

Goodwin Development Trust

Annual Report and Financial Statements

For the year ended 31 March 2018

Charity number: 1098520

Company number: 04454814

Homes and Communities Agency registration number: 4799

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Goodwin Development Trust

Company Information

Chairperson	S Spandler (Resigned 8 May 2018) S Igoe
Directors	A Guney S Igoe (Chair) R Watkin (Appointed 23 May 2017) K Ainley (Appointed 23 May 2017) A Heddle (Appointed 28 November 2017) R Bean (Appointed 7 November 2017) N Batare (Appointed 7 November 2017)
Company secretary	D Hamilton
Registered Office	The Octagon Walker Street Hull HU3 2RA
Solicitors	Rollits Wilberforce Court High Street Hull HU1 1YJ
Bankers	Handelsbanken Hull Marina Court 18 Marina Court Castle Street Hull HU1 1TJ
Auditors	Armstrong Watson Audit Limited Third Floor 10 South Parade Leeds LS1 5QS
Key management	Andrea Mennell Peter McGurn

Goodwin Development Trust

Strategic Report for the year ended 31 March 2018

REVIEW OF BUSINESS

Whilst there have again been a number of challenges during the year, the charity remains focused on its strategic plan.

The current year's results reflect the charity's response to the increasingly difficult financial environment, with some exceptional costs relating to the impairment of some of the Trust's properties. Of this £876k impairment, £787k was absorbed by the revaluation reserve.

The Board remains committed to improving the quality of life for residents of the estate, and the wider community, and have many plans for continuing to develop its offer in the City.

2017/18 has been a year of change for the Trust, with the construction of 41 new social housing units throughout the year, which are due for practical completion in Autumn 2018.

In addition, this year saw the Trust deliver its first "Back to Ours" festival in the city, through the Creative People and Places funding from the Arts Council. We now have a dedicated team of staff exploring new and exciting ways to take arts and culture to communities who have not had the chance to experience it.

The Trust continues to deliver a wide range of projects, which are discussed further in the Board report, but I am exceptionally proud of our achievement in gaining an "Outstanding" CQC rating for our Danny's Dream service.

PRINCIPAL RISKS AND UNCERTAINTIES

There has been a full refresh of the Board of Trustees during the year, and as a result, a comprehensive review of the risk register and other governance documents has been undertaken and is ongoing.

The Board continue to use the skills of their independent financial advisor, and have undertaken a series of structured training courses during the year.

DEVELOPMENT AND PERFORMANCE

Following last year's difficult trading environment, Goodwin has continued to develop its delivery programme and its strategy, with focus on sustainability and delivery of the Trust's objectives.

FINANCIAL KEY PERFORMANCE INDICATORS

The Board have established certain key performance indicators (KPI's) which are important for monitoring monthly results against budget and re-forecast and monthly cash flow figures at the Finance Sub Committee. As part of this monitoring process the Trustees review incoming resources and expenditure against budget, and challenge and investigate significant variances. Turnover has reduced during the year by 8% and expenditure has increased 8%.

NON FINANCIAL KEY PERFORMANCE INDICATORS

Goodwin operates a set of non financial KPI's for each project, which are reported monthly to the External Sub Committee.



ON BEHALF OF THE BOARD

Sharon Igoe - Chairperson

11 September 2018

Goodwin Development Trust

Board Report and Operating and Financial Review for the year ended 31 March 2018

BOARD MEMBERS

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of signing this report were as follows:

S Spandler (Chair) (Resigned 8 May 2018)
J Chearman (Resigned 30 October 2017)
T Dearing (Resigned 27 June 2017)
A Guney
S Igoe (Chair)
M Bundy (Resigned 30 October 2017)
J Cleaver (Resigned 31 October 2017)
R Watkin (Appointed 23 May 2017)
K Ainley (Appointed 23 May 2017)
A Heddle (Appointed 28 November 2017)
S Orechevas (Appointed 7 November 2017/ resigned 5 July 2018)
R Bean (Appointed 7 November 2017)
N Batare (Appointed 7 November 2017)

NATURE OF THE BUSINESS, OBJECTIVES AND STRATEGIES

Vision & Mission

The charity's vision is of a diverse and thriving community within which everyone has the opportunity to benefit from, and contribute to, the wellbeing of the community on a fair and equal basis and as a locally controlled Development Trust we are committed to improving the quality of life in our community.

Values

The Trustees have composed an explicit a set of values which will govern the charity's behaviours both internally and externally and provide a framework against which both we, and those we deal with, can measure our performance.

- We will be honest & fair in all we do
- We will listen to and to learn from all those we work with and for
- We will encourage innovative & entrepreneurial behaviour, always seeking new and better ways to do things
- We will show respect for our community, our staff, our volunteers and our partners
- We will be a champion for equality and opportunity for all

Strategic Priorities for 2018/19 and beyond:

- 1. To be a fair and trusted employer who values our people**
- 2. To fight poverty in all its forms within our community**
- 3. To be financially strong and sustainable**
- 4. To care for the health and wellbeing of our community and the all of the individuals within it**
- 5. To provide and support access to education, training and employment opportunities**
- 6. To make our community safe, resilient and a happy place to be**
- 7. To provide affordable and sustainable homes.**

Goodwin Development Trust

PERFORMANCE IN THE PERIOD, MAIN INFLUENCES AND POTENTIAL RISKS

The Trust's overarching objective is to improve the quality of life of the residents of Hull and surrounding areas. The Trustees recognise their obligation to demonstrate the public benefit of the charity, and are aware of the Charity Commission guidance. The charity delivers public benefit by operating projects across a broad spectrum of social interventions that serve to meet the charity's strategic objectives. In 2017/18, the social interventions were focused around six key themes as outlined below:

Children & Young People Services

Children's Centres

Goodwin continues to deliver the Children's Centre provision out of Fenchurch, Marvell and the Octagon. Goodwin works closely with Hull City Council, the contract provider, to ensure that the Children's Centre provision remains central to changes to the safeguarding and early help services in Hull. Quality monitoring by the Local Authority and a consultant Ofsted inspector rate the Children's Centre provision as Good and Outstanding.

Nurseries

We are continuing to build on our learning environments both inside and out focussing on the communicating friendly spaces approach. We are using the Early Years Pupil Premium fund to support children's mathematical development as this is an area we have found to be low (this seems to be a national trend). The nurseries both underwent Ofsted inspections in April 2018 and both were graded as Good in all areas. We continue to maintain a high quality provision and work towards Outstanding.

Youth Provision

The delivery of our service is underpinned by the National Occupational Standards for Youth Work practice and aims to facilitate the personal, social and educational development of young people. We are now delivering over 40 hours of youth work each week, and have registered hundreds of young people with our service. We operate as part of the West Area partnership, along with Hessle Road Network and The Warren. We have supported young people to achieve outcomes in areas including Personal, Social and Emotional/Positive Activity, Voice & Influence, and Health & Well Being – Making every contact count (MECC) Outcomes. We have also provided placements for Wyke, Wilberforce and St Mary's Colleges, along with students from the University of Hull.

Doula / BFPS

The Doula and Breastfeeding Peer Support Service (BFPS) has recently been extended for a further year to August 2019. We continue to work with the Local Authority to seek a renewal of this service for the city. It is anticipated that a new contract will be tendered in 2019.

We recruit up to 90 new volunteers each year with a retention target of 100 active volunteers at all times. We are seeing steady rises in referrals for support and good outcomes for our volunteers leading them into further education and employment. We continue to exceed the volunteer retention target and breastfeeding targets.

Staff and volunteers have accessed further training in baby massage, SANDS (stillbirth and neonatal death) awareness, female genital mutilation awareness amongst other topics and the breastfeeding peer support volunteers have now started holding their own baby massage classes for breastfeeding mothers around the city.

Haven

The Haven Project continued to offer psychological support to refugees and asylum seeker families (both adults and children), receiving referrals from a range of agencies including NHS, GPs, Social Services, Schools and other Education Institutions, Interpreters, local communities and self-referrals. We are exploring additional funding streams which would enable us to continue providing services to refugees when the Big Lottery Funding comes to an end in May 2019. Partnership working with Migration Yorkshire has secured additional funds for psychotherapists.

Goodwin Development Trust

Health and Well-being Services

Danny's Dream

Danny's Dream were very happy to receive an overall Care Quality Commission (CQC) rating of "Outstanding", an improvement from the previous year, and a testament to the hard work and dedication shown by the team. We understand that this is the only provision currently in Hull and East Riding with an overall Outstanding judgement.

Royal British Legion (RBL) Project

The RBL Project has been successful in securing funding for a further year to March 2019 from the RBL. The project continues to support hundreds of beneficiaries and staff are now developing new referral pathways and links with other local support services in order to be able to offer individuals a more holistic package of support. This is further demonstrated through the delivery of the Hull Military and Veterans Work Club (based at Londesborough Barracks) and the hosting of the Armed Forces Forum/Hull Military Covenant Forum Co-ordinator.

Food

FareShare Hull & Humber

The project has seen significant increases in both the food it receives and redistributes, contributing to 750,000 meals over the last year. Importantly we have been able to add real value to the initiative through providing work experience opportunities to unemployed individuals and supporting our Community Food Members through cooking classes. This has been made possible through the support of Hull's Health and Wellbeing Board over the last year.

Community Café

The café continues to be a focal point for community activity and events or simply as a meeting place for friends and groups to catch up over a cuppa. During the year, we were awarded ESF funding to enable the café to also undertake dedicated support work for young people who were economically inactive, who we have seen go from strength to strength under our guidance.

Employment, Enterprise and Training (EET)

The provision of EET support has long been at the centre of Goodwin's mission. Based at the Community Hub we have delivered specific employability programmes for unemployed 16-29 year olds through Talent Match Humber and Youth employment Initiative Springboard (YEI). Also through the Building Better Opportunities programme we have been able to support older people to gain employment. In developing a more holistic support offer we provide access to ICT through our UK Online status, access to the Thornton Pantry and co-locate delivery partners, such as Hull and East Riding Citizens Advice Bureau, to provide a one stop shop.

Aligned to this we have seen a growth in the number of apprentices we employ across the organisation – investing in young people and supporting our own workforce development.

Our European Regional Development Fund (ERDF) and Arts Council funded Future Hull Enterprising Neighbourhoods Renewal and Growth (ENRG2) project continues to increase awareness and support to individuals looking at enterprise and business start-up as an alternative to employment. In addition, funding has been received from the Arts Council, to enable additional support to be provided to small businesses within the Arts Sector.

Other contracts continue to be delivered, which enable the Trust to further support young people into employment, such as the Youth Employment Initiative, Two Way Street, and Greenlife.

Estate of the Nation / Creative People and Places

Goodwin Development Trust is continuing to work with local residents in undertaking the Neighbourhood Plan process for the Thornton Estate area.

Additionally, along with ENRG2 focussing on the Arts Sector, Creative People and Places brings with it a wealth of opportunity for the Estate, and Goodwin continues to seek ways in which it can support these events.

Goodwin Development Trust

The renovation work on the Holy Apostles church building owned by the Trust has just completed and we are pleased to report that the building is now to be known as the Thornton Village Hall. We will consult with the community as to the building's use, and we foresee this being the arts and culture hub for the estate.

Housing

The Trust anticipates achieving practical completion of the 41 unit social housing scheme in late September 2018. This was part funded by Homes England who provided £2m grant funding.

We continue to work closely with Homes England and the Local Authority and we have a number of future housing schemes under discussion.

FINANCIAL REVIEW AND POSITION AT YEAR END INCLUDING FACTORS AFFECTING THAT POSITION

Due to some exceptional losses, the group is in the unfortunate position of reporting a loss of £958k in the year (2017: loss of £283k).

The company has sufficient reserves and funds available for at least 12 months from the approval date of the accounts. On the basis of sufficient cash flows the Directors believe that the financial statements should be prepared as a going concern.

CAPITAL STRUCTURE AND TREASURY POLICY

The Goodwin Development Trust is a company limited by guarantee. It has no share capital and is a charity registered with the Charity Commission. The guarantee of each member is £1. The governing document is the Articles of Association of the company (amended by special resolutions 9 December 2002, 7 May 2003, 10 May 2005, 21 November 2005, 13 March 2007 and February 2014) and members of the Board of Trustees are the Members and Directors of the Company. It is a member of the Homes and Communities Agency, registration number 4799.

The Registered Provider's (RP) decision-making body is the Board of Trustees that meets on a monthly basis on the first Tuesday of each month. The Articles allow for a maximum of 11 Trustees, 7 of whom have to be residents of the Thornton Estate (known as resident directors) and 4 others (known as partner directors).

There are also three sub-committees, each of which are chaired by a Trustee from the main Board and have a senior staff member as support. These sub-boards all have their own Terms of Reference. They are:-

Sub Board	Chair
Finance	Sharon Igoe
External Services	Altynay Guney
Internal Services	Ruth Bean

Reports appertaining to project progress are taken to the appropriate sub-committee and details recorded in the minutes. All sub-committee minutes are supplied to Trustees at the following Board meeting.

The RP has two trading subsidiary companies:

- Goodwin Community Trading Limited is a wholly owned subsidiary of the charity. The Articles of Association provide for unlimited directors, two being independent directors. Currently the board comprises two directors in total, one of whom is a Goodwin Development Trust director and an independent director, Steve Alltoft who is Chief Executive Officer of PROBE (Hull) Limited. The minutes of each board meeting are taken to the main board of Goodwin Development Trust.
- Goodwin Community Housing Limited is a wholly owned subsidiary of the charity and has been set up as a vehicle to hold the housing stock purchased and renovated by the charity. Currently the board comprises four directors, all of whom are Goodwin Development Trust directors.

CASH FLOWS AND CURRENT LIQUIDITY

The year end cash position shows a net group overdraft position of £2,532k, which includes loans and overdrafts of £2,952k. The change in the economic environment and move from grant funding to earned income has resulted in the need for an overdraft and a working capital loan, which was secured from the Key Fund in April 2015. The long term cash flow indicates a return to a positive group cash balance.

Goodwin Development Trust

VALUE FOR MONEY

The Trust's finance manual is updated annually and contains specific guidance over procurement in order to ensure best value is achieved at all times.

KEY ACCOUNTING POLICIES ADOPTED

The Trust's accounting policies are detailed within the notes to the financial statements.

REGULATOR'S INTERVENTION IN THE YEAR

There has been no intervention from the regulator during the year.

FUTURE DEVELOPMENTS INCLUDING FACTORS AND INFLUENCES ON FUTURE PERFORMANCE

The Trustees feel that the charity has performed well over the previous financial year and are comforted by the liquidity improvement arising from the strategic disposal of assets no longer required for the delivery of the Charity's objectives. This past year has seen the charity continue to develop its income streams, and strengthening its social housing offer, with the development on the Goodwin Centre site. Additionally, future developments for the group include the new production method for the Oxypod™, and strategic working with Hull City Council within the housing sector. By becoming a social landlord, the trust is able to drive up the quality of social housing, whilst creating a sustainable income stream for the future.

EVENTS SINCE THE END OF THE YEAR INCLUDING THE IMPACT ON FUTURE OPERATIONS OF SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There have been no events of significance since the end of the financial year.

AUDITORS

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2008.

Goodwin Development Trust

Board Report and Operating and Financial Review for the year ended 31 March 2018

PUBLIC BENEFIT

In setting and reviewing our aims the Board has given careful consideration to the Charity Commission's guidance on public benefit.

DIRECTORS' RESPONSIBILITIES

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Registered Social Housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2012.


They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the Board members of the RP who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the RP's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Board members in order to make ourselves aware of any relevant audit information and to establish that the RP's auditors are aware of that information.

ON BEHALF OF THE BOARD


Sharon Goe - Chairperson

Date: 11 September 2018

Goodwin Development Trust

Independent Auditor's Report to the Members of Goodwin Development Trust

We have audited the financial statements of Goodwin Development Trust (the 'parent Company') and its subsidiaries for the year ended 31 March 2018, which comprise of the Group Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group Statement of Cash Flows, The Group Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The relevant financial reporting framework that has been applied in their preparation is applicable law and the Companies Act 2006 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's profit 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Goodwin Development Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Trustee's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors 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 directors 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 directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Goodwin Development Trust

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Armstrong Watson Audit Limited

Joanna Gray FCCA ACA DChA (Senior statutory auditor)

For and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Leeds

Date: 27-9-18


Goodwin Development Trust

Consolidated Statement of Comprehensive Income for the year ended 31 March 2018

	Note	Total 2018 £k	Total 2017 £k
Turnover	4	4,674	5,100
Operating expenditure		(4,746)	(4,412)
Operating (deficit)/ surplus	6	(72)	688
Interest and financing costs		(46)	(80)
Exceptional items	7	(876)	(919)
Deficit before tax		(995)	(311)
Taxation	11	36	28
Deficit for the year		(958)	(283)
Total comprehensive income for the year		(958)	(283)

There is no difference between the reported deficit for the period and historical cost surpluses or deficits.

On behalf of the Board

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The annexed notes form part of these financial statements.

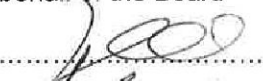
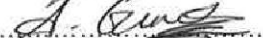
Goodwin Development Trust

Consolidated Statement of Financial Position as at 31 March 2018

Company registration number: 4454814

	Notes	Company				Group			
		2018	2018	2017	2017	2018	2018	2017	2017
		£k	£k	£k	£k	£k	£k	£k	£k
Fixed assets									
Housing properties	12	3,707		1,705		5,718		4,102	
Tangible fixed assets	13	8,846		9,081		8,846		9,081	
			12,553		10,786		14,564		13,183
Current assets									
Stock	14	-		-		1		1	
Trade and other debtors	15	937		1,878		965		1,853	
Assets held for resale		345		710		525		710	
Cash and cash equivalents	16	1,002		506		420		22	
			2,284		3,094		1,911		2,586
Less: Creditors: amounts falling due within one year	17	(2,176)		(2,025)		(2,718)		(2,676)	
Net current assets/(liabilities)			108		1,069		(807)		(90)
Total assets less current liabilities			12,661		11,855		13,757		13,093
Creditors: amounts falling due after one year			(1,877)		(148)		(2,088)		(430)
Provision for deferred tax	19		-		-		(138)		(174)
Total net assets			10,784		11,707		11,531		12,489
Reserves									
Housing property revaluation reserve		-		787		-		787	
Restricted reserve	21	9,781		10,879		9,781		10,879	
Income and expenditure reserve		1,003		(41)		1,750		823	
Total reserves			10,784		11,707		11,531		12,489

These financial statements were approved and authorised for issue by the Board on 11 September 2018 on behalf of the Board

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The annexed notes form part of these financial statements.

Goodwin Development Trust

Statement of Changes in Equity for the year ended 31 March 2018

	Revaluation reserve £	Restricted reserve £	Income & expenditure £	Total £
At 1 April 2017	787	10,879	823	12,489
(Deficit)/surplus for the year	(787)	(1,098)	927	(958)
Total comprehensive income/(deficit)	(787)	(1,098)	927	(1,745)
At 31 March 2018	-	9,781	1,750	11,531

	Revaluation reserve £	Restricted reserve £	Income & expenditure £	Total £
At 1 April 2016	787	11,731	254	12,772
(Deficit)/surplus for the year	-	(852)	569	(283)
Total comprehensive income	-	(852)	569	(283)
At 31 March 2017	787	10,879	823	12,489

Goodwin Development Trust

Consolidated Statement of Cashflows for the year ended 31 March 2018

	Note	2018	2017
		£k	£k
Cash flow from operating activities			
Deficit for the year		(995)	(311)
Adjustments for non-cash items:			
Depreciation and impairment		1,171	457
Loss on disposal		1	1439
Decrease in stock		-	13
Decrease / (Increase) in trade and other debtors		888	(2,058)
Increase in trade and other creditors		526	410
Net cash generated from operating activities		1,591	(50)
Cash flow from investing activities			
Purchase of tangible fixed assets		(3,197)	(196)
Proceeds from sale of tangible fixed assets		829	199
		(2,368)	3
Net change in cash and cash equivalents		(777)	47
Cash and cash equivalents at the beginning of the year		(1,755)	(1,708)
Cash and cash equivalents at the end of the year		(2,532)	(1,755)

Notes to the Financial Statements for the year ended 31 March 2018

1. STATUTORY INFORMATION

Goodwin Development Trust is a charitable company domiciled in England and Wales, registration number 04454814 and charity number 1098520. The company is also registered with the Homes and Communities Agency, number 4799.

The registered office is Pod 5. The Octagon, Walker Street, Hull, HU3 2RA.

2. PRINCIPAL ACCOUNTING POLICIES

The RP is incorporated under the Companies Act 2006 and the Charities Act 2011 and is a Registered Provider of Social Housing.

Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards, the Statement of Recommended Practice: Accounting by Registered Social Housing Providers (Update 2014) and the Accounting Direction 2015. The accounts are prepared in accordance with the historical cost basis of accounting except as modified by the revaluation of investments and certain fixed assets.

Group accounts

The RP is required by the Companies Act 2006 to prepare group accounts. The consolidated accounts comprise the financial statements of Goodwin Development Trust and of its subsidiaries Goodwin Community Trading Limited and Goodwin Community Housing Limited.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met. Government grants in respect of capital expenditure have been accounted for using the performance model, this being when all performance conditions have been met the income is recognised as turnover in the Statement of Comprehensive Income.

Turnover

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from local authorities and the Homes and Communities Agency. It also includes income from charitable activities and activities for generating funds in the year.

Turnover is recognised once the company has entitlement to the income, to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Going concern

The company is showing a deficit for the year, however it has sufficient reserves and funds available for at least 12 months from the approval date of the accounts. On the basis of sufficient cash flows the Directors believe that the financial statements should be prepared as a going concern.

Notes to the Financial Statements for the year ended 31 March 2018 Continued

Fixed Assets and Depreciation

The cost of tangible fixed assets is written off over their expected useful lives on a straight line basis. Rates used for this year's provision are:

Freehold Property	2%
Leasehold Property	2% or lease term
Motor Vehicles	25%
Equipment	15% - 33.3%

The useful economic lives of all tangible fixed assets are reviewed annually.

Housing Properties

Housing properties are recognised initially at cost and thereafter carried at fair value less depreciation and impairment charged subsequent to the date of the revaluation. Fair value is based on periodic valuations prepared by key management personnel with guidance from professional valuers and is determined from market based evidence by appraisal. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Fair value gains and losses are recognised in other comprehensive income.

Any revaluation surplus is credited to the revaluation reserve in equity except to the extent that it reverses a decrease in the carrying value of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss, except to the extent of any existing surplus in respect of that asset in the revaluation reserve.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount.

Works to existing housing properties

Expenditure on existing housing properties is capitalised when it is either capable of generating increased future rents, extends their useful economic lives or significantly reduces future maintenance costs. All other expenditure in respect of general repairs to the housing stock is charged to the income and expenditure accounts as it is incurred.

Impairment

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is an indication that impairment has occurred or if they are not being depreciated.

Impairments that are a result of a major reduction in the service potential of a property are recognised in the income and expenditure account. Impairments that reflect general changes in price are, where the property is shown at a valuation, recognised in the statement of total recognised surpluses and deficits until the value of the asset falls to depreciated historical cost.

Further impairments, or the full impairment if the property has not been revalued, are then recognised in the income and expenditure account.

Donated land

Donated land which is unconnected with any intended development is measured at current value and recognised in turnover with other donations, where the donation is from a non-public body and as a government grant where it is from a public body.

Where land is donated or transferred at a price less than its open market value, or where it has been donated as part of a development scheme, it is included at its current value on the date it is received. The difference between the current value and the transfer price of land transferred from central or local government or other public authorities is treated as a government grant. Where land is donated or transferred by a non-public body the difference is recognised in turnover.

Notes to the Financial Statements for the year ended 31 March 2018 Continued

Stock

Stocks are valued at the lower of cost and net realisable value, after making allowance for any obsolete or slow moving items.

Trade and other debtors

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is considered remote.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change of value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Leased assets

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

Current Taxation

No taxation is payable by the RP, since it has charitable status and its activities are exempt from tax.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Notes to the Financial Statements for the year ended 31 March 2018 Continued

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is released or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Designated reserves

Designated reserves are part of unrestricted reserves which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made from designated reserves as appropriate.

Restricted reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Where a restricted reserve is represented by assets that are then revalued, the revaluation element is added to the restricted reserve.

Value Added Tax

Irrecoverable VAT which can be attributed to capital item or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

The activities of the RP are partially exempt from VAT. A cost centre structure is utilised to account for VAT in the most appropriate manner. Some activities are therefore shown net of VAT where the VAT can be recovered in whole or in part. The irrecoverable element of the partially recoverable VAT is shown as a cost within Operating costs

Pension costs

The RP operates a defined contribution scheme for the benefit of its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenue and expenses during the year. Due to the nature of estimations actual outcomes may differ from initial expectations. Key sources of estimation uncertainty included within these financial statements include several estimations which are detailed within the above accounting policies.

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2018 Continued

3. ACCOMMODATION IN MANAGEMENT

	Units at Start	Units at End
Units under development		
General needs housing:		
Affordable Rent	41	41
	<u>41</u>	<u>41</u>

4. REVENUE

The analysis of the group's revenue for the year from continuing operations is as follows:

	2018 £k	2017 £k
Voluntary income	1,069	1,209
Income from charitable activities	1,938	961
Arts council grants	372	1,342
Nurseries & cafe	504	755
Octagon	239	77
Other incoming resources	220	577
Rent receivable	332	179
	<u>4,674</u>	<u>5,100</u>

All turnover arose within the United Kingdom.

SOCIAL HOUSING TURNOVER AND COSTS

Included within the above turnover:

	General needs housing	Supported housing and housing for older people	Other	Total 2018	Total 2017
	£k	£k	£k	£k	£k
Income					
Rent receivable excluding service charge	51	-	-	51	51
Service charge income	6	-	-	6	5
	<u>57</u>	<u>-</u>	<u>-</u>	<u>57</u>	<u>56</u>
Turnover from social housing lettings					
Social housing activity expenditure	<u>53</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>52</u>
Operating surplus / (deficit) on social housing lettings	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Void losses	-	-	-	-	-

5. FINANCIAL ASSISTANCE AND OTHER GOVERNMENT GRANT RECEIVABLE

Total government grants received in the period was £nil (2017: 1,000k).

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2018 Continued

6. OPERATING DEFICIT

	2018 £k	2017 £k
Operating surplus is stated after charging:		
Auditors' remuneration (see note 8)	11	11
Depreciation and amortisation of owned assets	1,007	480
Operating leases - other assets	-	-
	<hr/>	<hr/>
and after crediting:		
Deficit on sale of tangible fixed assets	(1)	(73)
	<hr/>	<hr/>

7. EXCEPTIONAL ITEMS

During the year, the disposal of the residential housing development in Sutton Village, and a small number of other residential properties was approved. As a result, the properties were valued and the relevant impairments have been shown as exceptional items on the accounts.

8. AUDITOR'S REMUNERATION

	2018 £k	2017 £k
Fees payable (exclusive of VAT) to the RP's auditor in relation to the period of account for the audit of the RP's annual accounts	11	11
	<hr/>	<hr/>

9. KEY MANAGEMENT PERSONNEL

Remuneration paid to key management personnel in the period was £150k (2017: £150k), paid to 3 Employees (2017: 3).

The Chief Executive is an ordinary member of the RP's defined contribution pension scheme. No enhanced or special terms apply. There are no additional pension arrangements. The aggregate contribution made by the RP and its subsidiaries was £nil (2017:£nil) in addition to the personal contributions of the Chief Executive.

The Board of Trustees received no expenses or remuneration in the year.

10. EMPLOYEE INFORMATION

	2018	2017
The average number of persons employed during the year expressed in full time equivalents was:		
Administration staff	173	164
Housing development staff	1	3
	<hr/>	<hr/>
	£k	£k
Staff costs (including members of the Board)		
Wages and salaries	2,639	2,489
Social Security costs	183	168
Other pension costs	27	27
	<hr/>	<hr/>
	2,849	2,684
	<hr/>	<hr/>

Notes to the Financial Statements for the year ended 31 March 2018 Continued

	2018	2017
The of number of staff employed during the year expressed in full time equivalents whose remuneration payable (including compensation for loss of office) fell within the following bands:		
£60,001 - £70,000	1	1

11. TAX ON SURPLUS ON ORDINARY ACTIVITIES

Current tax

The RP is a registered charity and no provision is considered necessary for taxation. Goodwin Community Trading has a retained loss which is exempt from taxation under the provisions of the Income and Corporation Taxes Act 2000. Goodwin Community Housing has non-taxable income in the period.

Deferred tax

There is deferred tax liability in Goodwin Community Housing of £138k (2017:£174k) relating to potential tax on the value of the land and buildings.

12. TANGIBLE FIXED ASSETS HOUSING PROPERTIES – GROUP and COMPANY

	Properties for non-social housing lettings	Properties for social housing lettings	Total
	£k	£k	£k
Cost or valuation			
At 31 March 2017	2,443	2,159	4,602
Additions	-	3,197	3,197
Transfer to current assets	(180)	(345)	(525)
Disposals	(143)	-	(143)
At 31 March 2018	2,120	5,011	7,131
Depreciation and impairment			
At 31 March 2017	45	455	500
Charge for year - impairment	102	849	951
Disposals	(38)	-	(38)
At 31 March 2018	109	1,304	1,413
Net book value			
At 31 March 2017	2,398	1,704	4,102
At 31 March 2018	2,011	3,707	5,718

The company only housing properties consist of the properties for social housing lettings with a Net Book Value of £3,707 (2017: £1,704k).

At 31 March 2018 social housing additions relate to the development of the Hugh Webster Housing scheme, which was under construction and is held at cost, as per the professional valuation performed at the year end. The scheme is due for practical completion in late September 2018.

Notes to the Financial Statements for the year ended 31 March 2018 Continued

13. OTHER TANGIBLE FIXED ASSETS – GROUP and COMPANY

	Land and buildings £k	Fixtures and fittings £k	Motor vehicles £k	Total £k
Cost				
At 31 April 2017	10,906	536	69	11,511
Disposals	(70)	-	-	(70)
At 31 March 2018	10,836	536	69	11,441
Depreciation and impairment				
At 1 April 2017	1,839	536	54	2,429
Charge for the year – depreciation	211	-	8	219
Disposals	(53)	-	-	(53)
At 31 March 2018	1,997	536	62	2,595
Net book value				
At 31 March 2017	9,067	-	15	9,082
At 31 March 2018	8,839	-	7	8,846

The net book value of land and buildings at 31 March 2018 comprised:

	£k
Freehold	2,450
Long leasehold	6,389
	<u>8,839</u>

The cost of depreciable assets included in land and buildings at 31 March 2018 was £10,836
Included in the total net book value of tangible fixed assets held at 31 March 2018 was £nil in respect of assets held under finance leases and hire purchase contracts.

14. STOCKS

	Company		Group	
	2018 £k	2017 £k	2018 £k	2017 £k
Consumable stocks	-	-	1	1
Total stock	-	-	1	1

Stock recognised in cost of sales during the year as an expense was nil (2017: £35k).

Notes to the Financial Statements for the year ended 31 March 2018 Continued

15. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	Company		Group	
	2018	2017	2018	2017
	£k	£k	£k	£k
Trade debtors	277	493	292	508
Prepayments and accrued income	658	1,338	672	1,342
Amounts owed from group undertakings	2	47	-	-
VAT	-	-	1	3
	<u>937</u>	<u>1,878</u>	<u>965</u>	<u>1,853</u>

16. CASH

	Company		Group	
	2018	2017	2018	2017
	£k	£k	£k	£k
Cash at bank and in hand	1,002	506	420	22
Loans due within one year	(350)	(755)	(864)	(1,347)
Loans due after one year	(1,877)	(148)	(2,088)	(430)
	<u>(1,225)</u>	<u>(397)</u>	<u>(2,532)</u>	<u>(1,755)</u>

17. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Company		Group	
	2018	2017	2018	2017
	£k	£k	£k	£k
Loans and overdrafts	350	755	864	1,347
Trade creditors	481	245	489	276
Other tax and social security	49	40	50	41
Accruals and deferred income	1,282	966	1,304	993
VAT	14	19	11	19
	<u>2,176</u>	<u>2,025</u>	<u>2,718</u>	<u>2,676</u>

Loans and overdrafts please see note 17 for securities.

18. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	Company		Group	
	2018	2017	2018	2017
	£k	£k	£k	£k
Loans and overdrafts	1,877	148	2,088	430
	<u>1,877</u>	<u>148</u>	<u>2,088</u>	<u>430</u>

The bank overdraft is secured by a group-wide debenture. An unlimited intercompany composite guarantee by and between each of the borrowers, Goodwin Development Trust, Goodwin Community Trading and Goodwin Community Housing exists.

The Group loans figure comprises: £147k from Key Fund repayable in full 15 April 2020, which is unsecured; £236k from Handelsbanken repayable in full 21 September 2020, secured on a number of residential properties, and £2,081k from Hull City Council, secured on the leasehold interest in the Hugh Webster site.

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2018 Continued

19. PROVISION FOR DEFERRED TAX

	Company	Group
At 1 April 2017	-	174
Credited to the income statement	-	(36)
At 31 March 2018	-	138

Analysis of deferred tax

Potential future gains on the value of the land and buildings	-	138
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20. CALLED UP SHARE CAPITAL

The RP is limited by guarantee and has no equity or non-equity share capital: Members of the RP guarantee to contribute a maximum of £1 should there be a call on their guarantee.

21. RESTRICTED RESERVES – Group & Company

	Fund at 31st March 2017 £k	Incoming Resources £k	Resources Expended £k	Fund at 31st March 2018 £k
Fixed Assets	9,879	-	(292)	9,586
HCA – Hugh Webster Scheme	1,000	-	(1,000)	-
I Wish to communicate with you	-	10	(10)	-
Terrace Enders	-	17	(17)	-
Royal British Legion	-	40	(40)	-
Code 5 Artist	-	63	(63)	-
Haven Psychotherapy	-	164	(164)	-
MVC Coordinator	-	17	(17)	-
Building Better Opportunities	-	60	(60)	-
ENRG 2	-	368	(368)	-
Youth Employment Initiative	-	133	(133)	-
ACE	-	35	(35)	-
Creative Intermediate Labour Market	-	138	(138)	-
Holy Apostles	-	220	(26)	195
Creative People and Places	-	337	(337)	-
	10,879	1,602	(2,700)	9,781

HCA – Hugh Webster Scheme

A scheme of 41 modular constructed residential units was approved during last year, with a start of site achieved on 31 March 2017. This enabled the first 50% of the Homes and Communities grant to be drawn down.

The further £1m is due upon Practical Completion of the units, which is anticipated to take place in summer 2018.

Notes to the Financial Statements for the year ended 31 March 2018 Continued

22. PENSION COSTS

The RP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the RP in an independently administered fund. The pension cost charge represents contributions payable by the RP to the fund and amounted to £27k (2017 £27k). Contributions totalling £5k (2017 £5k) were payable to the fund at the year-end and are included in creditors.

23. RELATED PARTY TRANSACTIONS

At the date of these financial statements no Board and Committee members were tenants / shared owners of RP properties.

There have been no related party transaction which would require disclosure.

24. GROUP AND RELATED UNDERTAKINGS

During the period ended 31 March 2017 the RP had the following related and associated undertakings

Name	Relationship*	Status	Registered by Housing Regulator	Social
Goodwin Community Trading Ltd	100% Subsidiary	Trading company	Non-regulated	
Goodwin Community Housing Ltd	100% Subsidiary	Trading company	Non-regulated	

The RP's Board confirm that the company has no ultimate parent undertaking.