from operating activities</b>		
Net incoming/(outgoing) resources for the year	(299,761)	(3,574,224)
Adjustments for:		
Depreciation and impairment of fixed assets	311,526	3,655,277
Profit on sale of fixed assets	–	114,854
(Increase)/Decrease in debtors	(87,368)	120,869
Increase/(Decrease) in creditors	40,736	(454,415)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(34,867)</b>	<b>(137,689)</b>
<b>Cash flows from investment activities</b>		
Disposal of tangible assets	–	(538)
Proceeds from the sale of tangible assets	–	810,000
<b>Net cash from investing activities</b>	<b>–</b>	<b>809,462</b>
<b>Cash flows from financing activities</b>		
Loan availment	66,122	635,179
<b>Net cash from financing activities</b>	<b>66,122</b>	<b>635,179</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>31,255</b>	<b>36,594</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>59,352</b>	<b>22,758</b>
Foreign exchange adjustment on cash and cash equivalents	–	–
Change in cash and bank balances for the year	31,255	36,594
<b>Cash and cash equivalents at the end of the year</b>	<b>90,607</b>	<b>59,352</b>

## Notes to the financial statements

at 31 March 2018

### 1. Accounting policies

Skainos Limited is a Private company limited by guarantee incorporated in Northern Ireland. The Registered Office is 239 Newtownards Road, Belfast, BT4 1AF.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2018.

#### ***Basis of preparation***

The financial statements have been prepared on the going concern basis in accordance with the Charities Act (Northern Ireland) 2008, the Companies Act 2006, the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and relevant sections of the Statement of Recommended Practice "Accounting and Reporting by Charities (Revised 2015)", applicable to charities preparing their accounts in accordance with the FRS 102.

Skainos 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 policies.

The accounts are presented in Sterling (£) with all values rounded to the nearest £1 except where otherwise indicated.

#### ***Reduced disclosure framework***

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).
- (b) The requirements of Section 11 *Basic Financial Instruments* paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26

#### ***Going concern***

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The company has net current asset as at 31 March 2018 of £100,737 (2017 – net liability of £22,851).

Projections have been prepared for the period 01st April 2019 – 31st March 2020 which show that there should be sufficient cash generated from operations to enable the company to meet its liabilities as they fall due.

#### ***Company status***

The company is a company limited by guarantee. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. At 31 March 2018 there were 10 members (2017 – 11 members).

## Notes to the financial statements

At 31 March 2018

### 1. Accounting policies (continued)

#### *Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

#### *Incoming resources*

All incoming resources are included in the statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### *Resources expended*

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of charitable activities include support costs incurred through operational activities.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

#### *Taxation*

The company is a registered charity and has obtained exemption from taxation under Section 360 1 (c) of the Income and Corporation Taxes Act 1970. This exemption will remain as long as income is compatible with that section and expenditure is applied to charitable purposes only.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	–	2%
Fixtures and fittings	–	10%
Office equipment	–	25%

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

## Notes to the financial statements

At 31 March 2018

### 1. Accounting policies (continued)

#### *Financial Instruments*

##### *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hard and in short term deposits. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

##### *Short term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activity in other operating expenses.

##### *Reserves policy*

Unrestricted funds are needed to provide funds which can be applied to specific projects to enable these projects to be undertaken at short notice and to cover the running costs of the charity for a limited period, should there be a significant shortfall in projected income.

The reserves policy adopted by the board of directors is set out in page 4 of the directors' report.

### 2. Voluntary income

	<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>	<i>Total funds 2017 £</i>
<b>Donations:</b>				
Revenue grants	2,090	–	2,090	2,791
<b>Grants receivable:</b>				
Capital grants	–	–	–	139,217
<b>Voluntary income</b>	<b>2,090</b>	<b>–</b>	<b>2,090</b>	<b>142,008</b>

### 3. Incoming resources from charitable activities

	<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>	<i>Total funds 2017 £</i>
Charity incoming resources	–	433,431	433,431	479,223



#### 4. Resources expended

##### Charitable activities

	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Establishment costs	–	514,806	514,806	672,211
Facility management	–	217,852	217,852	195,032
Support costs	–	1,390	1,390	1,512
	<u>–</u>	<u>734,048</u>	<u>734,048</u>	<u>868,755</u>

#### 5. Governance costs

	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Governance auditors' remuneration	<u>–</u>	<u>1,234</u>	<u>1,234</u>	<u>3,500</u>

#### 6. Net resources expenditure

This is stated after charging:

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Auditors' remuneration	<u>1,234</u>	<u>3,500</u>
Depreciation of tangible fixed assets – owned by the charity	<u>311,526</u>	<u>332,027</u>

During the year, no director received any remuneration, benefits in kind or any reimbursement of expenses (2017 – £nil).

## Notes to the financial statements

At 31 March 2018

### 7. Tangible fixed assets

	<i>Land and buildings</i> £	<i>Office equipment</i> £	<i>Total</i> £
Cost:			
At 1 April 2017	15,569,966	2,029	15,571,995
Additions	–	–	–
Disposals	–	–	–
At 31 March 2018	15,569,966	2029	15,571,995
Depreciation:			
At 1 April 2017	4,574,593	1,902	4,576,495
Charge for the year	311,399	127	311,526
Disposals	–	–	–
At 31 March 2018	4,885,992	2029	4,888,021
Net book value:			
At 31 March 2018	10,683,974	–	10,683,974
At 1 April 2017	10,995,373	127	10,995,500

The fixed assets are secured by fixed and floating charges raised in favour of Ulster Bank Limited in respect of the outstanding loan and unpaid interest and in addition the Special EU Programmes Body, International Fund for Ireland and the Department for Social Development in respect of any potential claw back of funding that may become due under the terms of a funding agreement dated 9 March 2007 and 19 December 2008. Under the terms of the funding agreement, the funding for the building project is subject to claw back for a period of 20 years after the construction of the property and remains for a further 17.5 years.

### 8. Debtors

	2018 £	2017 £
Accounts receivable	93,058	34,431
Prepayments and other debtors	41,127	12,384
	134,185	46,815

### 9. Creditors amounts falling due within one year

	2018 £	2017 £
Amounts owed to related undertaking	897	29,906
Accruals	14,117	3,388
Accounts payable	109,040	50,024
	124,054	83,318

## Notes to the financial statements

At 31 March 2018

### 10. Creditors amounts falling due after more than one year

	2018	2017
	£	£
UCIT Loan	66,122	–

On 1 March 2017, the company entered into a loan agreement with Ulster Community Investment Trust Limited for £70,000 withdrawable within three months. The amount was drawn on 15 August 2017. Interest is variable, calculated as the greater of the underlying Bank of England base rate plus 2%, or 5%. Interest accrues and is payable along with a portion of the principal amount on a monthly basis within a ten year term. UCIT holds first mortgage over one of the company's assets – Apartment 102, Skainos Square, 241 Newtownards Road, Belfast, BT2 1AF.

### 11. Statement of funds

	<i>Brought forward</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers in/out</i>	<i>Carried forward</i>
	£	£	£	£	£
<b>Unrestricted funds</b>					
General funds – all funds	(3,841,878)	433,432	(735,282)	–	(4,143,729)
<b>Restricted funds</b>					
Restricted funds – all funds	14,860,229	2,090	–	–	14,862,319
Total of funds	11,018,351	435,521	(735,282)	–	10,718,590

### Summary of funds

	<i>Brought forward</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers in/out</i>	<i>Carried forward</i>
	£	£	£	£	£
Unrestricted funds	(3,841,878)	433,431	(735,282)	–	(4,143,729)
Restricted funds	14,860,229	2,090	–	–	14,862,319
	11,018,351	435,521	(735,282)	–	10,718,590

### 12. Analysis of net assets between funds

	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
	2018	2018	2018	2017
	£	£	£	£
Tangible fixed assets	10,683,974	–	10,683,974	10,995,500
Net current assets	100,738	–	100,738	22,851
Long term liabilities	(66,122)	–	(66,122)	–
Total	10,718,590	–	10,718,590	11,018,351

### 13. Financial commitments

The total financial commitments for the year ended 31 March 2018 is nil (2017 - £29,633).

### 14. Related party transactions

East Belfast Mission is regarded as a related party by virtue of common directors on both boards. During the year the company contracted with East Belfast Mission for the provision of facilities management and also provide catering services for room hire and conferences. Skainos has leased units to East Belfast Mission under leases in return for rental income and a contribution towards service charges. Set out below is a summary of the transactions between both parties during the year.

	£
Opening balance owed to EBM – 1 April 2017	(29,907)
Services provided to Skainos from EBM (re. facilities staff)	(251,145)
EBM rent of Skainos properties during the year	196,091
EBM using Skainos as a conference centre (room bookings)	14,947
Payments from Skainos to EBM	74,529
Various intercompany transactions	(5,412)
Closing balance owed to EBM – 31 March 2018	<u>(897)</u>

East Belfast Mission Enterprises Limited is regarded as a related party by virtue of common directors on the board of its parent, East Belfast Mission, and Skainos.

	£
Opening balance owed by EBME- 1 April 2017	5,010
Loan made to EBME	–
Closing balance owed by EBME- 31 March 2018	<u>5,010</u>

The company is in receipt of service charge income during the year from Choice Housing Association and Maple and May in respect of apartments and Hosford House. Both Choice and Maple and May are regarded as a related party's by virtue of the fact there are common directors together with Skainos board members who are members of the senior management team of Choice Housing Association and Maple and May.

	£
Opening balance owed by Choice – 1 April 2017 (certificates 23 & 24)	–
Service charges to Choice Housing Association	54,861
Net cash paid to Skainos	(40,911)
Closing balance owed by Choice – 31 March 2018	<u>13,950</u>

	£
Opening balance owed by Maple and May – 1 April 2017	–
Service charges to Maple and May	25,998
Net cash paid to Skainos	(12,999)
Closing balance owed by Maple and May – 31 March 2018	<u>12,999</u>