

Registered Number: 02046356 (England & Wales)

Registered Charity Number: 1117457

Giroscope Limited

Abbreviated Unaudited Accounts

For the year ended 31st December 2007

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Giroscope Limited

Financial Statements for the year ended 31st December 2007

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Giroscope Limited

Company Information

Management Committee

A Brocklehurst
R. Amesbury
J F Clarke
G A Brooks (Resigned 26/10/07)

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

Sadofskys Chartered Accountants
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 2007

The management committee present their report and the financial statements of the company for the year ended 31st December 2007

A Message from the Acting Chairman

At the start of the year, on January 4th Giroscope became a registered charity. Previous to this our structure was a workers' co-operative with charitable aims. As the personnel of the organisation has changed over the years, with only one founder member remaining, this seemed to be the best way of taking Giroscope forward and sustaining our work long into the future.

An important aspect of making the change to a charity successful was the assembly of the right board of trustees. We currently have three trustees: Alan Brocklehurst, a chartered accountant who has known and worked with Giroscope since its inception, Robert Amesbury, a former director and a founder member of Giroscope and Jon Clarke, a business development worker for Humberside Co-operative Agency who specialises in developing social enterprises.

Martin Newman who was formerly a director and was also a founding member is now Co-ordinator of Giroscope. John Wood remains our Housing Officer with Andy Holden and Paul Firth working with Martin Newman renovating and maintaining the properties. Paul Firth, who came to us originally on a government unemployment scheme, is now a full time employee and this year completed his NVQ level 2 painting and decorating at Hull College.

After the completion of two new properties at the end of last year, this year has seen us develop and further improve our existing stock. We began the year with conversion work at our Arthur Street workshops. We have refurbished a large room which is now used by a group teaching English to new arrivals into the UK. We split another room to create two office spaces which are now used by two other social enterprises. The building is now being used to full capacity and we are looking to the possibility of maybe purchasing another empty property to bring back into use in a similar way.

As and when residential properties became empty during the year we took the opportunity of renovating them where necessary. Prior to re-letting them we also continued our programme of replacing old window frames with new double glazed ones. Several new central heating systems were installed and now only two of our properties are without them. Our maintenance procedures have been improved and speeded up and we are currently instigating an independent tenant satisfaction survey to see if our tenants agree!

Halfway through the year Giroscope finally moved banks. We now have our borrowing facility and current account with Triodos, an ethical bank who specialise in banking for charities. We feel that with the work we do and with our commitment to green practices we are more comfortable working with such a bank. We would also like to thank the organisations that made grants to Giroscope during the year: The Sir James Reckitt Charity, the Grocers' Charity and Hull Community Investment Fund.

Giroscope Limited

Report of the Management Committee

For the year ended 31st December 2007

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 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 06).

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 2007

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 rest 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 invest in the maintenance and renovation of its property. We continued to reduce our void rates, having only one empty property at the year end. We continued to see a rise in the demand for our service taking an average of six calls a day from people seeking accommodation. We continued to develop our non residential property providing an additional three social business spaces.

Giroscope Limited

Report of the Management Committee

For the year ended 31st December 2007

Financial Review

Additional funding opportunities were identified through the Sir James Reckitt Charity, Hull Community Investment Fund and the Grocers Charity. The Charity, with the aid of sound financial management and the support of its board and staff generated a total raised of £12,542.

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 a 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 further developing ways and means of regenerating our neighbourhood and increasing opportunities for the people living there.

Giroscope Limited

Report of the Management Committee

For the year ended 31st December 2007

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 1985. 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

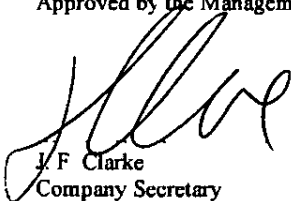
- so far as we are aware, there is no relevant information of which the company's accountants are unaware, and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant information and to establish that the charity's accountants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

Accountants

Sadofskys 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 VII of the Companies Act 1985 relating to small entities.

Approved by the Management Committee on 23rd July 2008 and signed on its behalf by


J. F. Clarke
Company Secretary

Report of the Accountants to the Management Committee of

Giroscope Limited

For the year ended 31st December 2007

The accounts of the company for the year ended 31st December 2007 are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985

Having regard to, and on the basis of, the information in those accounting records, the accounts have been drawn up in a manner consistent with the provisions of the Act as specified in subsection (6) of section 249C, so far as applicable to the company

Having regard only to, and on the basis of, the information in the accounting records, the company satisfied the requirements of section 249A(4) for the year ended 31st December 2007, and did not fall within section 249B(1)(a) to (f) at any time within the year

Sadofskys,
Chartered Accountants
Princes House,
Wright Street,
Hull
HU2 8HX

Date 23rd July 2008

Groscope Limited

Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31st December 2007

	Notes	Unrestricted Funds £	Restricted Funds £	2007 Total £	2006 Total £
<u>Incoming resources</u>	2				
Incoming resources from generated funds:					
<i>Activities for generating funds</i>					
Rent Received		82,947	-	82,947	87,874
Interest Received		419	-	419	2
Incoming resources from charitable activities:					
Services payments and grants	3	12,542	-	12,542	5,000
Other Income		150	-	150	5,827
Total incoming resources		<u>96,058</u>	<u>-</u>	<u>96,058</u>	<u>98,703</u>
<u>Resources expended</u>					
Charitable activities	4	68,845	-	68,845	87,176
Governance costs	5	403	-	403	24,367
Other Costs		-	-	-	100
Total resources expended		<u>69,248</u>	<u>-</u>	<u>69,248</u>	<u>111,643</u>
Net incoming resources before other recognised gains		26,810	-	26,810	(12,940)
Other recognised gains					
Gain on revaluation of fixed assets		<u>1,203,463</u>	<u>-</u>	<u>1,203,463</u>	<u>-</u>
Net movement in funds		1,230,273	-	1,230,273	(12,940)
Reconciliation of funds					
Total funds brought forward		<u>179,834</u>	<u>-</u>	<u>179,834</u>	<u>192,774</u>
Total funds carried forward		<u>1,410,107</u>	<u>-</u>	<u>1,410,107</u>	<u>179,834</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 as at 31st December 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	8		1,512,340		355,673
Current assets					
Debtors	9	460		-	
Cash at bank and in hand		<u>26,033</u>		<u>134</u>	
		26,493		134	
Creditors: amounts falling due within one year	10	<u>13,310</u>		<u>175,973</u>	
Net current assets/(liabilities)			<u>13,183</u>		<u>(175,839)</u>
			1,525,523		179,834
Creditors: amounts falling due after more than one year	11		<u>115,416</u>		<u>-</u>
Total assets less current liabilities			<u>1,410,107</u>		<u>179,834</u>
Funds					
Unrestricted funds - Revaluation reserve	13		1,243,080		39,617
Unrestricted funds - General funds	13		167,027		140,217
Restricted funds	14		<u>-</u>		<u>-</u>
Total members fund			<u>1,410,107</u>		<u>179,834</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2008

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2008 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 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 Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board of Directors on 21st October 2008 and were signed on its behalf by



J F Clarke

Giroscope Limited

Notes to the Financial Statements for year ended 31st December 2007

1 Statement of accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standards 1 – “Cash flow statements”

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

3 Incoming Resources from Charitable Activities

	Unrestricted	Restricted	Total 2007	Total 2006
	£	£	£	£
<i>Grants Received</i>				
Sir James Reckitt Chanty	5,000	-	5,000	-
Hull Community Investment fund	5,542	-	5,542	-
Grocers' Charity	2,000	-	2,000	-
The Hull and East Riding Charitable Trust	-	-	-	5,000
	<u>12,542</u>	<u>-</u>	<u>12,542</u>	<u>5,000</u>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2007

4 Resources expended - Charitable activities

	Unrestricted	Restricted	Total 2007	Total 2006
	£	£	£	£
Sub contractors	5,730	-	5,730	10,268
Repairs and renewals	2,615	-	2,615	25,319
Wages and salaries	43,465	-	43,465	36,088
Rates and water	980	-	980	2,349
Light and heat	2,276	-	2,276	1,555
Telephone	1,310	-	1,310	1,585
Postage, stationery and advertising	548	-	548	613
Motor expenses	3,404	-	3,404	2,701
Insurance	5,367	-	5,367	5,387
Sundry expenses	<u>3,150</u>	<u>-</u>	<u>3,150</u>	<u>1,311</u>
	<u>68,845</u>	<u>-</u>	<u>68,845</u>	<u>87,176</u>

5 Resources expended - Governance costs

	Unrestricted	Restricted	Total 2007	Total 2006
	£	£	£	£
Accountancy fees	2,794	-	2,794	2,188
Professional fees	6,655	-	6,655	133
Bank charges	2,444	-	2,444	2,976
Credit card charges and interest	130	-	130	263
Bank loan interest	8,767	-	8,767	4,481
Corporation tax interest	-	-	-	2
Depreciation of fixed assets	10,114	-	10,114	10,324
(Profit)/Loss on disposal of fixed assets	<u>(30,500)</u>	<u>-</u>	<u>(30,500)</u>	<u>4,000</u>
	<u>403</u>	<u>-</u>	<u>403</u>	<u>24,367</u>

6 Net Incoming Resources for the Year

	2007 £	2006 £
This is stated after charging		
Depreciation of owned assets	10,114	10,324
(Profit)/Loss on disposal of fixed assets	<u>(30,500)</u>	<u>4,000</u>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2007

7 Information on directors and employees

	2007	2006
	£	£
Staff costs		
Gross wages	40,842	34,583
Employers NI	<u>2,623</u>	<u>1,505</u>
	<u>43,465</u>	<u>36,088</u>

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

	2007	2006
Directors	3	5
Other	<u>4</u>	<u>3</u>
	<u>7</u>	<u>8</u>

No employee received emoluments of more than £60,000

No directors' remuneration was paid during the period (2006 - £2,262)

8 Tangible fixed assets

	Freehold Property £	Plant and Machinery etc £	Total £
Cost:			
As at 1 st January 2007	466,422	22,777	489,199
Additions	17,200	3,118	20,318
Disposals	(58,165)	-	(58,165)
Revaluations	<u>1,203,463</u>	<u>-</u>	<u>1,203,463</u>
As at 31st December 2007	<u>1,628,920</u>	<u>25,895</u>	<u>1,654,815</u>
Depreciation:			
As at 1 st January 2007	115,880	17,646	133,526
Charge for the year	9,205	909	10,114
Eliminated on disposals	<u>(1,165)</u>	<u>-</u>	<u>(1,165)</u>
As at 31st December 2007	<u>123,920</u>	<u>18,555</u>	<u>142,475</u>
Net book value:			
As at 31st December 2007	<u>1,505,000</u>	<u>7,340</u>	<u>1,512,340</u>
As at 31st December 2006	<u>350,542</u>	<u>5,131</u>	<u>355,673</u>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2007

8 Tangible fixed assets (ctd...)

Cost or valuation at 31st December 2007 is represented by

	Freehold Property £	Plant and Machinery etc £	Total £
Valuation in 2007	1,203,463	-	1,203,463
Cost	<u>301,537</u>	<u>25,895</u>	<u>451,352</u>
	<u>1,628,920</u>	<u>25,895</u>	<u>1,654,815</u>

If Freehold property had not been revalued it would have been included at the following historical cost

	2007 £	2006 £
Cost	425,477	466,422
Aggregate depreciation	<u>123,920</u>	<u>115,880</u>

Freehold property was valued on an open market basis on 31st December 2007 by the management committee

9 Debtors

	2007 £	2006 £
Other Debtors	460	-
	<u>460</u>	<u>-</u>

10 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	8,682	120,661
Social security and other taxes	905	547
Other creditors	400	100
Credit card	973	665
Accrued expenses	2,350	2,000
Deferred grants	-	52,000
	<u>13,310</u>	<u>175,973</u>

11 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Bank loans	<u>115,416</u>	<u>-</u>

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2007

12 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,512,340	-	1,512,340
Current assets	26,493	-	26,493
Current liabilities	(13,310)	-	(13,310)
Long term liabilities	<u>(115,416)</u>	<u>-</u>	<u>(115,416)</u>
Net assets at 31st December 2007	<u>1,410,107</u>	<u>-</u>	<u>1,410,107</u>

13 Unrestricted Funds

	Revaluation Reserve £	General Funds £	Total £
Balance as at 1 st January 2007	39,617	140,217	179,834
Surplus for the year	<u>1,203,463</u>	<u>26,810</u>	<u>1,230,273</u>
Balance as at 31st December 2007	<u>1,243,080</u>	<u>167,027</u>	<u>1,410,107</u>

14 Restricted Funds

	Incoming Resources £	Total £
Balance as at 1 st January 2007	-	-
Surplus for the year	<u>-</u>	<u>-</u>
Balance as at 31st December 2007	<u>-</u>	<u>-</u>

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