

REGISTERED COMPANY NUMBER: 02046356 (England and Wales)
REGISTERED CHARITY NUMBER: 1117457

Giroscope Limited
Report of the Trustees and
Financial Statements for the Year Ended 31st December 2017

cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

TUESDAY



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19/06/2018
COMPANIES HOUSE

Giroscope Limited

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for the year ended 31st December 2017

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Giroscope Limited

A Message from the Acting Chairman for the year ended 31st December 2017

2017 was another year of growth and development for Giroscope. Over the course of the year Giroscope completed the renovation of six empty properties. Finishing these properties completes the 'Nine House Project' funded by the Nationwide Foundation. Two of these properties were also included in our 'Young Futures Project' funded by LandAid. This project will provide 12 bedspaces across 4 properties for young people who are homeless or at risk of homelessness. The two larger shared houses are underway, with works anticipated to complete in 2018.

2017 also saw changes to the organisation's staff structure and team. The two remaining members of staff working on maintenance/landscaping were transferred to Giroscope Services Ltd, and four new members of staff were employed over the course of the year: a housing support worker, an accounts administrator, a volunteer support worker to manage the IT volunteer project, and a part time bike mechanic.

Also during the course of the year we created two further volunteer schemes: the bicycle workshop and the IT project. Giroscope's bicycle workshop started in May and recycles broken or discarded bicycles to provide affordable and healthy transport for Giroscope tenants, volunteers, and our wider community. Volunteers on this project learn bicycle mechanic skills: how to dismantle, fix, repair and assemble bikes as well as how to clean and maintain bicycles.

The IT project, funded for 12 months by 'National Lottery Awards for All', had three key aims - to open up access to computers to our local community, to develop the IT infrastructure of our organisation and to develop IT technician skills of volunteers. A number of volunteers that have participated on this project have been referred by Matthew's Hub, a local organisation which supports people with high-functioning autism and Asperger syndrome. The volunteer programme has proved invaluable to them, to help them develop engagement skills while using some of their highly technical skills. Our IT facility at our main building are registered as an Online Centre (part of the Online Centres Network) and we provide free internet access and guided support and training.

We plan to develop both of these new volunteer schemes in coming years to expand the opportunities for disadvantaged and hard to reach people from Hull and the surrounding areas.

In November Giroscope was recognised as the 'Organisation of the Year' in the Howard League for Penal Reform's Community Awards. This recognises our work with ex-offenders to reduce reoffending and to reintegrate individuals into the community. During 2016 and 2017 36% of our volunteers were ex-offenders, of which 23% re-offended, far lower than the local average of around 40%.

Giroscope was also one of the organisations recognised in the Duke of York's Community Initiative Awards. This is a Royal Award presented to community projects based in Yorkshire that are developed and led by the people they serve.

During 2017 we also made progress on our Community Self-Build Project. Over the course of the year the design of the properties was developed, extensive consultation with the future residents was undertaken and a site investigation completed. In August a team which included some of the 'self-builders' (the people that are going to move into the properties when they are finished), Giroscope volunteers and staff built a prototype structure of a two bed house. The construction of the prototype was a success, it was a valuable learning and training experience, as well as being an enjoyable and empowering event. The participants learnt a lot about how to construct the timber frame of a house and practiced the different skills involved. The planning application for the project was submitted at the end of December and we hope to start construction during 2018.

Community activity at Boulevard Village Hall increased its reach with more groups and more bookings than in the previous year. This building provides community facilities and room hire for local groups as well as running a weekly coffee morning that engages with local people.

In June Giroscope submitted a business plan to the Diocese of York and Church Commissioners for the purchase of the former St Matthews Church on Boulevard.

In December Giroscope arranged investment from Social and Sustainable Capital and grant funding from Power to Change. This finance will fund our project planned for next year, the 'Coltman Street Regeneration Project' - the refurbishment of 3 properties on Coltman Street and the Self-Build at 69 Coltman Street.

Giroscope Limited
Report of the Trustees
for the year ended 31st December 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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 Chairman's Message on page 1.

ACHIEVEMENT AND PERFORMANCE

During the course of the year Giroscope completed the renovation works on 6 properties which we had purchased during 2016 and 2017. This comprised of three 3 bed houses and three 2 bed houses. At the end of 2017 Giroscope owned a total of 99 properties: 107 residential units (16 flats and 91 houses) and 15 commercial leases across 5 buildings. At the end of 2017 Giroscope provides housing to 264 people.

Giroscope provided work placements to 154 people in 2017. This included ex-offenders, young people, the long-term unemployed and people with mental health problems or learning difficulties. A large proportion of the people Giroscope works with have complex and/or multiple barriers to work. During the course of the year 15 people left into employment, with a further 2 starting training at college. Whilst these figures may seem low it is a real achievement for the individuals that Giroscope works with, some of whom are a considerable distance away from securing employment.

We continue to participate in wider discussions regarding empty homes, self-help housing and community regeneration at local, regional and national level. Giroscope is participating in a research project undertaken by Empty Homes, an organisation that campaigns and raises awareness of issues around long-term empty properties.

Giroscope continues to offer guidance and support to emerging organisations interested in developing projects bringing void properties back into use, providing housing and support and offering volunteering or training opportunities.

FINANCIAL REVIEW

Principal funding sources

The principle funding sources for the charity are the rents received from the tenants, however the Management Committee and staff seek other sources of funding to support doing up empty properties or providing additional support to our beneficiaries.

Giroscope received funding from the Nationwide Foundation, LandAid and the Sir James Reckitt Charitable Trust. Funding to support the volunteer programme was received from Humberside, Lincolnshire and North Yorkshire Community Rehabilitation Company and ESF (European Social Fund) distributed by Humber Learning Consortium. The Hull and East Riding Charitable Trust continued to support our Emergency Fund.

Capital funding was secured for Giroscope's proposed work in 2018 from a social investment arranged with Social and Sustainable Capital which will be combined with a grant from Power to Change.

Investment policy and objectives

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 long term investment. Having considered the options available, the Management Committee has decided to invest the small amount it has available in an interest-bearing account.

Giroscope Limited

Report of the Trustees **for the year ended 31st December 2017**

FINANCIAL REVIEW

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.

FUTURE PLANS

The charity plans to continue the activities outlined 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 people living there. These will include:

- The further purchase and renovation of empty residential properties to let as affordable housing
- The purchase and renovation of empty non-residential space to provide affordable workspace for other social enterprises and start-up businesses in our community.
- The redevelopment of the former St Matthews Church.
- Development of a self-build housing model to construct affordable housing on the land to the rear of 69 Coltman Street.
- Develop and expand our volunteer programme to provide a wide range of opportunities for people excluded and disadvantaged in the employment market.
- To continue to grow and develop our trading subsidiary Giroscope Services Limited.

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 2007. 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 new trustees

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.

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.

Giroscope Limited

Report of the Trustees
for the year ended 31st December 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

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 trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity has a Risk Register which identifies the risks to which the charity is exposed. Systems and procedures have been established to mitigate and manage the risks the charity faces. The Risk Register is reviewed as and when necessary, at a minimum at the quarterly Board Meetings.

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 for all staff, volunteers, clients and visitors to Giroscope.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02046356 (England and Wales)

Registered Charity number

1117457

Registered office

69 Coltman Street
Hull
East Yorkshire
HU3 2SJ

Trustees

A. Brocklehurst
R. Amesbury
J. F. Clarke

Accountant
Director
Director

Company Secretary

J. F. Clarke

Giroscope Limited

Report of the Trustees
for the year ended 31st December 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

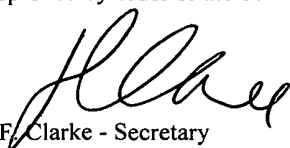
In so far as the trustees are aware:

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

AUDITORS

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

Approved by order of the board of trustees on 2nd May 2018 and signed on its behalf by:


J. F. Clarke - Secretary

Report of the Independent Auditors to the Trustees of
Giroscope Limited

Opinion

We have audited the financial statements of Giroscope Limited (the 'charitable company') for the year ended 31st December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2017 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Giroscope Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees 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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



cbaSadofskys

Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Princes House

Wright Street

Hull

East Yorkshire

HU2 8HX

3rd May 2018

Giroscope Limited

Statement of Financial Activities
for the year ended 31st December 2017

		Unrestricted funds £	Restricted fund £	Total 2017 funds £	Total 2016 funds £
	Not es				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,821	-	2,821	5,050
Charitable activities	4				
Renovation and letting of housing		20,635	70,901	91,536	98,181
Investment income	3	<u>492,187</u>	<u>-</u>	<u>492,187</u>	<u>459,845</u>
Total		515,643	70,901	586,544	563,076
 EXPENDITURE ON					
Charitable activities	5				
Renovation and letting of housing		<u>364,760</u>	<u>70,901</u>	<u>435,661</u>	<u>386,501</u>
Total		364,760	70,901	435,661	386,501
Net gains/(losses) on investments		<u>138,650</u>	<u>-</u>	<u>138,650</u>	<u>-</u>
NET INCOME		289,533	-	289,533	176,575
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,977,732</u>	<u>-</u>	<u>2,977,732</u>	<u>2,801,157</u>
 TOTAL FUNDS CARRIED FORWARD		<u>3,267,265</u>	<u>-</u>	<u>3,267,265</u>	<u>2,977,732</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Giroscope Limited

Balance Sheet
At 31st December 2017

		Unrestricted funds £	Restricted fund £	2017 Total funds £	2016 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	11	44,030	-	44,030	39,267
Investments					
Investments	12	4,999	-	4,999	4,999
Investment property	13	<u>5,706,000</u>	<u>-</u>	<u>5,706,000</u>	<u>5,210,004</u>
		5,755,029	-	5,755,029	5,254,270
CURRENT ASSETS					
Debtors	14	56,798	-	56,798	33,812
Cash at bank		<u>93,464</u>	<u>-</u>	<u>93,464</u>	<u>78,192</u>
		150,262	-	150,262	112,004
CREDITORS					
Amounts falling due within one year	15	<u>(108,863)</u>	<u>-</u>	<u>(108,863)</u>	<u>(102,005)</u>
NET CURRENT ASSETS		<u>41,399</u>	<u>-</u>	<u>41,399</u>	<u>9,999</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,796,428	-	5,796,428	5,264,269
CREDITORS					
Amounts falling due after more than one year	16	<u>(2,529,163)</u>	<u>-</u>	<u>(2,529,163)</u>	<u>(2,286,537)</u>
NET ASSETS		<u>3,267,265</u>	<u>-</u>	<u>3,267,265</u>	<u>2,977,732</u>
FUNDS	19				
Unrestricted funds				3,267,265	2,977,732
Restricted funds				<u>-</u>	<u>-</u>
TOTAL FUNDS				<u>3,267,265</u>	<u>2,977,732</u>

The notes form part of these financial statements

Giroscope Limited

Balance Sheet - continued

At 31st December 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2017.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

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

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

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

The financial statements were approved by the Board of Trustees on 2nd May 2018 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J. F. Clarke', is written over the printed name.

J. F. Clarke -Trustee

Giroscope Limited

Cash Flow Statement
for the year ended 31st December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	207,850	293,640
Interest paid		<u>(75,160)</u>	<u>(110,049)</u>
Net cash provided by (used in) operating activities		<u>132,690</u>	<u>183,591</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,625)	(20,448)
Purchase of investment property		(357,346)	(403,808)
Interest received		<u>44</u>	<u>42</u>
Net cash provided by (used in) investing activities		<u>(362,927)</u>	<u>(424,214)</u>
 Cash flows from financing activities:			
New loans in year		330,964	2,590,263
Loan repayments in year		<u>(85,002)</u>	<u>(2,226,763)</u>
Net cash provided by (used in) financing activities		<u>245,962</u>	<u>363,500</u>
 Change in cash and cash equivalents in the reporting period		<u>15,725</u>	<u>122,877</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>77,739</u>	<u>(45,138)</u>
 Cash and cash equivalents at the end of the reporting period	2	<u><u>93,464</u></u>	<u><u>77,739</u></u>

The notes form part of these financial statements

Giroscope Limited

Notes to the Cash Flow Statement
for the year ended 31st December 2017

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	289,533	176,575
Adjustments for:		
Depreciation charges	862	674
Gain on investments	(138,650)	-
Interest received	(44)	(42)
Interest paid	75,160	110,049
Increase in debtors	(22,986)	(9,763)
Increase in creditors	<u>3,975</u>	<u>16,147</u>
Net cash provided by (used in) operating activities	<u><u>207,850</u></u>	<u><u>293,640</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Notice deposits (less than 3 months)	93,464	78,192
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(453)</u>
Total cash and cash equivalents	<u><u>93,464</u></u>	<u><u>77,739</u></u>

Giroscope Limited

Notes to the Financial Statements **for the year ended 31st December 2017**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

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

Expenditure

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

Tangible fixed assets

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

Improvements to property	- not provided
Plant and machinery	- at variable rates on reducing balance
Fixtures and fittings	- at variable rates on reducing balance
Motor vehicles	- 25% on reducing balance

Investment property

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2017

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations	2,821	50
Awards	<u>-</u>	<u>5,000</u>
	<u>2,821</u>	<u>5,050</u>

3. INVESTMENT INCOME

	2017	2016
	£	£
Rents received	492,143	459,803
Deposit account interest	<u>44</u>	<u>42</u>
	<u>492,187</u>	<u>459,845</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2017	2016
	£	£
Grants	70,901	81,672
Other income	<u>20,635</u>	<u>16,509</u>
	<u>91,536</u>	<u>98,181</u>

Other capital grants received during the year are:

	2017	2016
	£	£
Capital Grants received		
The Nationwide Foundation	31,140	93,420
LandAid	<u>40,679</u>	<u>-</u>
	<u>71,819</u>	<u>93,420</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2017

4. INCOME FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows:

	2017	2016
	£	£
Humber Learning Consortium	6,300	18,600
Humberside, Lincolnshire and North Yorkshire Community Rehabilitation Company	22,917	18,750
Hull and East Riding Charitable Trust	2,000	2,000
Sir James Reckitt Charity	10,000	5,000
Aspire-igen Community Fund	-	1,260
MOD Covenant Fund	-	11,750
DCLG - Community Right to Build Fund	27,964	12,425
Awards for All	-	9,634
Architectural Heritage Fund	-	1,500
Hull City Council St Andrews Ward Budget	1,720	-
Other grants	-	753
	<u>70,901</u>	<u>81,672</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Renovation and letting of housing	<u>345,713</u>	<u>89,948</u>	<u>435,661</u>

6. SUPPORT COSTS

	Governance costs
	£
Renovation and letting of housing	<u>89,948</u>

7. NET INCOME/(EXPENDITURE)

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

	2017	2016
	£	£
Auditors' remuneration	3,420	3,000
Depreciation - owned assets	<u>862</u>	<u>674</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2017 nor for the year ended 31st December 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2017 nor for the year ended 31st December 2016.

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2017

9. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	120,142	99,215
Social security costs	7,747	5,905
Other pension costs	<u>663</u>	<u>159</u>
	<u><u>128,552</u></u>	<u><u>105,279</u></u>

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

	2017	2016
Management and administration	4	2
Support	4	2
Maintenance and construction	<u>-</u>	<u>2</u>
	<u><u>8</u></u>	<u><u>6</u></u>

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	5,050	-	5,050
Charitable activities			
Renovation and letting of housing	16,509	81,672	98,181
Investment income	<u>459,845</u>	<u>-</u>	<u>459,845</u>
Total	481,404	81,672	563,076
 EXPENDITURE ON			
Charitable activities			
Renovation and letting of housing	<u>304,829</u>	<u>81,672</u>	<u>386,501</u>
Total	<u>304,829</u>	<u>81,672</u>	<u>386,501</u>
 NET INCOME	 176,575	 -	 176,575
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>2,801,157</u>	<u>-</u>	<u>2,801,157</u>
 TOTAL FUNDS CARRIED FORWARD	 <u><u>2,977,732</u></u>	 <u><u>-</u></u>	 <u><u>2,977,732</u></u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2017

11. TANGIBLE FIXED ASSETS

	Improvement s to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st January 2017	35,794	6,707	21,582	2,660	66,743
Additions	<u>2,680</u>	<u>663</u>	<u>1,882</u>	<u>400</u>	<u>5,625</u>
At 31st December 2017	<u>38,474</u>	<u>7,370</u>	<u>23,464</u>	<u>3,060</u>	<u>72,368</u>
DEPRECIATION					
At 1st January 2017	-	6,628	18,608	2,240	27,476
Charge for year	<u>-</u>	<u>113</u>	<u>577</u>	<u>172</u>	<u>862</u>
At 31st December 2017	<u>-</u>	<u>6,741</u>	<u>19,185</u>	<u>2,412</u>	<u>28,338</u>
NET BOOK VALUE					
At 31st December 2017	<u>38,474</u>	<u>629</u>	<u>4,279</u>	<u>648</u>	<u>44,030</u>
At 31st December 2016	<u>35,794</u>	<u>79</u>	<u>2,974</u>	<u>420</u>	<u>39,267</u>

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2017 and 31st December 2017	<u>4,999</u>
NET BOOK VALUE	
At 31st December 2017	<u>4,999</u>
At 31st December 2016	<u>4,999</u>

There were no investment assets outside the UK.

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

Giroscope Services Limited

Nature of business: Construction and maintenance services

Class of share:	%
Ordinary	holding 100

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2017

13. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1st January 2017	5,410,117
Additions	357,346
Revaluation	<u>138,650</u>
At 31st December 2017	<u>5,906,113</u>
AMORTISATION	
At 1st January 2017 and 31st December 2017	<u>200,113</u>
NET BOOK VALUE	
At 31st December 2017	<u>5,706,000</u>
At 31st December 2016	<u>5,210,004</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Rent arrears	42,876	33,812
Other debtors	<u>13,922</u>	-
	<u>56,798</u>	<u>33,812</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 17)	83,336	80,453
Other loans (see note 17)	1,667	1,667
Trade creditors	8,079	-
Social security and other taxes	2,140	2,826
Other creditors	10,221	14,299
Accrued expenses	<u>3,420</u>	<u>2,760</u>
	<u>108,863</u>	<u>102,005</u>

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

	2017	2016
	£	£
Bank loans (see note 17)	2,512,494	2,268,202
Other loans (see note 17)	<u>16,669</u>	<u>18,335</u>
	<u>2,529,163</u>	<u>2,286,537</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2017

17. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Bank overdraft	-	453
Bank loans	83,336	80,000
Other loans	<u>1,667</u>	<u>1,667</u>
	<u>85,003</u>	<u>82,120</u>
 Amounts falling between one and two years:		
Bank loans - 1-2 years	2,512,494	2,268,202
Other loans - 1-2 years	<u>16,669</u>	<u>18,335</u>
	<u>2,529,163</u>	<u>2,286,537</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank overdraft	-	453
Bank loans	<u>2,595,830</u>	<u>2,348,202</u>
	<u>2,595,830</u>	<u>2,348,655</u>

The bank loans are secured by way of a legal mortgage over the properties to which they relate, and the bank overdraft is secured by way of a fixed and floating charge over the company's assets.

19. MOVEMENT IN FUNDS

	At 1/1/17 £	Net movement in funds £	Transfers between funds £	At 31/12/17 £
Unrestricted funds				
General fund	639,883	289,533	(138,650)	790,766
Fair value reserve	<u>2,337,849</u>	-	<u>138,650</u>	<u>2,476,499</u>
	<u>2,977,732</u>	<u>289,533</u>	-	<u>3,267,265</u>
 TOTAL FUNDS	<u>2,977,732</u>	<u>289,533</u>	-	<u>3,267,265</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2017

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	515,643	(364,760)	138,650	289,533
Restricted funds				
Restricted	70,901	(70,901)	-	-
TOTAL FUNDS	<u>586,544</u>	<u>(435,661)</u>	<u>138,650</u>	<u>289,533</u>

Comparatives for movement in funds

	At 1/1/16 £	Net movement in funds £	Transfers between funds £	At 31/12/16 £
Unrestricted Funds				
General fund	463,308	176,575	-	639,883
Fair value reserve	<u>2,337,849</u>	-	-	<u>2,337,849</u>
	2,801,157	176,575	-	2,977,732
TOTAL FUNDS	<u>2,801,157</u>	<u>176,575</u>	<u>-</u>	<u>2,977,732</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	481,404	(304,829)	176,575
Restricted funds			
Restricted	81,672	(81,672)	-
TOTAL FUNDS	<u>563,076</u>	<u>(386,501)</u>	<u>176,575</u>

20. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.