

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 2020

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



Giroscope Limited

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for the year ended 31st December 2020

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Report of the Trustees
for the year ended 31st December 2020

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 2020. 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

2020 was a strange and challenging year, yet in spite of all of the challenges, we managed to keep supporting our tenants, volunteers and our local community.

Over the last year many of the problems faced by the people with whom we work, have been exacerbated, as people have become more isolated and subject to greater levels of stress. Our response to the COVID-19 pandemic adapted to the lockdowns and restrictions, as well as changes in our user's situations and circumstances. Initially our work was mainly reactive: providing support over the telephone to check in and make sure that people were managing, offering food parcels and providing activities to keep people occupied.

The distribution of food has been one of the biggest ways our organisation has supported our tenants, volunteers and local community over the last year. We have concentrated on distributing healthy, fresh food, including fresh fruit and vegetables.

During the year we distributed 59 devices (laptops, computers, tablets and smartphones) to enable children to access online teaching from home, and adults who were shielding, to get online and be more connected.

Seven empty properties were renovated during the year: five flats in 167 Coltman Street were completed and two long-term empty houses. The flats at 167 Coltman Street were finished in February 2020 and 7 new tenants moved into the building. This was an interesting project where we installed our first air source heat pumps, triple glazed windows with wall, floor and roof insulation to improve the energy performance and comfort of the building.

The Community Self Build project made substantial progress during 2020. The structural frames for the first property were constructed and raised in February. Progress was interrupted during the first lockdown, but work continued steadily with a small team for the rest of the year.

Progress was also made on the redevelopment of the former St Matthews Church. We obtained planning permission in December for works to the building to create workspace and new community spaces and facilities within the building. We plan to start the construction works in 2021.

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 2020

ACHIEVEMENT AND PERFORMANCE

In 2020 the organisation completed the renovation of seven properties; two houses and five flats in the same building. During the year we also purchased five new properties. At the end of the year Giroscope owned a total of 114 properties: 129 residential units (102 houses and 27 flats) as well as 5 non-residential buildings providing workspace to 15 organisations. At the end of the year Giroscope provided housing to over 320 people. 16 bed-spaces across 6 different properties are ring-fenced for young people who are homeless or at risk of homelessness. During the year 22 young people, at risk of homelessness were housed in these properties.

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 and self-help housing.

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

FINANCIAL REVIEW

Principal funding sources

The principle funding source of the charity are the rents received from the tenants. Giroscope now has an agreement in place for us to receive enhanced housing benefit up to 30 tenants that need additional support.

The staff and Management Committee seek funding to support renovating empty properties, provide additional support to our beneficiaries or regenerate our neighbourhood.

Giroscope received funding from the Lloyds Bank Foundation, Hull Community Led Local Development and the Bettys and Taylors Family Fund contributed towards the volunteer programme and other training opportunities.

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.

Grants received from the Martin Lewis Coronavirus Emergency Fund, the Good Things Foundation, The Tudor Trust and LandAid supported some of our activity to respond to the COVID-19 pandemic. The Hull and East Riding Charitable Trust continued to support Giroscope's Emergency Fund that provides small grants for our tenants and volunteers.

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 2020

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 2020

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 - Director (appointed 20/1/20)

Report of the Trustees
for the year ended 31st December 2020

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.

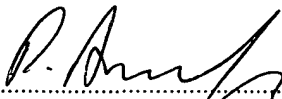
In so far as the trustees are aware:

- 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 24/05/2021 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 2020 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 2020 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 company through discussions with directors and other management, and from our commercial knowledge and experience of the pharmaceutical industry;
- 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 company, including the Companies Act 2006, UK tax legislation, and data protection, anti-bribery, employment, environmental, health and safety legislation along with industry specific regulations and requirements such as compliance with regulations set out by the Department of Health and the Medicines and Healthcare products Regulatory Agency (MHRA);
- 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 company'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 set out in note 2 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 company's legal advisors.

Report of the Independent Auditors to the Trustees of
Giroscope Limited

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 directors 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.

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: 24/5/2021

Giroscope Limited

Statement of Financial Activities
for the year ended 31st December 2020

	Notes	Unrestricted funds £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	924	-	924	727
Charitable activities					
Renovation and letting of housing	4	184,956	-	184,956	153,549
Investment income	3	736,140	-	736,140	603,629
Other income		504	-	504	-
Total		922,524	-	922,524	757,905
EXPENDITURE ON					
Charitable activities					
Renovation and letting of housing	5	707,150	-	707,150	614,403
NET INCOME		215,374	-	215,374	143,502
RECONCILIATION OF FUNDS					
Total funds brought forward		3,514,399	-	3,514,399	3,370,897
TOTAL FUNDS CARRIED FORWARD		3,729,773	-	3,729,773	3,514,399

The notes form part of these financial statements

Balance Sheet
31st December 2020

	Notes	Unrestricted funds £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	11	48,011	-	48,011	46,482
Investments					
Investments	12	4,999	-	4,999	4,999
Investment property	13	6,956,806	-	6,956,806	6,478,819
		<u>7,009,816</u>	<u>-</u>	<u>7,009,816</u>	<u>6,530,300</u>
CURRENT ASSETS					
Debtors	14	171,614	-	171,614	183,644
Cash at bank		107,138	-	107,138	38,579
		<u>278,752</u>	<u>-</u>	<u>278,752</u>	<u>222,223</u>
CREDITORS					
Amounts falling due within one year	15	(234,472)	-	(234,472)	(171,991)
NET CURRENT ASSETS		<u>44,280</u>	<u>-</u>	<u>44,280</u>	<u>50,232</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,054,096	-	7,054,096	6,580,532
CREDITORS					
Amounts falling due after more than one year	16	(3,324,323)	-	(3,324,323)	(3,066,133)
NET ASSETS		<u>3,729,773</u>	<u>-</u>	<u>3,729,773</u>	<u>3,514,399</u>
FUNDS	19				
Unrestricted funds				3,729,773	3,514,399
TOTAL FUNDS				<u>3,729,773</u>	<u>3,514,399</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2020.

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

The notes form part of these financial statements

Balance Sheet - continued
31st December 2020

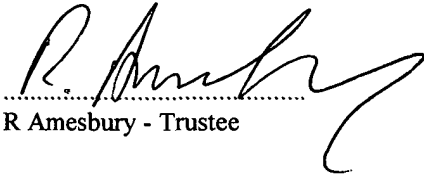
The trustees acknowledge their responsibilities for

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

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

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 24/05/2021 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 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	364,986	267,152
Interest paid		(116,139)	(97,820)
Net cash provided by operating activities		<u>248,847</u>	<u>169,332</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,939)	(1,395)
Purchase of investment property		(477,987)	(320,649)
Sale of tangible fixed assets		1,010	-
Interest received		4	-
Net cash used in investing activities		<u>(480,912)</u>	<u>(322,044)</u>
Cash flows from financing activities			
New loans in year		427,500	287,574
Loan repayments in year		(126,876)	(90,002)
Net cash provided by financing activities		<u>300,624</u>	<u>197,572</u>
Change in cash and cash equivalents in the reporting period		<u>68,559</u>	<u>44,860</u>
Cash and cash equivalents at the beginning of the reporting period		<u>38,579</u>	<u>(6,281)</u>
Cash and cash equivalents at the end of the reporting period		<u><u>107,138</u></u>	<u><u>38,579</u></u>

The notes form part of these financial statements

Giroscope Limited

Notes to the Cash Flow Statement
for the year ended 31st December 2020

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

	2020	2019
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	215,374	143,502
Adjustments for:		
Depreciation charges	1,904	1,979
Profit on disposal of fixed assets	(504)	-
Interest received	(4)	-
Interest paid	116,139	97,820
Decrease in debtors	12,030	507
Increase in creditors	20,047	23,344
Net cash provided by operations	364,986	267,152

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
Net cash			
Cash at bank	38,579	68,559	107,138
	<u>38,579</u>	<u>68,559</u>	<u>107,138</u>
Debt			
Debts falling due within 1 year	(90,002)	(42,434)	(132,436)
Debts falling due after 1 year	(3,066,133)	(258,190)	(3,324,323)
	<u>(3,156,135)</u>	<u>(300,624)</u>	<u>(3,456,759)</u>
Total	<u>(3,117,556)</u>	<u>(232,065)</u>	<u>(3,349,621)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31st December 2020

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.

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.

Notes to the Financial Statements - continued
for the year ended 31st December 2020

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

	2020	2019
	£	£
Donations	924	727
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	736,136	603,629
Deposit account interest	4	-
	<u>736,140</u>	<u>603,629</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2020	2019
	Activity	£	£
Grants	Renovation and letting of housing	108,967	100,012
Other income	Renovation and letting of housing	75,989	53,537
		<u>184,956</u>	<u>153,549</u>

Other capital grants received during the year are:

	2020	2019
	£	£
Capital Grants received		
Power To Change Grant	62,500	61,000
Hull City Council Right-To-Buy Replacement Grant	41,911	195,003
Architectural Heritage	7,570	-
Worshipful Company of Glaziers	-	1,000
War Memorials Trust	2,453	18,770
LandAid	-	38,767
	<u>114,434</u>	<u>314,540</u>

Notes to the Financial Statements - continued
for the year ended 31st December 2020

4. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	2020	2019
	£	£
National Lottery Awards for All	-	10,000
Hull and East Riding Charitable Trust	4,500	2,000
Architectural Heritage Fund	-	6,207
Lloyds Bank Foundation	23,200	23,200
Hull Community Led Local Development	16,493	42,887
Yorkshire Bank Bike Library	-	3,718
Tudor Trust	12,000	12,000
Bettys and Taylors Family Fund	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	12,750	-
	<u>108,967</u>	<u>100,012</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Renovation and letting of housing	<u>575,909</u>	<u>131,241</u>	<u>707,150</u>

6. SUPPORT COSTS

	Governance costs £
Renovation and letting of housing	<u>131,241</u>

Notes to the Financial Statements - continued
for the year ended 31st December 2020

7. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Auditors' remuneration	3,780	3,420
Depreciation - owned assets	1,904	1,979
Surplus on disposal of fixed assets	(504)	-
	<u> </u>	<u> </u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	207,101	172,797
Social security costs	14,743	10,424
Other pension costs	4,032	2,691
	<u>225,876</u>	<u>185,912</u>

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

	2020	2019
Management and administration	5	4
Support	7	7
	<u>12</u>	<u>11</u>

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

Notes to the Financial Statements - continued
for the year ended 31st December 2020

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	727	-	727
Charitable activities			
Renovation and letting of housing	153,549	-	153,549
Investment income	603,629	-	603,629
Total	<u>757,905</u>	<u>-</u>	<u>757,905</u>
EXPENDITURE ON			
Charitable activities			
Renovation and letting of housing	614,403	-	614,403
NET INCOME	<u>143,502</u>	<u>-</u>	<u>143,502</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	3,370,897	-	3,370,897
TOTAL FUNDS CARRIED FORWARD	<u><u>3,514,399</u></u>	<u><u>-</u></u>	<u><u>3,514,399</u></u>

Notes to the Financial Statements - continued
for the year ended 31st December 2020

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st January 2020	38,474	7,370	23,464
Additions	-	-	-
Disposals	-	-	-
At 31st December 2020	38,474	7,370	23,464
DEPRECIATION			
At 1st January 2020	-	6,964	20,353
Charge for year	-	80	456
Eliminated on disposal	-	-	-
At 31st December 2020	-	7,044	20,809
NET BOOK VALUE			
At 31st December 2020	38,474	326	2,655
At 31st December 2019	38,474	406	3,111
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st January 2020	5,010	3,927	78,245
Additions	3,939	-	3,939
Disposals	(1,910)	-	(1,910)
At 31st December 2020	7,039	3,927	80,274
DEPRECIATION			
At 1st January 2020	3,393	1,053	31,763
Charge for year	650	718	1,904
Eliminated on disposal	(1,404)	-	(1,404)
At 31st December 2020	2,639	1,771	32,263
NET BOOK VALUE			
At 31st December 2020	4,400	2,156	48,011
At 31st December 2019	1,617	2,874	46,482

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2020

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2020 and 31st December 2020	<u>4,999</u>
NET BOOK VALUE	
At 31st December 2020	<u>4,999</u>
At 31st December 2019	<u>4,999</u>

There were no investment assets outside the UK.

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

Giroscope Services Limited

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 2020	6,678,932
Additions	<u>477,987</u>
At 31st December 2020	<u>7,156,919</u>
AMORTISATION	
At 1st January 2020 and 31st December 2020	<u>200,113</u>
NET BOOK VALUE	
At 31st December 2020	<u>6,956,806</u>
At 31st December 2019	<u>6,478,819</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2020

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Rent arrears	23,127	42,470
Other debtors	148,487	141,174
	<u>171,614</u>	<u>183,644</u>
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Bank loans and overdrafts (see note 17)	130,770	88,336
Other loans (see note 17)	1,666	1,666
Trade creditors	67,058	58,018
Social security and other taxes	3,995	3,453
Other creditors	27,383	17,098
Accrued expenses	3,600	3,420
	<u>234,472</u>	<u>171,991</u>
16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
	£	£
Bank loans (see note 17)	3,312,652	3,052,796
Other loans (see note 17)	11,671	13,337
	<u>3,324,323</u>	<u>3,066,133</u>
17. LOANS		
An analysis of the maturity of loans is given below:		
	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	130,770	88,336
Other loans	1,666	1,666
	<u>132,436</u>	<u>90,002</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	3,312,652	3,052,796
Other loans - 1-2 years	11,671	13,337
	<u>3,324,323</u>	<u>3,066,133</u>

Giroscope Limited

Notes to the Financial Statements - continued
for the year ended 31st December 2020

18. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	<u>3,443,422</u>	<u>3,141,132</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 1/1/20 £	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>

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>

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	3,370,897	143,502	3,514,399
TOTAL FUNDS	<u>3,370,897</u>	<u>143,502</u>	<u>3,514,399</u>

Notes to the Financial Statements - continued
for the year ended 31st December 2020

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	757,905	(614,403)	143,502
TOTAL FUNDS	<u>757,905</u>	<u>(614,403)</u>	<u>143,502</u>

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

	At 1/1/19 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	3,370,897	358,876	3,729,773
TOTAL FUNDS	<u>3,370,897</u>	<u>358,876</u>	<u>3,729,773</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 £	Movement in funds £
Unrestricted funds			
General fund	1,680,429	(1,321,553)	358,876
TOTAL FUNDS	<u>1,680,429</u>	<u>(1,321,553)</u>	<u>358,876</u>

Notes to the Financial Statements - continued
for the year ended 31st December 2020

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.