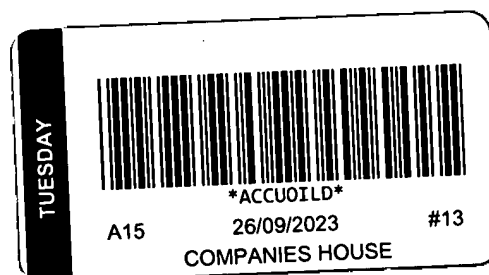


REGISTERED COMPANY NUMBER: 02046356 (England and Wales)
REGISTERED CHARITY NUMBER: 1117457

Giroscope Limited
Report of the Trustees and
Financial Statements
for the Year Ended 31st December 2022



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

Giroscope Limited

Contents of the Financial Statements
for the year ended 31st December 2022

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Report of the Trustees
for the year ended 31st December 2022

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 2022. 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

In an unpredictable and uncertain property market and economic picture Giroscope cautiously expanded its property stock in 2022.

All three purchases in the year were off-market. 18 Cadogan Street, was purchased in late July. The property had been empty for over a year and was in both serious disrepair and full of furniture and possessions. After substantial internal and external works, the property was let in early December.

14 Albert Avenue was also purchased in late July of 2022. A very large property situated to the north of the Giroscope estate which requires considerable renovation. The property is now completely stripped out, new windows have been fitted and most of the subsidence issues have been addressed. The property will take some time to bring back to its former glory, and we expect to complete renovations in the summer of 2024.

The third property to be purchased in 2023 was 57 Bachelor Street. This was a property that had been leased from a private landlord for 10 years by Hull City Council. The property was tenanted and the lease was coming to an end. We approached the landlord, who was open to the idea of selling with the tenant in situ. Giroscope completed the purchase and the tenants have stayed in place without any disruption to their lives.

In October 2022 Giroscope paid back its loan facility with Social & Sustainable Capital (SASC) using long term loan debt finance from Handelsbanken, our principle bankers. This loan was taken out in December 2017 and unlocked a grant from Power to Change. These funds were used to construct the three house Giroscope self-build project.

When topped up with Right to Buy Replacement Grant fund from Hull City Council this pot of money enabled Giroscope to also complete some further purchase and renovate projects - mostly on Coltman Street, home to Giroscope HQ.

The self-build project was completed in 2022. The three houses were occupied one after another early in 2022. All the gardens and boundary works were completed in the Summer as the tenants had moved in. This included the completion of the two flood alleviation ponds at the front and rear of the properties.

These houses will join the rest of the Giroscope stock as social housing for the duration of their life. All the tenants moved into the new houses from existing Giroscope properties - freeing up three properties for people in housing need. Giroscope will explore further new build projects in the future.

Work continued throughout the year on the renovation of the former St Matthews church. A new floor was installed incorporating underfloor heating. The mezzanines were constructed above both aisles of the former church. These will provide office spaces as the building is developed into a community enterprise & training hub. Work is expected to be complete on the project in early 2024.

Some of the funding for the St Matthews project was from European Structural Investment Funds. in the case of St Matthews, the European Regional Development Fund (ERDF). This was finally spent out in April 2022. As well as providing capital funding for some of the renovation work at the former church, we also received ERDF to provide business development and support to new and existing enterprises in our community. We hope to continue this work in the future if funding becomes available.

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.

Report of the Trustees
for the year ended 31st December 2022

ACHIEVEMENT AND PERFORMANCE

At the end of the year Giroscope owned a total of 123 properties comprising 138 residential units (111 houses and 27 flats), 2 enterprise parks (comprising of offices and workshops), the former St Matthew's church, a community shop, a café premises and our office at 69 Coltman Street.

We also lease the former Premiere Bar (built as a cinema) and a three bedroom flat from Hull City Council.

We continue to manage 6 privately owned properties on behalf of Hull City Council, who took over control from the absent owners via Empty Dwelling Management Orders.

In 2022 Giroscope completed the construction of our first new build project of 3 houses to the rear of our offices at 69 Coltman Street.

We purchased 3 houses in 2022. 2 were completely derelict, and required a full schedule of works, whilst one was a tenanted property, that had formerly been leased to Hull City Council.

We completed a full renovation programme to 5 existing Giroscope properties, including regularising rooms in the roof, and improving thermal efficiency. We also commenced renovation works on the 2 newly acquired properties referred to above.

Later in the year we received recognition from the property charity LandAid, winning an award for our work supporting young homeless people.

In 2022, 103 people engaged with the Giroscope Volunteer Programme carrying out work experience across our five projects: construction, cooking, computer recycling, bike workshop and furniture.

Throughout 2022 Giroscope delivered over 50 business support outcomes. This included specialist support to new and existing local enterprises and pre-enterprise support to budding entrepreneurs.

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.

Giroscope continues 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.

Report of the Trustees
for the year ended 31st December 2022

FINANCIAL REVIEW

Principal funding sources

The principle funding source of the charity are the rents received from the tenants. This includes payments made from tenants and direct payments from Housing Benefit, for both supported and unsupported tenants.

The senior management team and other staff at Giroscope continue to 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.

This funding is primarily debt finance from our bankers. We also access both statutory and non-statutory grants and donations when opportunities arise. These come in the form of both capital and revenue grants.

Giroscope received funding from the Hull Community Led Local Development Fund (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.

The Sir James Reckitt Charitable Trust made two grants to Giroscope in 2022: £10,000 towards the refurbishment of 46 Wellsted Street and £85,000 from their Centenary Fund.

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

In October 2022 Giroscope paid back its loan facility with Social and Sustainable Capital (SASC) using long term debt finance for Handelsbanken, our principle bankers. The loan was taken out in 2017 and unlocked a grant from Power to Change. These funds were used to construct the Giroscope self-build project and complete other house renovations.

We also received grants from UK Cycling, Two Ridings Community Foundation, Renew, and the Winter Warmth Community grant 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.

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.

Report of the Trustees
for the year ended 31st December 2022

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 2022

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 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Sadofskys
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, Sadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 12/09/23 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 2022 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 2022 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.

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:

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.

Sadofskys

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:12.09.23.....

Giroscope Limited

Statement of Financial Activities
for the year ended 31st December 2022

		Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,396	-	1,396	1,056
Charitable activities	4				
Renovation and letting of housing		114,569	160,511	275,080	182,441
Investment income	3	876,288	-	876,288	855,780
Total		<u>992,253</u>	<u>160,511</u>	<u>1,152,764</u>	<u>1,039,277</u>
EXPENDITURE ON					
Charitable activities	5				
Renovation and letting of housing		<u>842,843</u>	<u>153,188</u>	<u>996,031</u>	<u>869,740</u>
Net gains on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>920,712</u>
NET INCOME		149,410	7,323	156,733	1,090,249
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>4,815,235</u>	<u>4,787</u>	<u>4,820,022</u>	<u>3,729,773</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>4,964,645</u></u>	<u><u>12,110</u></u>	<u><u>4,976,755</u></u>	<u><u>4,820,022</u></u>

The notes form part of these financial statements

Giroscope Limited (Registered number: 02046356)

Balance Sheet
31st December 2022

	Notes	Unrestricted funds £	Restricted fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	46,914	-	46,914	48,287
Investments					
Investments	12	4,999	-	4,999	4,999
Investment property	13	8,729,450	-	8,729,450	8,213,536
		<u>8,781,363</u>	<u>-</u>	<u>8,781,363</u>	<u>8,266,822</u>
CURRENT ASSETS					
Debtors	14	23,390	12,110	35,500	117,342
Cash at bank		<u>116,487</u>	<u>-</u>	<u>116,487</u>	<u>665</u>
		<u>139,877</u>	<u>12,110</u>	<u>151,987</u>	<u>118,007</u>
CREDITORS					
Amounts falling due within one year	15	(195,586)	-	(195,586)	(439,231)
		<u>(55,709)</u>	<u>12,110</u>	<u>(43,599)</u>	<u>(321,224)</u>
NET CURRENT ASSETS					
		<u>(55,709)</u>	<u>12,110</u>	<u>(43,599)</u>	<u>(321,224)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,725,654</u>	<u>12,110</u>	<u>8,737,764</u>	<u>7,945,598</u>
CREDITORS					
Amounts falling due after more than one year	16	(3,761,009)	-	(3,761,009)	(3,125,576)
		<u>(3,761,009)</u>	<u>-</u>	<u>(3,761,009)</u>	<u>(3,125,576)</u>
NET ASSETS		<u>4,964,645</u>	<u>12,110</u>	<u>4,976,755</u>	<u>4,820,022</u>
FUNDS	19				
Unrestricted funds				4,964,645	4,815,235
Restricted funds				<u>12,110</u>	<u>4,787</u>
TOTAL FUNDS				<u>4,976,755</u>	<u>4,820,022</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2022.

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

Giroscope Limited (Registered number: 02046356)

Balance Sheet - continued
31st December 2022

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 12/09/23 and were signed on its behalf by:


.....
R Amesbury - Trustee

The notes form part of these financial statements

Giroscope Limited

Cash Flow Statement
for the year ended 31st December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	333,845	328,461
Interest paid		(148,773)	(112,364)
Net cash provided by operating activities		<u>185,072</u>	<u>216,097</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(909)	(2,695)
Purchase of investment property		(515,914)	(336,018)
Net cash used in investing activities		<u>(516,823)</u>	<u>(338,713)</u>
Cash flows from financing activities			
New loans in year		1,586,200	2,701,120
Loan repayments in year		(1,133,615)	(2,689,989)
Net cash provided by financing activities		<u>452,585</u>	<u>11,131</u>
Change in cash and cash equivalents in the reporting period		<u>120,834</u>	<u>(111,485)</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>(4,347)</u>	<u>107,138</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>116,487</u></u>	<u><u>(4,347)</u></u>

The notes form part of these financial statements

Giroscope Limited

Notes to the Cash Flow Statement
for the year ended 31st December 2022

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

	2022	2021
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	156,733	1,090,249
Adjustments for:		
Depreciation charges	2,282	2,419
Losses on investments	-	(920,712)
Interest paid	148,773	112,364
Decrease in debtors	81,842	54,272
Decrease in creditors	(55,785)	(10,131)
Net cash provided by operations	<u>333,845</u>	<u>328,461</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Notice deposits (less than 3 months)	116,487	665
Overdrafts included in bank loans and overdrafts falling due within one year	-	(5,012)
Total cash and cash equivalents	<u>116,487</u>	<u>(4,347)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/22	Cash flow	At 31/12/22
	£	£	£
Net cash			
Cash at bank	665	115,822	116,487
Bank overdraft	(5,012)	5,012	-
	<u>(4,347)</u>	<u>120,834</u>	<u>116,487</u>
Debt			
Debts falling due within 1 year	(342,314)	182,848	(159,466)
Debts falling due after 1 year	(3,125,576)	(635,433)	(3,761,009)
	<u>(3,467,890)</u>	<u>(452,585)</u>	<u>(3,920,475)</u>
Total	<u>(3,472,237)</u>	<u>(331,751)</u>	<u>(3,803,988)</u>

The notes form part of these financial statements

Giroscope Limited

Notes to the Financial Statements for the year ended 31st December 2022

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 2022

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

	2022	2021
	£	£
Donations	<u>1,396</u>	<u>1,056</u>

3. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	<u>876,288</u>	<u>855,780</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
	Activity	£	£
Grants	Renovation and letting of housing	160,511	78,076
Other income	Renovation and letting of housing	114,569	104,365
		<u>275,080</u>	<u>182,441</u>

Other capital grants received during the year are:

	2022	2021
	£	£
Capital Grants received		
Hull City Council Right-To-Buy Replacement Grant	82,610	230,987
Sir James Reckitt Charity	10,000	-
Garfield Weston Foundation	-	30,000
Community Led Local Development (ERDF project)	239,963	18,879
	<u>332,573</u>	<u>279,866</u>

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

	2022	2021
	£	£
Hull and East Riding Charitable Trust	10,000	4,500
Sir James Reckitt Charity	85,000	-
Hull Community Led Local Development	28,133	26,054
Tudor Trust	-	2,000
Bettys and Taylors Family Fund	16,665	16,665
	<u>139,798</u>	<u>49,219</u>
Carried forward		

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

4. INCOME FROM CHARITABLE ACTIVITIES - continued

	2022	2021
	£	£
Brought forward	139,798	49,219
Job retention scheme	2,986	9,725
Hull City Council Kickstart scheme	-	7,147
NHS Social Prescribing Grant	8,715	8,715
Sport England	-	3,270
Renew Community Fund	2,000	-
UK Cycling - Big Bike Revival	2,867	-
Two Ridings Community Foundation	1,930	-
Winter Warmth Community Foundation	2,215	-
	<u>160,511</u>	<u>78,076</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Renovation and letting of housing	<u>819,898</u>	<u>176,133</u>	<u>996,031</u>

6. SUPPORT COSTS

	Governance costs £
Renovation and letting of housing	<u>176,133</u>

7. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Auditors' remuneration	4,800	3,780
Depreciation - owned assets	<u>2,282</u>	<u>2,419</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2022 nor for the year ended 31st December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2022 nor for the year ended 31st December 2021.

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

9. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	361,602	273,291
Social security costs	21,955	10,637
Other pension costs	6,823	5,214
	<u>390,380</u>	<u>289,142</u>

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

	2022	2021
Management and administration	8	6
Support	11	9
	<u>19</u>	<u>15</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	1,056	-	1,056
Charitable activities			
Renovation and letting of housing	116,090	66,351	182,441
Investment income	855,780	-	855,780
Total	<u>972,926</u>	<u>66,351</u>	<u>1,039,277</u>
EXPENDITURE ON			
Charitable activities			
Renovation and letting of housing	808,176	61,564	869,740
Net gains on investments	920,712	-	920,712
NET INCOME	1,085,462	4,787	1,090,249
RECONCILIATION OF FUNDS			
Total funds brought forward	3,729,773	-	3,729,773
TOTAL FUNDS CARRIED FORWARD	<u>4,815,235</u>	<u>4,787</u>	<u>4,820,022</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st January 2022	38,474	7,370	23,464
Additions	-	-	-
At 31st December 2022	38,474	7,370	23,464
DEPRECIATION			
At 1st January 2022	-	7,108	21,196
Charge for year	-	51	329
At 31st December 2022	-	7,159	21,525
NET BOOK VALUE			
At 31st December 2022	38,474	211	1,939
At 31st December 2021	38,474	262	2,268
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st January 2022	7,039	6,622	82,969
Additions	-	909	909
At 31st December 2022	7,039	7,531	83,878
DEPRECIATION			
At 1st January 2022	3,739	2,639	34,682
Charge for year	825	1,077	2,282
At 31st December 2022	4,564	3,716	36,964
NET BOOK VALUE			
At 31st December 2022	2,475	3,815	46,914
At 31st December 2021	3,300	3,983	48,287

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2022 and 31st December 2022	4,999
NET BOOK VALUE	
At 31st December 2022	4,999
At 31st December 2021	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 2022	8,413,649
Additions	515,914
At 31st December 2022	8,929,563
AMORTISATION	
At 1st January 2022 and 31st December 2022	200,113
NET BOOK VALUE	
At 31st December 2022	8,729,450
At 31st December 2021	8,213,536

Fair value at 31st December 2022 is represented by:

	£
Valuation in 2021	920,712
Cost	8,008,851
	8,929,563

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Rent arrears	26,419	58,841
Other debtors	9,081	58,501
	<u>35,500</u>	<u>117,342</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 17)	157,800	345,660
Other loans (see note 17)	1,666	1,666
Trade creditors	3,545	43,346
Social security and other taxes	6,507	4,792
Other creditors	21,568	35,987
Accrued expenses	4,500	7,780
	<u>195,586</u>	<u>439,231</u>

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

	2022	2021
	£	£
Bank loans (see note 17)	3,629,670	3,115,571
Other loans (see note 17)	131,339	10,005
	<u>3,761,009</u>	<u>3,125,576</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	-	5,012
Bank loans	157,800	340,648
Other loans	1,666	1,666
	<u>159,466</u>	<u>347,326</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	3,629,670	3,115,571
Other loans - 1-2 years	131,339	10,005
	<u>3,761,009</u>	<u>3,125,576</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

18. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank overdraft	-	5,012
Bank loans	3,787,470	3,456,219
	<u>3,787,470</u>	<u>3,461,231</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 1/1/22 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
General fund	4,815,235	149,410	4,964,645
Restricted funds			
Restricted	4,787	7,323	12,110
TOTAL FUNDS	<u>4,820,022</u>	<u>156,733</u>	<u>4,976,755</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	992,253	(842,843)	149,410
Restricted funds			
Restricted	160,511	(153,188)	7,323
TOTAL FUNDS	<u>1,152,764</u>	<u>(996,031)</u>	<u>156,733</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

19. MOVEMENT IN FUNDS - continued

Comparatives for 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>

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	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>

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

	At 1/1/21 £	Net movement in funds £	At 31/12/22 £
Unrestricted funds			
General fund	3,729,773	1,234,872	4,964,645
Restricted funds			
Restricted	-	12,110	12,110
TOTAL FUNDS	<u>3,729,773</u>	<u>1,246,982</u>	<u>4,976,755</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2022

19. MOVEMENT IN FUNDS - continued

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	1,965,179	(1,651,019)	920,712	1,234,872
Restricted funds				
Restricted	226,862	(214,752)	-	12,110
TOTAL FUNDS	<u>2,192,041</u>	<u>(1,865,771)</u>	<u>920,712</u>	<u>1,246,982</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.