

Charity registration number NIC103204

Company registration number NI053673 (Northern Ireland)

SKAINOS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

SKAINOS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Rev B B Anderson
Mr J D Anderson
Mr N A Blair
Mr G C Capper
Mrs C Ervine
Mr B Maxwell
Ms B McConnell
Ms A O'Kane
Dr T D Dobbin CBE

Charity number

NIC103204

Company number

NI053673

Registered office

239 Newtownards Road
Belfast
BT4 1AF

Auditor

Miscampbell & Co
6 Annadale Avenue
Belfast
BT7 3JH

Bankers

Ulster Bank
Arches Retail Park
Belfast
BT5 4AF

Solicitors

MacCorkell Legal & Commercial
Garvey Studios
8-10 Longstone Street
Lisburn
BT28 1TP

SKAINOS LIMITED

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SKAINOS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the company's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of the company include:

Skainos provides facilities, resources and shared space to charities, agencies, social enterprises and community groups for social, economic and physical regeneration and community renewal for the people of East Belfast, being an area of severe social and economic deprivation. The benefits provided to the local community include:

- (i) the the relief of poverty in such ways as may be thought fit;
- (ii) the provision of accommodation for the homeless and those seeking affordable social housing;
- (iii) the relief of unemployment in such ways as may be thought fit, including assistance to find employment;
- (iv) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience and help: (i) in setting up their own business, or (ii) obtaining employment in existing businesses;
- (v) the provision of affordable childcare and nursery services;
- (vi) the provision of counselling services relating to mental health, housing, managing household and personal debt, alcohol and substance abuse/addiction;
- (vii) providing a meeting place and a catalyst for community activity including hosting those involved in peace building and cross community activities and seeking to come up with local initiatives to cement peace in Inner East Belfast.

Public benefit

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

Achievements and performance

Significant activities and achievements against objectives

As the economic and social activity has recovered from the years of the pandemic the Skainos Centre continued to adhere to strict Health and Safety Regulations and continued to operate as a shared space by resident, tenants, and key users of the building.

During the year Frazer Kidd were appointed as Managing Agents to the Skainos Centre on behalf of Skainos and its tenants. This has helped optimise the stakeholder benefits from the Skainos Centre and regularise the provision of building maintenance and the community heating scheme.

Through the year the Board of Trustees initiated various actions to encourage the use of Centre and reduce its running costs and overheads to help offset the impact of the Cost of Living Crisis and higher energy costs. The benefits for these actions will especially benefit the immediate future years.

We remain grateful for those charities and agencies who have chosen to operate in Skainos Square. Thanks, are therefore due to East Belfast Mission, Age NI, Clear Day Nursery, Cairde Turas, Specialisterne, Volunteer Now, Housing Rights and Terra Nova, Wycliffe Bible translators, Street Soccer, The Book Trust, International Justice Mission, BHSCT, Book Trust and Tear Fund.

SKAINOS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The deficit for the year ended 31 December 2023 was £305,639 after depreciation of £313,481 (2022 – deficit of £363,014 after depreciation of £314,393).

Going concern

The Company made a small surplus at EBITDA level in 2023 and is showing improved financial performance in the first half of 2024.

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.

Reserves policy

It is the policy of the company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

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 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;
- 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; and
- Provide funding to implement improvements for the benefit of tenants and the local community using the services provided at the Skainos Centre.

The directors do not believe that the company needs excessive amounts of unrestricted reserves. However 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.

SKAINOS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Despite the impact of inflation and higher energy costs. Skainos has embarked upon a process of transformation that will improve its short and long term financial strength, laying the foundation in 2024 for improvement and reform of the operating model. These plans provide the Board comfort that the Company will continue to be considered a Going Concern.

Structure, governance and management

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.

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

Rev B B Anderson

Mr J D Anderson

Mr N A Blair

Mr G C Capper

Mrs C Ervine

Mr B Maxwell

Ms B McConnell

Mr G McDaid

(Resigned 30 September 2023)

Mr J O'Donnell

(Resigned 26 June 2023)

Ms A O'Kane

Dr T D Dobbin CBE

Recruitment and appointment of trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association. Serving directors have the power to appoint any person as an additional director. The number of directors serving at any time should not exceed fourteen. At each yearly AGM, a third of the directors are required to retire on a rotational basis, and they can be re-appointed.

Charity trustees must comply with the rules set out in their charity's governing document, including rules regarding who can be a charity trustee, when and how charity trustees are appointed and how long appointments can last.

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

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Funds held as custodian trustee

No funds are held as custodian on behalf of others.

SKAINOS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees responsibilities

The trustees, who are also the directors of Skainos Limited for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Miscampbell & Co be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



Dr T D Dobbin CBE
Trustee

10 September 2024

SKAINOS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SKAINOS LIMITED

Opinion

We have audited the financial statements of Skainos Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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. We are independent of the 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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SKAINOS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SKAINOS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulation in the United Kingdom;
- understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas;
- assessed the vulnerability of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue recognition to be a fraud risk; and
- based on this understanding our audit procedures were designed to identify non-compliance with such laws and regulations.

SKAINOS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SKAINOS LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;


- Identification of related parties;
- Making enquiries of management regarding where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place within the company to mitigate the risk of fraud and non-compliance with laws and regulations;

To address the risk of fraud, override of controls and non-compliance with laws and regulations, we performed analytical procedures to identify any unusual or unexpected related party relationships, tested journal entries to identify unusual transactions, investigated any significant or unusual transactions and assessed whether judgements and assumptions made in determining the accounting estimates were suggestive of potential bias.

A further description of our responsibilities is available 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 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 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.



Jonathan R Bethel (Senior Statutory Auditor)
for and on behalf of Miscampbell & Co

10 September 2024

Chartered Accountants
Statutory Auditor

6 Annadale Avenue
Belfast
BT7 3JH

SKAINOS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	5,776	9,500	15,276	548	29,929	30,477
Charitable activities	4	501,269	-	501,269	531,649	-	531,649
Investments	5	280	-	280	-	-	-
Total income		507,325	9,500	516,825	532,197	29,929	562,126
Expenditure on:							
Charitable activities	6	822,464	-	822,464	925,140	-	925,140
Total expenditure		822,464	-	822,464	925,140	-	925,140
Net income/(expenditure) and movement in funds		(315,139)	9,500	(305,639)	(392,943)	29,929	(363,014)
Reconciliation of funds:							
Fund balances at 1 January 2023		(5,763,359)	14,917,994	9,154,635	(5,370,416)	14,888,065	9,517,649
Fund balances at 31 December 2023		(6,078,498)	14,927,494	8,848,996	(5,763,359)	14,917,994	9,154,635

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.


SKAINOS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		8,912,641		9,226,122
Current assets					
Debtors	12	136,983		43,021	
Cash at bank and in hand		78,252		76,481	
		215,235		119,502	
Creditors: amounts falling due within one year	14	(224,877)		(125,164)	
Net current liabilities			(9,642)		(5,662)
Total assets less current liabilities			8,902,999		9,220,460
Creditors: amounts falling due after more than one year	15		(54,003)		(65,825)
Net assets excluding pension liability			8,848,996		9,154,635
Net assets			8,848,996		9,154,635
The funds of the company					
Restricted income funds	16	14,927,494		14,917,994	
Unrestricted funds		(6,078,498)		(5,763,359)	
		8,848,996		9,154,635	

The financial statements were approved by the trustees on 10 September 2024


Dr T D Dobbin CBE
Trustee

Company registration number NI053673 (Northern Ireland)

SKAINOS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		13,313		(79,705)
Investing activities					
Purchase of tangible fixed assets		-		(20,269)	
Investment income received		280		-	
Net cash generated from/(used in) investing activities			280		(20,269)
Financing activities					
Repayment of bank loans		(11,822)		(12,501)	
Net cash used in financing activities			(11,822)		(12,501)
Net increase/(decrease) in cash and cash equivalents			1,771		(112,475)
Cash and cash equivalents at beginning of year			76,481		188,956
Cash and cash equivalents at end of year			78,252		76,481

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Skainos Limited is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 239 Newtownards Road, Belfast, BT4 1AF.

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

1.4 Income

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

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

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

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% Straight line method
Office equipment	25% Straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

2 Critical accounting estimates and judgements

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

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

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations	3,276	-	3,276	548	-	548
Grants	2,500	9,500	12,000	-	29,929	29,929
	<u>5,776</u>	<u>9,500</u>	<u>15,276</u>	<u>548</u>	<u>29,929</u>	<u>30,477</u>

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Charity Incoming Resources	501,269	531,649

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	280	-

6 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Depreciation and impairment	313,481	314,393
Establishment Costs	389,779	434,111
Facility Management	112,453	173,378
Governance Costs	6,751	3,258
	822,464	925,140
	822,464	925,140

7 Net movement in funds

The net movement in funds is stated after charging/(crediting):

	2023 £	2022 £
Fees payable for the audit of the charity's financial statements	5,250	3,500
Depreciation of owned tangible fixed assets	313,481	314,393

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023 £	2022 £
For audit services		
Audit of the financial statements of the charity	5,250	3,500

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the company during the year.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Freehold land and buildings £	Office equipment £	Total £
Cost			
At 1 January 2023	15,569,966	30,357	15,600,323
At 31 December 2023	15,569,966	30,357	15,600,323
Depreciation and impairment			
At 1 January 2023	6,365,146	9,055	6,374,201
Depreciation charged in the year	311,399	2,082	313,481
At 31 December 2023	6,676,545	11,137	6,687,682
Carrying amount			
At 31 December 2023	8,893,421	19,220	8,912,641
At 31 December 2022	9,204,820	21,302	9,226,122

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	132,137	43,021
Other debtors	2,550	-
Prepayments and accrued income	2,296	-
	136,983	43,021

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Loans and overdrafts

	2023 £	2022 £
Bank loans	69,133	80,955
Payable within one year	15,130	15,130
Payable after one year	54,003	65,825

On 1 March 2017, the company entered into a ten year 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.

On 27 May 2020, £50,000 was drawn from Ulster Bank in relation to the Bounce Back Loan Scheme (BBLs). The BBLs scheme was created by the UK Government in response to COVID-19. During the year no repayments were made with repayments commencing on 28 June 2021. The loan is repayable within 6 years of being received and the interest per year is 2.5%.

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	13	15,130	15,130
Other taxation and social security		6,463	1,781
Trade creditors		86,127	28,702
Amounts owed to associate undertakings		23,783	35,778
Other creditors		47,752	4,094
Accruals and deferred income		45,622	39,679
		224,877	125,164

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	13	54,003	65,825

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	At 31 December 2023
	£	£	£
Restricted funds	14,917,994	9,500	14,927,494
	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2022	Incoming resources	At 31 December 2022
	£	£	£
Restricted funds	14,888,065	29,929	14,917,994
	<u> </u>	<u> </u>	<u> </u>

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	(5,763,359)	507,325	(822,464)	(6,078,498)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	(5,370,416)	532,197	(925,140)	(5,763,359)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	(6,050,853)	14,963,494	8,912,641
Current assets/(liabilities)	(4,094)	(5,548)	(9,642)
Long term liabilities	(23,551)	(30,452)	(54,003)
	<u>(6,078,498)</u>	<u>14,927,494</u>	<u>8,848,996</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 December 2022:			
Tangible assets	(5,690,301)	14,916,423	9,226,122
Current assets/(liabilities)	(42,901)	37,239	(5,662)
Long term liabilities	(30,157)	(35,668)	(65,825)
	<u>(5,763,359)</u>	<u>14,917,994</u>	<u>9,154,635</u>

19 Related party transactions

East Belfast Mission ("EBM") is regarded as a related party by virtue of common directors on both boards. During the year the company contracted East Belfast Mission for the provision of facilities management and also to provide catering services for room hire and conferences. Skainos has leased the units to East Belfast Mission under leases in return for rental income and a contribution towards service charges. At 31 December 2023 £23,783 (2022: £35,778) was owed to East Belfast Mission.

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 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. At 31 December 2023 Choice Housing Association owed £5,394 (2022: £739) and Maple and May due back £166 (2022: £Nil).

SKAINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

20 Cash generated from operations	2023	2022
	£	£
Deficit for the year	(305,639)	(363,014)
Adjustments for:		
Investment income recognised in statement of financial activities	(280)	-
Depreciation and impairment of tangible fixed assets	313,481	314,393
Movements in working capital:		
(Increase)/decrease in debtors	(93,962)	7,095
Increase/(decrease) in creditors	99,713	(38,179)
Cash generated from/(absorbed by) operations	13,313	(79,705)
21 Analysis of changes in net funds/(debt)	At 1 January 2023	Cash flows At 31 December 2023
	£	£
Cash at bank and in hand	76,481	1,771
Loans falling due within one year	(15,130)	-
Loans falling due after more than one year	(65,825)	(54,003)
	(4,474)	13,593
		9,119