

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 2018

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

FRIDAY



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07/06/2019

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COMPANIES HOUSE

Giroscope Limited

Contents of the Financial Statements
for the year ended 31st December 2018

	Page
A Message from the Acting Chairman	1
Report of the Trustees	2 to 5
Report of the Independent Auditors	6 to 7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 22

Giroscope Limited

A Message from the Acting Chairman for the year ended 31st December 2018

2018 was a busy and productive year for Giroscope. During the year six empty properties which had been empty for over 28 years in total were brought back into use.

The main focus of the renovation work this year was the refurbishment of two large empty properties to create shared accommodation for young people who are either homeless or at risk of homelessness. This project was supported with funding from LandAid. Both of these properties required extensive renovation work: we completed an extension in the archway of a house to create a new kitchen/dining room, as well as tacking damage from fire and water ingress. All but one of the bed spaces are now full and we have provided emergency accommodation to young people in need. A number of the young people housed have been involved in Giroscope's volunteer programme and we are planning to work more intensively with this demographic into 2019 and beyond.

Giroscope's Volunteer Programme continued to provide a range of work experience opportunities across our four different schemes to help people move towards and into employment. The construction and renovation work at the empty homes is still the largest of our programmes offering hands-on work experience from stripping out and demolition, plastering and brickwork, joinery, basic plumbing and electrics to painting and decorating. The other three opportunities: landscaping and gardening, repairing bicycles and the IT/computer project continue to grow and we are looking at a number of new projects that could be developed.

One of the biggest challenges faced by the organisation is working with individuals with complex needs and mental health issues. The impact of cuts to local services and changes to the welfare system have had a significant impact on the lives of many of the people Giroscope works with. The challenges this presents are a constant reminder of the value of Giroscope's work and how important our services are to our beneficiaries and the wider community. The impact and successes of some of the work done with some of the hardest to reach or marginalised people are a credit to our team and continue to inspire our organisation to help others and provide better support as we move forward.

Community events and facilities at Boulevard Village Hall run by Giroscope ended in March 2018 as the local parish started to use the building for their own purposes. However, our plans for a larger community space and facilities in the neighbourhood moved to former St Matthews Church on Boulevard which was acquired by the organisation in October 2018. This impressive heritage building, unused since 2013 has been a key vacant building in Giroscope's neighbourhood. The building is in a fairly poor state of repair and will require significant works to bring it back into full, and comfortable use. During the latter couple of months of the year a number of community events and markets were held in the former St Matthew's Church, once again opening the building up for local people's use and starting our activity of reusing and repairing the building. The longer term plan for the building is to develop spaces within the building that can be rented to small businesses, charities and social enterprises as well as create resources and spaces for the community in the building. The war memorial stained glass window from the western facing façade of the building is being restored and will be reinstated in building next year.

The Community Self-Build Project made gradual progress during year. The planning application for the scheme of four houses was refused in the spring, starting a process of revising the design of the project. Whilst this process was very frustrating it has resulted in a scheme that we are happy with and enabled much closer working with both the planning department, housing strategy and conservation officer at Hull City Council which was positive and interesting. We have continued to learn how to develop a new build scheme broadening our work and look forward to seeing this project start work on-site, hopefully in 2019!

Giroscope Limited

Report of the Trustees **for the year ended 31st December 2018**

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 2018. 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

In 2018 the organisation completed the renovation of six properties comprising of four 4 bedroom properties and one 3 bed property and one 2 bed house. Three of the four bedroom properties have been used to provide shared accommodation for different groups of people. At the end of 2018 Giroscope owned a total of 106 properties: 121 residential units (27 flats and 94 houses) as well as 5 non-residential buildings providing workspace to 15 organisations. At the end of 2018 Giroscope provided housing to 280 people.

Giroscope provided work placements to 109 people in 2018. 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 engaged on the programme have complex and/or multiple barriers to work. 17 people from the volunteer programme moved into work during the year, three of whom were employed by Giroscope Services (Giroscope's wholly owned construction trading subsidiary). Whilst these figures might 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 when they started working with the organisation.

In October Giroscope and Hull City Council won the Empty Homes Network award for the Best Partnership. This recognises the work done by Giroscope and the Housing Strategy Department at Hull City Council in bringing challenging empty properties back into use.

The organisation continues to participate in wider discussions at a local, regional and national level on topics including community-based approaches to regeneration, empty homes and self-help housing. We have participated in research looking at the benefits of bringing empty properties back into use and into policy and advocacy work focussing on the causes and effects of the affordability crisis in housing.

Giroscope continues to offer guidance and support to emerging organisations interested in developing projects bringing empty properties back into use, providing affordable housing and support 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 funding to support renovating empty properties or providing additional support to our beneficiaries.

Giroscope received funding from LandAid, Lloyds Bank Foundation and the Monday Charitable Trust. A number of trusts and foundations contributed to support the volunteer programme and other projects. The Hull and East Riding Charitable Trust continued to support Giroscope's Emergency Fund.

Social investment from Social and Sustainable Capital combined with grant funding from Power to Change and Hull City Council's Right-to-Buy Replacement grant programme was used to fund Giroscope's capital projects purchasing and renovating 'new' empty properties.

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 2018**

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 its activities outlined in the forthcoming years, subject to satisfactory funding arrangements. In addition, it will look to develop other projects to help regenerate Giroscope's neighbourhood, increase the opportunities and/or provide better support 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 or other vacant plots of land in our neighbourhood.
- Develop our volunteer programme to provide a wide range of opportunities and holistic support for people excluded and disadvantaged in the employment market.
- To continue to 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.

Giroscope Limited

Report of the Trustees **for the year ended 31st December 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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

Giroscope Limited

Report of the Trustees
for the year ended 31st December 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

A. Brocklehurst	Accountant
R Amesbury	Director
J F Clarke	Director

Company Secretary

J F Clarke

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 7/5/19 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 2018 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).

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of 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.

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.

Report of the Independent Auditors to the Trustees of
Giroscope Limited

Responsibilities of trustees

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.

Use of our report

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.

cbaSadofskys

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

Date:7/5/19.....

Giroscope Limited

Statement of Financial Activities
for the year ended 31st December 2018

	Notes	Unrestricted funds £	Restricted fund £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,385	-	2,385	2,821
Charitable activities	4				
Renovation and letting of housing		98,842	-	98,842	91,536
Investment income	3	539,935	-	539,935	492,187
Total		641,162	-	641,162	586,544
EXPENDITURE ON					
Charitable activities	5				
Renovation and letting of housing		537,530	-	537,530	435,661
Total		537,530	-	537,530	435,661
Net gains/(losses) on investments		-	-	-	138,650
NET INCOME		103,632	-	103,632	289,533
RECONCILIATION OF FUNDS					
Total funds brought forward		3,267,265	-	3,267,265	2,977,732
TOTAL FUNDS CARRIED FORWARD		3,370,897	-	3,370,897	3,267,265

The notes form part of these financial statements

Giroscope Limited

Balance Sheet
At 31st December 2018

	Notes	Unrestricted funds £	Restricted fund £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	11	47,066	-	47,066	44,030
Investments					
Investments	12	4,999	-	4,999	4,999
Investment property	13	6,158,170	-	6,158,170	5,706,000
		<u>6,210,235</u>	<u>-</u>	<u>6,210,235</u>	<u>5,755,029</u>
CURRENT ASSETS					
Debtors	14	184,151	-	184,151	56,798
Cash at bank		<u>2,591</u>	<u>-</u>	<u>2,591</u>	<u>93,464</u>
		<u>186,742</u>	<u>-</u>	<u>186,742</u>	<u>150,262</u>
CREDITORS					
Amounts falling due within one year	15	(157,519)	-	(157,519)	(108,863)
NET CURRENT ASSETS		<u>29,223</u>	<u>-</u>	<u>29,223</u>	<u>41,399</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,239,458</u>	<u>-</u>	<u>6,239,458</u>	<u>5,796,428</u>
CREDITORS					
Amounts falling due after more than one year	16	(2,868,561)	-	(2,868,561)	(2,529,163)
NET ASSETS		<u><u>3,370,897</u></u>	<u><u>-</u></u>	<u><u>3,370,897</u></u>	<u><u>3,267,265</u></u>
FUNDS	19				
Unrestricted funds				3,370,897	3,267,265
Restricted funds				-	-
TOTAL FUNDS				<u><u>3,370,897</u></u>	<u><u>3,267,265</u></u>

The notes form part of these financial statements

Giroscope Limited

Balance Sheet - continued
At 31st December 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2018.

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 7/5/19 and were signed on its behalf by:


.....
J.F. Clarke -Trustee

The notes form part of these financial statements

Giroscope Limited

Cash Flow Statement
for the year ended 31st December 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	117,591	207,850
Interest paid		(105,084)	(75,160)
Net cash provided by (used in) operating activities		12,507	132,690
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(4,482)	(5,625)
Purchase of investment property		(452,170)	(357,346)
Interest received		3	44
Net cash provided by (used in) investing activities		(456,649)	(362,927)
 Cash flows from financing activities:			
New loans in year		431,899	330,964
Loan repayments in year		(87,502)	(85,002)
Net cash provided by (used in) financing activities		344,397	245,962
 Change in cash and cash equivalents in the reporting period		(99,745)	15,725
Cash and cash equivalents at the beginning of the reporting period	2	93,464	77,739
Cash and cash equivalents at the end of the reporting period	2	(6,281)	93,464

The notes form part of these financial statements

Giroscope Limited

Notes to the Cash Flow Statement
for the year ended 31st December 2018

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

	2018 £	2017 £
Net income for the reporting period (as per the statement of financial activities)	103,632	289,533
Adjustments for:		
Depreciation charges	1,446	862
Gain on investments	-	(138,650)
Interest received	(3)	(44)
Interest paid	105,084	75,160
Increase in debtors	(127,353)	(22,986)
Increase in creditors	34,785	3,975
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	117,591	207,850
	<hr/>	<hr/>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Notice deposits (less than 3 months)	2,591	93,464
Overdrafts included in bank loans and overdrafts falling due within one year	(8,872)	-
	<hr/>	<hr/>
Total cash and cash equivalents	(6,281)	93,464
	<hr/>	<hr/>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2018

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.

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.

Related party exemption

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.

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 2018

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	<u>2,385</u>	<u>2,821</u>

3. INVESTMENT INCOME

	2018	2017
	£	£
Rents received	539,932	492,143
Deposit account interest	3	44
	<u>539,935</u>	<u>492,187</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
Grants	70,614	70,901
Other income	28,228	20,635
	<u>98,842</u>	<u>91,536</u>

Other capital grants received during the year are:

	2018	2017
	£	£
Capital Grants received		
The Nationwide Foundation	-	31,140
Power To Change Grant	26,500	-
Hull City Council Right-To-Buy Replacement Grant	177,989	-
Landaid	40,679	40,679
	<u>245,168</u>	<u>71,819</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

4. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	2018	2017
	£	£
Humber Learning Consortium	3,202	6,300
Humberside, Lincolnshire and North Yorkshire Community Rehabilitation Company	4,167	22,917
Screwfix Foundation	3,500	-
Hull and East Riding Charitable Trust	2,000	2,000
Sir James Reckitt Charity	-	10,000
DCLG - Community Right to Build Fund	(480)	27,964
Architectural Heritage Fund	5,592	-
Hull City Council St Andrews Ward Budget	-	1,720
Monday Charitable Trust	20,000	-
Lloyds Bank Foundation	23,200	-
Youth Action Trust	4,000	-
The Tribune Trust	2,500	-
Hull Community Led Local Development	2,933	-
	<u>70,614</u>	<u>70,901</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Renovation and letting of housing	<u>415,956</u>	<u>121,574</u>	<u>537,530</u>

6. SUPPORT COSTS

	Governance costs
	£
Renovation and letting of housing	<u>121,574</u>

7. NET INCOME/(EXPENDITURE)

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

	2018	2017
	£	£
Auditors' remuneration	3,420	3,420
Depreciation - owned assets	<u>1,446</u>	<u>862</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2018 nor for the year ended 31st December 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2018 nor for the year ended 31st December 2017.

9. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	157,410	120,142
Social security costs	9,815	7,747
Other pension costs	1,496	663
	<u>168,721</u>	<u>128,552</u>

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

	2018	2017
Management and administration	4	4
Support	6	4
	<u>10</u>	<u>8</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	2,821	-	2,821
Charitable activities			
Renovation and letting of housing	20,635	70,901	91,536
Investment income	492,187	-	492,187
Total	<u>515,643</u>	<u>70,901</u>	<u>586,544</u>
EXPENDITURE ON			
Charitable activities			
Renovation and letting of housing	364,760	70,901	435,661
Total	<u>364,760</u>	<u>70,901</u>	<u>435,661</u>
Net gains/(losses) on investments	<u>138,650</u>	-	<u>138,650</u>
NET INCOME	<u>289,533</u>	-	<u>289,533</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	2,977,732	-	2,977,732
TOTAL FUNDS CARRIED FORWARD	<u>3,267,265</u>	<u>-</u>	<u>3,267,265</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st January 2018	38,474	7,370	23,464
Additions	-	-	-
At 31st December 2018	<u>38,474</u>	<u>7,370</u>	<u>23,464</u>
DEPRECIATION			
At 1st January 2018	-	6,741	19,185
Charge for year	-	124	632
At 31st December 2018	<u>-</u>	<u>6,865</u>	<u>19,817</u>
NET BOOK VALUE			
At 31st December 2018	<u>38,474</u>	<u>505</u>	<u>3,647</u>
At 31st December 2017	<u>38,474</u>	<u>629</u>	<u>4,279</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st January 2018	3,060	-	72,368
Additions	1,950	2,532	4,482
At 31st December 2018	<u>5,010</u>	<u>2,532</u>	<u>76,850</u>
DEPRECIATION			
At 1st January 2018	2,412	-	28,338
Charge for year	442	248	1,446
At 31st December 2018	<u>2,854</u>	<u>248</u>	<u>29,784</u>
NET BOOK VALUE			
At 31st December 2018	<u>2,156</u>	<u>2,284</u>	<u>47,066</u>
At 31st December 2017	<u>648</u>	<u>-</u>	<u>44,030</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2018 and 31st December 2018	<u>4,999</u>
NET BOOK VALUE	
At 31st December 2018	<u>4,999</u>
At 31st December 2017	<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

13. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1st January 2018	5,906,113
Additions	<u>452,170</u>
At 31st December 2018	<u>6,358,283</u>
AMORTISATION	
At 1st January 2018 and 31st December 2018	<u>200,113</u>
NET BOOK VALUE	
At 31st December 2018	<u>6,158,170</u>
At 31st December 2017	<u>5,706,000</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Rent arrears	43,610	42,876
Other debtors	140,541	13,922
	<u>184,151</u>	<u>56,798</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 17)	97,208	83,336
Other loans (see note 17)	1,666	1,667
Trade creditors	44,025	8,079
Social security and other taxes	2,489	2,140
Other creditors	8,711	10,221
Accrued expenses	3,420	3,420
	<u>157,519</u>	<u>108,863</u>

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

	2018	2017
	£	£
Bank loans (see note 17)	2,853,558	2,512,494
Other loans (see note 17)	15,003	16,669
	<u>2,868,561</u>	<u>2,529,163</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	8,872	-
Bank loans	88,336	83,336
Other loans	1,666	1,667
	<u>98,874</u>	<u>85,003</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	2,853,558	2,512,494
Other loans - 1-2 years	15,003	16,669
	<u>2,868,561</u>	<u>2,529,163</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

18. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Bank overdraft	8,872	-
Bank loans	2,941,894	2,595,830
	<u>2,950,766</u>	<u>2,595,830</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 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
General fund	3,267,265	103,632	3,370,897
	<u>3,267,265</u>	<u>103,632</u>	<u>3,370,897</u>
TOTAL FUNDS	<u>3,267,265</u>	<u>103,632</u>	<u>3,370,897</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	641,162	(537,530)	103,632
	<u>641,162</u>	<u>(537,530)</u>	<u>103,632</u>
TOTAL FUNDS	<u>641,162</u>	<u>(537,530)</u>	<u>103,632</u>

Comparatives for 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	2,337,849	-	138,650	2,476,499
	<u>2,977,732</u>	<u>289,533</u>	<u>-</u>	<u>3,267,265</u>
	<u>2,977,732</u>	<u>289,533</u>	<u>-</u>	<u>3,267,265</u>
TOTAL FUNDS	<u>2,977,732</u>	<u>289,533</u>	<u>-</u>	<u>3,267,265</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2018

19. MOVEMENT IN FUNDS - continued

Comparative 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>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/17 £	Net movement in funds £	Transfers between funds £	At 31/12/18 £
Unrestricted funds				
General fund	639,883	393,165	(138,650)	894,398
Fair value reserve	2,337,849	-	138,650	2,476,499
TOTAL FUNDS	<u>2,977,732</u>	<u>393,165</u>	<u>-</u>	<u>3,370,897</u>

A current year 12 months and prior year 12 months combined 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	1,156,805	(902,290)	138,650	393,165
Restricted funds				
Restricted	70,901	(70,901)	-	-
TOTAL FUNDS		<u>1,227,706</u>	<u>(973,191)</u>	<u>393,165</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.