

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 2021

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

FRIDAY



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16/09/2022

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COMPANIES HOUSE

Giroscope Limited

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for the year ended 31st December 2021

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Report of the Trustees
for the year ended 31st December 2021

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 2021. 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 2019).

A MESSAGE FROM THE ACTING CHAIRMAN

2021 was another positive, yet challenging year for Giroscope, as we finally began to move out of the restrictions placed upon us by the pandemic.

We were able to purchase three properties over the course of the year. Two of these are adjoining properties, in a street off Hessle Road and have been empty for over 20 years. They require considerable works to bring them back into use. Renovation works are now well underway.

The second property was a large 4 bed house that required very little work and was soon occupied by an existing Giroscope tenant in need of a larger house. Evidence suggests that there is a clear shortage of larger properties available for social rent, so this represents an important acquisition for the charity.

In October Giroscope commenced work on proposals for a new loan facility with our bank (Handelsbanken). The intention would be to refinance an outstanding loan with our social investment partner (SASC), leaving a balance to purchase three more properties.

In September of 2021 Giroscope acquired the former Premiere Bar on Anlaby Road, Hull. This building, built as a cinema in 1914, has been a large, empty, eyesore for over a decade, on one of the main approach roads to the city. Giroscope acquired the building on lease from Hull City Council and have agreed to take over the freehold once certain remedial works have been completed. We are working with our partners, Integreat Plus and Lonsdale Community Centre, to bring this building back into use. As part of Giroscope's practical strategy for non-residential empty buildings we have found a 'meanwhile' use for the building as a temporary home for the Giroscope furniture project.

Giroscope's ongoing other non-residential project, the refurbishment of the former St Matthews Church began to gather pace in 2021. Progress has been made in the areas of design, planning, procurement and funding (Garfield Weston). Preparatory groundworks were completed in order that the full works can commence in 2022. Repairs to the ground floor leaded glass windows were completed by a local firm (Harrap) and the organ was carefully dismantled and removed to be reused in other churches around the world.

The three timber framed Community Self-Build houses under construction on land to the rear of Giroscope's HQ on Coltman Street, were brought to near completion in 2021. As 2021 came to an end the houses were being painted and snagged with a view to the first tenants moving in, early in 2022. We will still have external and landscape works to finish in 2022. This has been an exciting project for Giroscope as well as providing a steep learning curve! We hope we can continue to develop the house building arm of Giroscope in future years.

Giroscope welcomed several new staff members into the team in 2021. Becky joined our Housing Support team and Kay came on board to run Secure Futures (a joint project with Vulcan Learning Centre). In November 2021 we welcomed Sarah to manage and develop our Volunteer Programme.

As part of the European funded project to develop the former St Matthews Church into community enterprise space, we recruited Govind, to provide business support and development with new and existing enterprises in the neighbourhood, including those occupying Giroscope workshops and offices. Giroscope now has full time reception cover following the recruitment of Christina (initially on a Kickstart placement) and the return to work of Elener after maternity leave. This has led to a far more efficient office, and an improved service for people accessing our organisation.

2021 saw the continued development of two new Giroscope projects, namely the furniture project and the Giroscope cooking project. Oscar, who runs the cooking project went from part-time to full-time in August 2021. Giroscope commenced its healthy food delivery service to tenants, volunteers and other vulnerable people in our community as part of our response to the continuing pandemic.

The furniture project continued to provide services to Giroscope especially to our supported tenants as well as providing a valuable furniture recycling scheme to the neighbourhood.

Report of the Trustees
for the year ended 31st December 2021

Although the pandemic of 2020/21 provided many challenges for our organisation, Giroscope remained open the whole time and was able to respond quickly and effectively to the needs of our service users and the wider community.

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.

ACHIEVEMENT AND PERFORMANCE

In 2021 Giroscope completed the renovation of three newly acquired properties. At the end of the year Giroscope owned a total of 120 properties comprising 135 residential units (108 houses and 27 flats), 2 small enterprise parks (consisting of offices and workshops), the former St Matthew's church, a community shop unit, a café/restaurant premises and our offices at 69 Coltman Street.

As the year came to an end the Volunteer Programme finally got back to full strength following the global pandemic. Giroscope continue to participate in wider discussions at a local, regional and national level on topics including community-based approaches to regeneration, affordable housing, empty homes, innovative approaches to shared living and self-help housing.

Giroscope continues to offer guidance and support to new and emerging organisations interested in developing projects, bringing empty properties back into use, providing affordable housing and support and those offering volunteer and training opportunities.

FINANCIAL REVIEW

Principal funding sources

The principle funding source of the charity are the rents received from the tenants, including Enhanced Housing Benefit (supported tenants) on thirty of our tenancies.

The staff and Management Committee seek funding to support the purchase and renovation of empty properties, the provision of additional support to our beneficiaries and the regeneration of our neighbourhood.

Giroscope received funding from the Hull Community Led Local Development (European Social Fund and European Regional Development Fund), social prescribing funding from the NHS, and the Bettys and Taylors Family Fund. These contributed to Giroscope's volunteer programme, work experiences and other training. Garfield Weston contributed towards the capital costs of refurbishing the former St Matthew's Church.

The capital work renovating empty properties and the new construction of the Community Self Build project was funded by social investment from Social and Sustainable Capital blended with grant funding from Power to Change, and Hull City Council's Right-to-Buy Replacement Grant Fund.

The Hull and East Riding Charitable Trust continued to support Giroscope's Emergency Fund that provides small grants for our tenants and volunteers.

The charity received a small amount of funding via the Government's job retention scheme (furlough scheme).

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.

Report of the Trustees
for the year ended 31st December 2021

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.

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.

Report of the Trustees
for the year ended 31st December 2021

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 Accountant
R Amesbury Director
Ms H R Galbraith Architect

Report of the Trustees
for the year ended 31st December 2021

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 Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 09/09/21 and signed on its behalf by:



.....
R Amesbury - Trustee

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 2021 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 2021 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

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

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

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

Other information

The 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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.

Report of the Independent Auditors to the Trustees of
Giroscope Limited

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, the Charities Statement of Recommended Practice (SORP), taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charities' legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Report of the Independent Auditors to the Trustees of
Giroscope Limited

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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
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: 09/09/22

Giroscope Limited

Statement of Financial Activities
for the year ended 31st December 2021

| | Notes | Unrestricted funds £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|------------------------------------|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 1,056 | - | 1,056 | 924 |
| Charitable activities | | | | | |
| Renovation and letting of housing | | 116,090 | 66,351 | 182,441 | 184,956 |
| Investment income | 3 | 855,780 | - | 855,780 | 736,140 |
| Other income | | - | - | - | 504 |
| Total | | 972,926 | 66,351 | 1,039,277 | 922,524 |
| EXPENDITURE ON | | | | | |
| Charitable activities | 5 | | | | |
| Renovation and letting of housing | | 808,176 | 61,564 | 869,740 | 707,150 |
| Net gains on investments | | 920,712 | - | 920,712 | - |
| NET INCOME | | 1,085,462 | 4,787 | 1,090,249 | 215,374 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 3,729,773 | - | 3,729,773 | 3,514,399 |
| TOTAL FUNDS CARRIED FORWARD | | 4,815,235 | 4,787 | 4,820,022 | 3,729,773 |

The notes form part of these financial statements

Balance Sheet
31st December 2021

| | Notes | Unrestricted funds £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|-------------------------|----------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | 48,287 | - | 48,287 | 48,011 |
| Investments | | | | | |
| Investments | 12 | 4,999 | - | 4,999 | 4,999 |
| Investment property | 13 | 8,213,536 | - | 8,213,536 | 6,956,806 |
| | | <u>8,266,822</u> | <u>-</u> | <u>8,266,822</u> | <u>7,009,816</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 112,555 | 4,787 | 117,342 | 171,614 |
| Cash at bank | | 665 | - | 665 | 107,138 |
| | | <u>113,220</u> | <u>4,787</u> | <u>118,007</u> | <u>278,752</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | (439,231) | - | (439,231) | (234,472) |
| NET CURRENT ASSETS | | <u>(326,011)</u> | <u>4,787</u> | <u>(321,224)</u> | <u>44,280</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>7,940,811</u> | <u>4,787</u> | <u>7,945,598</u> | <u>7,054,096</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 16 | (3,125,576) | - | (3,125,576) | (3,324,323) |
| NET ASSETS | | <u>4,815,235</u> | <u>4,787</u> | <u>4,820,022</u> | <u>3,729,773</u> |
| FUNDS | 19 | | | | |
| Unrestricted funds | | | | 4,815,235 | 3,729,773 |
| Restricted funds | | | | 4,787 | - |
| TOTAL FUNDS | | | | <u>4,820,022</u> | <u>3,729,773</u> |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2021.

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

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 145 of the Charities Act 2011.

The notes form part of these financial statements

Balance Sheet - continued
31st December 2021

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 09/09/22 and were signed on its behalf by:



.....
R Amesbury - Trustee

Giroscope Limited

Cash Flow Statement
for the year ended 31st December 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 328,461 | 364,986 |
| Interest paid | | (112,364) | (116,139) |
| Net cash provided by operating activities | | <u>216,097</u> | <u>248,847</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (2,695) | (3,939) |
| Purchase of investment property | | (336,018) | (477,987) |
| Sale of tangible fixed assets | | - | 1,010 |
| Interest received | | - | 4 |
| Net cash used in investing activities | | <u>(338,713)</u> | <u>(480,912)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | 2,701,120 | 427,500 |
| Loan repayments in year | | (2,689,989) | (126,876) |
| Net cash provided by financing activities | | <u>11,131</u> | <u>300,624</u> |
| Change in cash and cash equivalents in the reporting period | | <u>(111,485)</u> | <u>68,559</u> |
| Cash and cash equivalents at the beginning of the reporting period | 2 | <u>107,138</u> | <u>38,579</u> |
| Cash and cash equivalents at the end of the reporting period | 2 | <u>(4,347)</u> | <u>107,138</u> |

The notes form part of these financial statements

Giroscope Limited

Notes to the Cash Flow Statement
for the year ended 31st December 2021

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

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Net income for the reporting period (as per the Statement of Financial Activities) | 1,090,249 | 215,374 |
| Adjustments for: | | |
| Depreciation charges | 2,419 | 1,904 |
| Losses on investments | (920,712) | - |
| Profit on disposal of fixed assets | - | (504) |
| Interest received | - | (4) |
| Interest paid | 112,364 | 116,139 |
| Decrease in debtors | 54,272 | 12,030 |
| (Decrease)/increase in creditors | (10,131) | 20,047 |
| Net cash provided by operations | <u>328,461</u> | <u>364,986</u> |

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Notice deposits (less than 3 months) | 665 | 107,138 |
| Overdrafts included in bank loans and overdrafts falling due within one year | (5,012) | - |
| Total cash and cash equivalents | <u>(4,347)</u> | <u>107,138</u> |

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1/1/21 £ | Cash flow £ | At 31/12/21 £ |
|---------------------------------|--------------------|------------------|--------------------|
| Net cash | | | |
| Cash at bank | 107,138 | (106,473) | 665 |
| Bank overdraft | - | (5,012) | (5,012) |
| | <u>107,138</u> | <u>(111,485)</u> | <u>(4,347)</u> |
| Debt | | | |
| Debts falling due within 1 year | (132,436) | (209,878) | (342,314) |
| Debts falling due after 1 year | (3,324,323) | 198,747 | (3,125,576) |
| | <u>(3,456,759)</u> | <u>(11,131)</u> | <u>(3,467,890)</u> |
| Total | <u>(3,349,621)</u> | <u>(122,616)</u> | <u>(3,472,237)</u> |

The notes form part of these financial statements

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2021

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 2019)', 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.

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 2021

1. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognised using the accruals model. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the assets to which they relate.

A grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the company with no future related costs, is credited to income in the period in which it becomes receivable.

2. DONATIONS AND LEGACIES

| | 2021 | 2020 |
|-----------|--------------|------------|
| | £ | £ |
| Donations | <u>1,056</u> | <u>924</u> |

3. INVESTMENT INCOME

| | 2021 | 2020 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Rents received | 855,780 | 736,136 |
| Deposit account interest | - | 4 |
| | <u>855,780</u> | <u>736,140</u> |

4. INCOME FROM CHARITABLE ACTIVITIES

| | | 2021 | 2020 |
|--------------|-----------------------------------|----------------|----------------|
| | Activity | £ | £ |
| Grants | Renovation and letting of housing | 78,076 | 108,967 |
| Other income | Renovation and letting of housing | 104,365 | 75,989 |
| | | <u>182,441</u> | <u>184,956</u> |

Other capital grants received during the year are:

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Capital Grants received | | |
| Power To Change Grant | - | 62,500 |
| Hull City Council Right-To-Buy Replacement Grant | 230,987 | 41,911 |
| Architectural Heritage | - | 7,570 |
| Garfield Weston Foundation | 30,000 | - |
| War Memorials Trust | - | 2,453 |
| Community Led Local Development (ERDF project) | 18,879 | - |
| | <u>279,866</u> | <u>114,434</u> |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

4. INCOME FROM CHARITABLE ACTIVITIES - continued

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

| | 2021 | 2020 |
|--|---------------|----------------|
| | £ | £ |
| Hull and East Riding Charitable Trust | 4,500 | 4,500 |
| Lloyds Bank Foundation | - | 23,200 |
| Hull Community Led Local Development | 26,054 | 16,493 |
| Tudor Trust | 2,000 | 12,000 |
| Bettys and Taylors Family Fund | 16,665 | 16,665 |
| Land Aid | - | 8,318 |
| Martin Lewis Coronavirus Emergency Fund | - | 7,755 |
| Good Things Foundation | - | 5,600 |
| Duke of Edinburgh Award Scheme | - | 550 |
| Tesco Bags of Help Covid-19 Communities Fund | - | 500 |
| Rank Foundation | - | 486 |
| Leftfield - Fix your bike voucher scheme | - | 150 |
| Job retention scheme | 9,725 | 12,750 |
| Hull City Council Kickstart scheme | 7,147 | - |
| NHS Social Prescribing Grant | 8,715 | - |
| Sport England | 3,270 | - |
| | <u>78,076</u> | <u>108,967</u> |

5. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Support costs (see note 6) £ | Totals £ |
|-----------------------------------|----------------------|---------------------------------------|----------------|
| Renovation and letting of housing | <u>727,249</u> | <u>142,491</u> | <u>869,740</u> |

6. SUPPORT COSTS

| | Governance costs £ |
|-----------------------------------|--------------------------|
| Renovation and letting of housing | <u>142,491</u> |

7. NET INCOME/(EXPENDITURE)

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

| | 2021 | 2020 |
|-------------------------------------|-----------------|-----------------|
| | £ | £ |
| Auditors' remuneration | 3,780 | 3,780 |
| Depreciation - owned assets | 2,419 | 1,904 |
| Surplus on disposal of fixed assets | - | (504) |
| | <u> </u> | <u> </u> |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2021 nor for the year ended 31st December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2021 nor for the year ended 31st December 2020.

9. STAFF COSTS

| | 2021 | 2020 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 273,291 | 207,101 |
| Social security costs | 10,637 | 14,743 |
| Other pension costs | 5,214 | 4,032 |
| | <u>289,142</u> | <u>225,876</u> |

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

| | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| Management and administration | 6 | 5 |
| Support | 9 | 7 |
| | <u>15</u> | <u>12</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 | 924 | - | 924 |
| Charitable activities | | | |
| Renovation and letting of housing | 184,956 | - | 184,956 |
| Investment income | 736,140 | - | 736,140 |
| Other income | 504 | - | 504 |
| Total | <u>922,524</u> | <u>-</u> | <u>922,524</u> |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Renovation and letting of housing | 707,150 | - | 707,150 |
| NET INCOME | 215,374 | - | 215,374 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 3,514,399 | - | 3,514,399 |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|------------------------------------|----------------------------|-------------------------|---------------------|
| TOTAL FUNDS CARRIED FORWARD | <u>3,729,773</u> | <u>-</u> | <u>3,729,773</u> |

11. TANGIBLE FIXED ASSETS

| | Improvements to property £ | Plant and machinery £ | Fixtures and fittings £ |
|-----------------------|-------------------------------------|-----------------------------|----------------------------------|
| COST | | | |
| At 1st January 2021 | 38,474 | 7,370 | 23,464 |
| Additions | - | - | - |
| At 31st December 2021 | <u>38,474</u> | <u>7,370</u> | <u>23,464</u> |
| DEPRECIATION | | | |
| At 1st January 2021 | - | 7,044 | 20,809 |
| Charge for year | - | 64 | 387 |
| At 31st December 2021 | <u>-</u> | <u>7,108</u> | <u>21,196</u> |
| NET BOOK VALUE | | | |
| At 31st December 2021 | <u>38,474</u> | <u>262</u> | <u>2,268</u> |
| At 31st December 2020 | <u>38,474</u> | <u>326</u> | <u>2,655</u> |
| | Motor vehicles £ | Computer equipment £ | Totals £ |
| COST | | | |
| At 1st January 2021 | 7,039 | 3,927 | 80,274 |
| Additions | - | 2,695 | 2,695 |
| At 31st December 2021 | <u>7,039</u> | <u>6,622</u> | <u>82,969</u> |
| DEPRECIATION | | | |
| At 1st January 2021 | 2,639 | 1,771 | 32,263 |
| Charge for year | 1,100 | 868 | 2,419 |
| At 31st December 2021 | <u>3,739</u> | <u>2,639</u> | <u>34,682</u> |
| NET BOOK VALUE | | | |
| At 31st December 2021 | <u>3,300</u> | <u>3,983</u> | <u>48,287</u> |
| At 31st December 2020 | <u>4,400</u> | <u>2,156</u> | <u>48,011</u> |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

12. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|---|---|
| MARKET VALUE | |
| At 1st January 2021 and 31st December 2021 | 4,999 |
| NET BOOK VALUE | |
| At 31st December 2021 | 4,999 |
| At 31st December 2020 | 4,999 |

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

Registered office: 69 Coltman Street, Hull, HU3 2SJ

Nature of business: Property and building repairs

| | |
|-----------------|----------------|
| Class of share: | % |
| Ordinary | holding 100 |

13. INVESTMENT PROPERTY

| | £ |
|---|-----------|
| FAIR VALUE | |
| At 1st January 2021 | 7,156,919 |
| Additions | 336,018 |
| Revaluation | 920,712 |
| At 31st December 2021 | 8,413,649 |
| AMORTISATION | |
| At 1st January 2021 and 31st December 2021 | 200,113 |
| NET BOOK VALUE | |
| At 31st December 2021 | 8,213,536 |
| At 31st December 2020 | 6,956,806 |

Fair value at 31st December 2021 is represented by:

| | |
|-------------------|-----------|
| | £ |
| Valuation in 2021 | 920,712 |
| Cost | 7,492,937 |
| | 8,413,649 |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---------------|----------------|----------------|
| | £ | £ |
| Rent arrears | 58,841 | 23,127 |
| Other debtors | 58,501 | 148,487 |
| | <u>117,342</u> | <u>171,614</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts (see note 17) | 345,660 | 130,770 |
| Other loans (see note 17) | 1,666 | 1,666 |
| Trade creditors | 43,346 | 67,058 |
| Social security and other taxes | 4,792 | 3,995 |
| Other creditors | 35,987 | 27,383 |
| Accrued expenses | 7,780 | 3,600 |
| | <u>439,231</u> | <u>234,472</u> |

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

| | 2021 | 2020 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Bank loans (see note 17) | 3,115,571 | 3,312,652 |
| Other loans (see note 17) | 10,005 | 11,671 |
| | <u>3,125,576</u> | <u>3,324,323</u> |

17. LOANS

An analysis of the maturity of loans is given below:

| | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank overdrafts | 5,012 | - |
| Bank loans | 340,648 | 130,770 |
| Other loans | 1,666 | 1,666 |
| | <u>347,326</u> | <u>132,436</u> |
| Amounts falling between one and two years: | | |
| Bank loans - 1-2 years | 3,115,571 | 3,312,652 |
| Other loans - 1-2 years | 10,005 | 11,671 |
| | <u>3,125,576</u> | <u>3,324,323</u> |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

18. SECURED DEBTS

The following secured debts are included within creditors:

| | 2021 £ | 2020 £ |
|----------------|------------------|------------------|
| Bank overdraft | 5,012 | - |
| Bank loans | 3,456,219 | 3,443,422 |
| | <u>3,461,231</u> | <u>3,443,422</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 1/1/21 £ | Net movement in funds £ | At 31/12/21 £ |
|---------------------------|------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 3,729,773 | 1,085,462 | 4,815,235 |
| Restricted funds | | | |
| Restricted | - | 4,787 | 4,787 |
| TOTAL FUNDS | <u>3,729,773</u> | <u>1,090,249</u> | <u>4,820,022</u> |

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 | 972,926 | (808,176) | 920,712 | 1,085,462 |
| Restricted funds | | | | |
| Restricted | 66,351 | (61,564) | - | 4,787 |
| TOTAL FUNDS | <u>1,039,277</u> | <u>(869,740)</u> | <u>920,712</u> | <u>1,090,249</u> |

Comparatives for movement in funds

| | At 1/1/20 £ | Net movement in funds £ | At 31/12/20 £ |
|---------------------------|------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 3,514,399 | 215,374 | 3,729,773 |
| TOTAL FUNDS | <u>3,514,399</u> | <u>215,374</u> | <u>3,729,773</u> |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

19. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 922,524 | (707,150) | 215,374 |
| TOTAL FUNDS | <u>922,524</u> | <u>(707,150)</u> | <u>215,374</u> |

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

| | At 1/1/20 £ | Net movement in funds £ | At 31/12/21 £ |
|---------------------------|------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 3,514,399 | 1,300,836 | 4,815,235 |
| Restricted funds | | | |
| Restricted | - | 4,787 | 4,787 |
| TOTAL FUNDS | <u>3,514,399</u> | <u>1,305,623</u> | <u>4,820,022</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 | 1,895,450 | (1,515,326) | 920,712 | 1,300,836 |
| Restricted funds | | | | |
| Restricted | 66,351 | (61,564) | - | 4,787 |
| TOTAL FUNDS | <u>1,961,801</u> | <u>(1,576,890)</u> | <u>920,712</u> | <u>1,305,623</u> |

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2021

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.