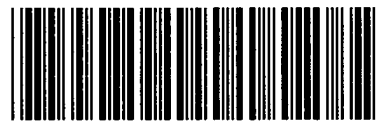


Giroscope Limited

Report and Financial Statements (incorporating the Annual Review)

For the year ended 31st December 2014

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COMPANIES HOUSE

Registered Number: 02046356 (England & Wales)

Registered Charity Number: 1117457

Giroscope Limited

Financial Statements for the year ended 31st December 2014

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Giroscope Limited

Company Information

Management Committee

A. Brocklehurst
R. Amesbury
J.F. Clarke

Company Secretary

J.F. Clarke

Registered Office

Unit 3
23 Arthur Street
Hull
HU3 6BH

Registered Number

02046356 (England & Wales)

Registered Charity Number

1117457

Accountants

cbaSadofskys Limited
Princes House
Wright Street
Hull
HU2 8HX

Principal Bankers

Triodos Bank
Brunel House
11 The Promenade
Bristol
BS8 3NN

Giroscope Limited
Report of the Management Committee
For the year ended 31st December 2014

The management committee present their report and the financial statements of the company for the year ended 31st December 2014.

A Message from the Acting Chairman

Giroscope continued its expansion and development during 2014. We acquired another 14 properties over the course of the year taking the total number of residential properties Giroscope owns to 75 (containing 86 residential units).

These houses, part of our Empty Homes Project (July 2012-March 2015) to bring 48 long-term empty properties back into use has been very successful: over the course of the project we have increased our capacity, expanded our volunteer programme and have provided high quality, affordable accommodation to many more people in housing need. This project has been part funded by the Government's Empty Homes Community Grants Programme.

Over 70 volunteers participated in our Volunteer Programme during 2014. This is increase on the previous year and reflects the improvements in our Volunteer Programme, and more of our volunteers moving into employment or further training.

In March 2014 we were awarded a 2 year grant from the Lloyds Bank Foundation to employ a Support Worker to provide support to our volunteers to address their barriers to work, access further training and help finding employment.

In June 2014 Giroscope was presented the Queen's Award for Voluntary Service. This award is equivalent for an MBE and is the highest award that can be given to a voluntary group. It recognises the commitment, enthusiasm and dedication of all our volunteers who have worked with Giroscope over the years.

Giroscope Limited

Report of the Management Committee

For the year ended 31st December 2014

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 13th August 1986 and registered as a charity on 4th January 2009. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee will be elected to serve a period of three years after which they must be re-elected at the next Annual General Meeting. (Resolution of Annual General Meeting November 2006)

The Management Committee is made up of a mix of traditional business skills from their own particular area of responsibility. In an effort to maintain this broad skill mix and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Committee.

Trustee Induction and Training

All of our trustees are already familiar with the practical work of the charity and are encouraged to familiarise themselves with the staff and volunteers within the organisation.

Additionally, new trustees are invited and encouraged to attend an introductory meeting with the Chair of the Management Committee and familiarise themselves with the charity and the context within which it operates. This meeting covers:

- The obligations of Management Committee members
- The main documents which set out the operational framework for the charity including the Memorandum and Articles
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives
- Charity Commission
- Company Law

A Trustees induction pack has also been prepared drawing information from the various Charity Commission publications signposted through the Commission's guide 'the Essential Trustee' as an 'aide memoir'. This is distributed to all new trustees along with the Memorandum and Articles and the latest financial statements.

Risk Management

The Management Committee and staff will hold a review of the major risks to which the charity is exposed. A risk register will be established and is visited on a regular basis. Where appropriate, systems or procedures have already been established to mitigate the risks the charity faces. Significant external risks to funding will lead to the development of a strategic plan which will allow for the diversification of funding. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of all staff, volunteers, clients and visitors to Giroscope.

Giroscope Limited
Report of the Management Committee
For the year ended 31st December 2014

Organisational Structure

Giroscope Limited has an Executive Committee of 3 members who meet quarterly and are responsible for the strategic direction and policy of the charity. At the end of the financial year the Management Committee had three members. These members are from a variety of backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Co-ordinator. The Management Committee is responsible for ensuring that the charity pursues its Aims and Objectives as well as setting strategic policy. The Co-ordinator has responsibility for the individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Objectives and Activities

The company's objects and principal activities were those of:

The purchasing, renovation and modernisation of housing in poor condition and the renting out of these houses to the unemployed and other disadvantaged groups in society.

The main objectives and activities for the year are covered in the Acting Chair's Message on page 2.

Achievements and Performance

Giroscope continued to expand during 2014, bringing an additional 17 properties back into use over the course of the year. This was made up of thirteen 2/3 bedroom houses and four 1/2 bedroom flats. We have targeted key properties in our neighbourhood and have tackled some very challenging renovation projects including one house vacant for over 15 years and another vacant for over 14 years.

Over the last year we provided work placements to 74 people; including ex-offenders, people with learning difficulties or mental health problems, young people lacking experience and the long term unemployed. During the course of the year 21 of our volunteers left into employment, started apprenticeships or enrolled at college.

Giroscope worked closely with Hull City Council during 2014 to develop their Empty Homes Strategy and tackle key areas with a high proportion of empty and abandoned properties. We participate in wider discussions regarding regional and national Empty Homes Strategy. In addition, Giroscope offer guidance and support to organisations interested in developing projects bringing void property back into use.

Giroscope Limited

Report of the Management Committee

For the year ended 31st December 2014

Financial Review

Additional funding opportunities were identified through the Government's Empty Homes Community Grants Programme, Lloyds Bank Foundation, ESF (European Social Fund) and a Community First Grant from the Community Development Foundation. We also received two small grants, from the Joseph and Annie Cattle Trust and the Talisman Trust, to support two of our beneficiaries.

Principal Funding Sources

The principal funding sources for the charity are the rents received from tenants, however the Management Committee and staff are continually seeking other sources of funding in respect of the renovation of properties.

Investment Policy

Aside from retaining a prudent amount in reserves each year most of the charity's funds are spent in the short term so there are few funds for the long term investment. Having considered the options available, the Management Committee has decided to invest the small amount that it has available in a high interest account.

Reserves Policy

The Management Committee will be examining the charity's requirements for reserves in light of the main risks to the organisation.

It will establish a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should not exceed 6 months of expenditure.

The reserves are needed to meet the working capital requirements of the charity and the Management Committee are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Plans for the Future

The charity plans to continue its activities outlined above in the forthcoming years subject to satisfactory funding arrangements. In addition, it will look to develop other projects to help regenerate the neighbourhood and increase the opportunities for the people living there.

Giroscope Limited

Report of the Management Committee

For the year ended 31st December 2014

Responsibilities of the Management Committee

Company law requires the management committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the management committee should follow best practice and:

- select suitable policies and then apply them consistently;
- 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 on that basis.

The management committee are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Management Committee is 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.

Members of the Management Committee

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant information of which the company's accountants are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's accountants are aware of that information.

Accountants

cbaSadofskys Limited were re-appointed as the charitable company's accountants during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Management Committee on 16/5/15 and signed on its behalf by:

J. F. Clarke
Company Secretary

Independent Examiner's Report to the Management Committee of

Giroscope Limited

For the year ended 31st December 2014

I report on the accounts of Giroscope Limited for the year ended 31st December 2014, which are set out on pages 8 to 16.

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

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

Mr P. Drant FCCA
cbaSadofskys Limited,
Princes House,
Wright Street,
Hull,
HU2 8HX

16/05/2015

Giroscope Limited

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st December 2014

	Notes	Unrestricted Funds £	Restricted Funds £	2014 Total £	2013 Total £
<u>Incoming resources</u>	2				
Incoming resources from generated funds:					
<i>Activities for generating funds:</i>					
Rent received		296,324	-	296,324	227,076
Interest received		93	-	93	223
Incoming resources from charitable activities:					
Services payments and grants	3	-	63,465	63,465	28,774
Other income		3,970	-	3,970	2,770
Total incoming resources		<u>300,387</u>	<u>63,465</u>	<u>363,852</u>	<u>258,843</u>
<u>Resources expended</u>					
Charitable activities	4	175,403	63,465	238,868	156,165
Governance costs	5	74,939	-	74,939	49,706
Total resources expended		<u>250,342</u>	<u>63,465</u>	<u>313,807</u>	<u>205,871</u>
Net incoming resources before other recognised gains		<u>50,045</u>	<u>-</u>	<u>50,045</u>	<u>52,972</u>
Net movement in funds		50,045	-	50,045	52,972
Reconciliation of funds					
Total funds brought forward		<u>1,559,650</u>	<u>-</u>	<u>1,559,650</u>	<u>1,506,678</u>
Total funds carried forward		<u>1,609,695</u>	<u>-</u>	<u>1,609,695</u>	<u>1,559,650</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

Giroscope Limited

Balance Sheet
31st December 2014

	Notes	31/12/14 £	31/12/13 £
Fixed assets			
Tangible assets	8	4,507,812	2,943,511
Current assets			
Debtors	9	24,690	20,396
Cash at bank and in hand		<u>44,859</u>	<u>18,003</u>
		69,549	38,399
Creditors			
Amounts falling due within one year	10	<u>56,019</u>	<u>75,246</u>
Net current (liabilities)/assets		<u>13,530</u>	<u>(36,847)</u>
Total assets less current liabilities		4,521,342	2,906,664
Creditors			
Amounts falling due after more than one year	11	<u>1,816,878</u>	<u>1,160,018</u>
Net assets		<u>2,704,464</u>	<u>1,746,646</u>
Funds			
Unrestricted funds - Revaluation reserve	13	2,337,849	1,430,076
Unrestricted funds - General funds	13	366,615	316,570
Restricted funds	14	<u>-</u>	<u>-</u>
Total members fund		<u>2,704,464</u>	<u>1,746,646</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2014 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

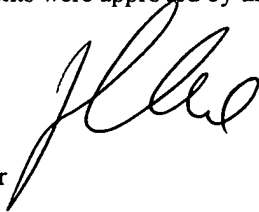
Giroscope Limited

Balance Sheet - continued
31st December 2014

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 16/5/15 and were signed on its behalf by:

J. F. Clarke - Director



Giroscope Limited

Notes to the Financial Statements for year ended 31st December 2014

1. Statement of accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2009) and with the Accounting and Reporting by Charities: Statement of Recommended Practice (issued in March 2005).

Cash flow

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Income

Income represents all income received from the various sources.

Depreciation of tangible fixed assets

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

Land and buildings	2% on cost
Plant and machinery etc.	at variable rates on reducing balance

Fund Accounting

Funds held by the charity are either:

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

Unrestricted funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the business.

2. Income

The company is funded mainly by rents received from tenants and grant funding in respect of the renovation and modernisation of properties.

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2014

3. Incoming Resources from Charitable Activities

	Unrestricted	Restricted	Total 2014	Total 2013
	£	£	£	£
<i>Grants Received:</i>				
Apprenticeship Scheme Grant	-	1,500	1,500	1,500
Lottery Awards for All	-	-	-	6,200
HLC Grants	-	13,500	13,500	8,221
J Paul Getty Jnr Charitable Trust	-	25,000	25,000	12,500
DWP Back to Work Grant	-	2,275	2,275	-
Donations Received	-	210	210	353
Lloyds Grant	-	17,500	17,500	-
Newington Community First Grant	-	1,480	1,480	-
Andy Town Funding	-	2,000	2,000	-
	<u>-</u>	<u>63,465</u>	<u>63,465</u>	<u>28,774</u>

4. Resources expended - Charitable activities

	Unrestricted	Restricted	Total 2014	Total 2014
	£	£	£	£
Sub contractors	44,151	-	44,151	26,181
Repairs and renewals	18,596	-	18,596	15,972
Wages, salaries and redundancy pay	53,609	63,465	117,074	64,736
Rates and water	6,616	-	6,616	4,767
Light and heat	6,416	-	6,416	3,719
Telephone	1,633	-	1,633	1,333
Postage, stationery and advertising	2,467	-	2,467	1,989
Motor expenses	4,758	-	4,758	5,012
Insurance	10,459	-	10,459	9,397
Sundry expenses	14,920	-	14,920	9,495
Volunteer expenses	4,335	-	4,335	5,118
Bad debts	7,443	-	7,443	8,446
	<u>175,403</u>	<u>63,465</u>	<u>238,868</u>	<u>156,165</u>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2014

5. Resources expended - Governance costs

	Unrestricted	Restricted	Total 2014	Total 2013
	£	£	£	£
Accountancy fees	4,380	-	4,380	3,714
Professional fees	1,031	-	1,031	695
Bank charges	9,736	-	9,736	4,328
Credit card charges and interest	35	-	35	32
Bank loan interest	58,782	-	58,782	39,892
Depreciation of fixed assets	<u>975</u>	<u>-</u>	<u>975</u>	<u>1,045</u>
	<u>74,939</u>	<u>-</u>	<u>74,939</u>	<u>49,706</u>

6. Net Incoming Resources for the Year

	2014 £	2013 £
This is stated after charging:		
Depreciation of owned assets	<u>975</u>	<u>1,045</u>

7. Information on directors and employees

	2014 £	2013 £
Staff costs		
Gross wages	50,347	60,640
Employers NI	<u>3,262</u>	<u>4,096</u>
	<u>53,609</u>	<u>64,736</u>

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

	2014	2013
Directors	3	3
Other	<u>6</u>	<u>6</u>
	<u>9</u>	<u>9</u>

No employee received emoluments of more than £60,000.

No directors' remuneration was paid during this year nor during the prior year ended 31st December 2013.

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2014

8. Tangible fixed assets

	Freehold Property £	Plant and Machinery etc £	Total £
Cost:			
As at 1 st January 2014	3,122,614	46,018	3,168,632
Additions	657,226	277	657,503
Revaluation	907,773	-	707,660
	<u>4,687,613</u>	<u>46,295</u>	<u>4,733,908</u>
As at 31 st December 2014			
Depreciation:			
As at 1 st January 2014	200,113	25,008	225,121
Charge for the year	-	975	975
	<u>200,113</u>	<u>25,983</u>	<u>226,096</u>
As at 31 st December 2014			
Net book value:			
As at 31 st December 2014	<u>4,487,500</u>	<u>20,312</u>	<u>4,507,812</u>
As at 31 st December 2013	<u>2,922,501</u>	<u>21,010</u>	<u>2,943,511</u>

Cost or valuation at 31st December 2014 is represented by:

	Freehold Property £	Plant and Machinery etc £	Total £
Valuation in 2011	186,996	-	186,996
Valuation in 2007	1,203,463	-	1,203,463
Valuation in 2014	907,773	-	907,773
Cost	<u>2,389,381</u>	<u>46,295</u>	<u>2,435,676</u>
	<u>4,687,613</u>	<u>46,295</u>	<u>4,733,908</u>

9. Debtors

	2014 £	2013 £
Rent arrears	24,445	20,396
Other loans	245	-
	<u>24,690</u>	<u>20,396</u>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2014

10. **Creditors: amounts falling due within one year**

	2014	2013
	£	£
Bank loans and overdrafts	35,307	27,479
Trade creditors	1,026	1,219
Social security and other taxes	2,189	2,643
Credit card	354	1,293
Other creditors	216	207
Accrued expenses	2,760	2,760
Other loans	1,667	2,145
Deferred grants	<u>12,500</u>	<u>37,500</u>
	<u>56,019</u>	<u>75,246</u>

11. **Creditors: amounts falling due after more than one year.**

	2014	2013
	£	£
Bank loans	1,795,211	1,136,685
Other loans	<u>21,667</u>	<u>23,333</u>
	<u>1,816,878</u>	<u>1,160,018</u>

12. **Analysis of Net Assets Between Funds**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	4,507,812	-	4,507,812
Current assets	69,549	-	69,549
Current liabilities	(56,019)	-	(56,019)
Long term liabilities	<u>(1,816,878)</u>	<u>-</u>	<u>(1,816,878)</u>
Net assets at 31 st December 2014	<u>2,704,464</u>	<u>-</u>	<u>2,704,464</u>

13. **Unrestricted Funds**

	Revaluation Reserve £	General Funds £	Total £
Balance as at 1 st January 2014	1,430,076	316,570	1,746,646
Revaluation/Surplus for the year	<u>907,773</u>	<u>50,045</u>	<u>957,818</u>
Balance as at 31 st December 2014	<u>2,337,849</u>	<u>366,615</u>	<u>2,704,464</u>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2014

14. Restricted Funds

	Incoming Resources £	Total £
Balance as at 1 st January 2014	-	-
Deficit for the year	-	-
Balance as at 31 st December 2014	-	-

The general reserve represents the free funds of the charity, which are not for particular restricted purposes.

The incoming resources reserve represents the restricted funds of the charity, which are used to fund the specific projects and renovation costs as stated by the grant providers.

15. Control

In the opinion of the directors no one party controlled the company during the above periods.