

Goodwin Development Trust

Annual Report and Financial Statements

For the year ended 31 March 2019

Charity number: 1098520

Company number: 04454814

Homes and Communities Agency registration number: 4799

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Goodwin Development Trust (A Company limited by Guarantee)

Company Information

Chairperson	S Igoe
Directors	A Guney S Igoe (Chair) R Watkin K Ainley A Heddle R Bean (Resigned 21 March 2019) N Batare S Orechevas (Appointed 30 November 2018, resigned 9 th July 2019)
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 (A Company limited by Guarantee)

Strategic Report for the year ended 31 March 2019

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 the Hugh Webster Housing Scheme, for which we received Practical Completion during the year, and as per our accounting policies, were valued on a market valuation basis..

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 across Hull.

2018/19 has been a year of change for the Trust, with the completion of 41 new social housing units on the Thornton Estate, providing much needed, good quality housing.

PRINCIPAL RISKS AND UNCERTAINTIES

There has been a comprehensive review of the risk register and other governance documents undertaken during the year, as part of a continuous review schedule.

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

GOING CONCERN

In spite of the current balance sheet position, the Board remain confident that Goodwin is a Going Concern. We have restructuring plans prepared for certain areas of the organisation, should action be required, and our main debt lies with Hull City Council in respect of the loan taken out to finance the new housing scheme. This facility is secured on the housing scheme and could, if needed, be settled by a transfer of the property if a worst case scenario occurs.

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.

NON FINANCIAL KEY PERFORMANCE INDICATORS

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

ON BEHALF OF THE BOARD



Sharon Igoe - Chairperson

Date: 16 September 2019

Goodwin Development Trust (A Company limited by Guarantee)

Board Report and Operating and Financial Review for the year ended 31 March 2019

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 Igoe (Chair)
A Guney
R Watkin
K Ainley
A Heddle
S Orechevas (Resigned 9 July 2019)
R Bean (Resigned 21 March 2019)
N Batare

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 2019/20 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 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 (A Company limited by Guarantee)

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 2018/19, the performance is reported against the Trust's Strategic Priorities

To be a fair and trusted employer

The Board are pleased to report that as well as implementing the National Minimum Wage increase at the start of the year, Goodwin was also able to provide all staff with an annual wage increase. Staff retention levels are good, and the Trust continues to develop its staff through in-house and external training.

To fight poverty in all its forms within our community

FareShare Hull & Humber

The project has contributed to over 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.

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. We continue to undertake dedicated support work for young people who are economically inactive, who we have seen go from strength to strength under our guidance.

Youth Employment Initiative (YEI) / Create to Change / Family Futures / Befriending

We run a number of successful projects which serve the community and exist to engage the economically inactive and those suffering with hidden disabilities, such as mental health.

To be financially strong and stable

Despite reporting a loss this year, we are confident in the continuing success of Goodwin. Our diverse income streams including the rental income from our social housing stock ensures we can continue to grow and consolidate our position. We also have robust financial procedures and risk management in place which are overseen by a monthly Audit and Finance subcommittee.

To care for the health and wellbeing of our community and all of the individuals within it

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.

Nurseries

We are continuing to build on our learning environments both inside and out focussing on the communicating friendly spaces approach.

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 also engage with our young people through the Youth Arts Takeover and Youth Music projects.

Goodwin Development Trust (A Company limited by Guarantee)

Doula / BFPS

The Doula and Breastfeeding Peer Support Service (BFPS) has recently been retendered for a renewal and we are incredibly proud to say that we won the contract, allowing us to continue to deliver this excellent service for a further two (with the option of a further one) years.

Haven

We were sad to see the end of the Big Lottery Funding for the Haven Project in May 2019, following a highly successful 3 year programme. Partnership working with Migration Yorkshire and the Refugee Council (AMIF project) has secured additional funds for psychotherapists to allow us to continue to provide much needed support for refugees in the city.

Danny's Dream

Danny's Dream were very happy to receive an overall Care Quality Commission (CQC) rating of "Outstanding", in the previous year. 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 was given a 6 month extension in funding from the RBL, to September 2019. 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.

To provide and support access to education, training and employment opportunities

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 came to an end during the year.

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.

To make our community safe, resilient and a happy place to be

Estate of the Nation / Creative People and Places

Creative People and Places brings with it a wealth of opportunities to the Estate, and Goodwin continues to seek ways in which it can be an active partner in the delivery of arts events across Hull.

The Holy Apostles church building is now renamed as the Thornton Village Hall. It has become the arts and culture hub for the estate, delivering varied and exciting activities for all ages.

Goodwin Development Trust (A Company limited by Guarantee)

To provide affordable and sustainable homes.

We are incredibly proud of the successful completion and 100% occupancy of Hugh Webster House.

We are pleased that we are a fully compliant Registered Housing provider with Investment Partner status. We hope to use this status in the future to allow us to provide tangible support for other organisations wishing to become Registered Providers and to apply for funding from Homes England.

We continue to explore new opportunities for creating additional, good quality, affordable homes.

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

Due to some exceptional revaluation items, the group is in the unfortunate position of reporting a loss of £725k in the year (2018: loss of £958k).

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 Trustees 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 four 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
Audit Committee	Sharon Igoe
Housing Committee	Natalja Batore

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. 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 two directors, both of whom are Goodwin Development Trust directors.

Goodwin Development Trust (A Company limited by Guarantee)

CASH FLOWS AND CURRENT LIQUIDITY

The year end cash position shows a net group overdraft position of £3,474k, which includes loans and overdrafts of £3,486k. The change in the economic environment and move from grant funding to earned income has resulted in the need for an overdraft from our main bankers, Handelsbanken, and a working capital loan, which was secured from the Key Fund in April 2015. In addition to this, a new loan of £3m was taken out with Hull City Council during the year, to fund the new housing development alongside the grant from Homes England. The long term cash flow indicates a return to a positive group cash balance.

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. 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 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 (A Company limited by Guarantee)

Board Report and Operating and Financial Review for the year ended 31 March 2019

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.

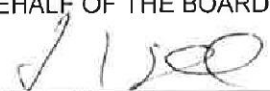
They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Igoe - Chairperson

Date:

16 September 2019

ArmstrongWatson®

Accountants, Business & Financial Advisers

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GOODWIN DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Goodwin Development Trust (the 'Association') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, and Notes to the Financial Statements, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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 Association's affairs as at 31 March 2019 and of 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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction of Private Registered Providers of Social Housing 2015.

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 Association 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

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 Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association'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.

Goodwin Development Trust (A Company limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GOODWIN DEVELOPMENT TRUST (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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, 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Board Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 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 an auditor's 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.

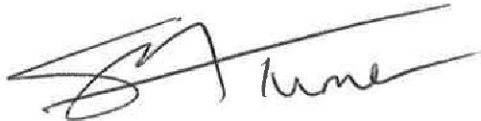
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Goodwin Development Trust (A Company limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GOODWIN DEVELOPMENT TRUST (CONTINUED)

Use of our report

This report is made solely to the Association'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 Association's trustees those matters we are required to state to them in an auditor's 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 Association and the Association's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior Statutory Auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditors

Leeds

Date: 16 September 2019

Armstrong Watson Audit Limited is an authorised firm under the terms of Section 1212 of the Companies Act.

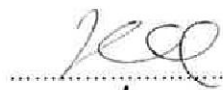
Goodwin Development Trust (A Company limited by Guarantee)

Consolidated Statement of Comprehensive Income for the year ended 31 March 2019

	Note	Total 2019 £k	Total 2018 £k
Turnover	4	7,175	4,674
Operating expenditure		(5,879)	(4,746)
Operating surplus / (deficit)	6	1,296	(72)
Interest and financing costs		(106)	(46)
Exceptional items	7	(1,915)	(876)
Surplus / (deficit) before tax		(725)	(994)
Taxation	11	-	36
Deficit for the year		(725)	(958)
Total comprehensive income for the year		(725)	(958)

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

On behalf of the Board 16 September 2019



TRUSTEE [Sharon Igoe]



TRUSTEE [Kellock Ainley]

The annexed notes form part of these financial statements.

Goodwin Development Trust (A Company limited by Guarantee)

Consolidated Statement of Financial Position as at 31 March 2019

Company registration number: 4454814

	Notes	Company				Group			
		2019		2018		2019		2018	
		£k	£k	£k	£k	£k	£k	£k	£k
Fixed assets									
Housing properties	12	4,111		3,707		5,351		5,718	
Tangible fixed assets	13	8,774		8,846		8,774		8,846	
			12,885		12,553		14,125		14,564
Current assets									
Stock	14	-		-		-		1	
Trade and other debtors	15	1,309		937		1,199		965	
Assets held for resale		-		345		164		525	
Cash and cash equivalents	16	20		1,002		12		420	
		1,329		2,284		1,376		1,911	
Less: Creditors: amounts falling due within one year	17	(1,401)		(2,176)		(1,839)		(2,718)	
Net current assets/(liabilities)			(72)		108		(463)		(807)
Total assets less current liabilities			12,813		12,661		13,662		13,757
Creditors: amounts falling due after one year			(2,719)		(1,877)		(2,719)		(2,088)
Provision for deferred tax	19		-		-		(138)		(138)
Total net assets			10,094		10,784		10,804		11,531
Reserves									
Housing property revaluation reserve		-		-		-		-	
Restricted reserve	21	2,609		9,781		2,609		9,781	
Designated reserve	21	110		-		110		-	
Income and expenditure reserve		7,375		1,003		8,085		1,750	
Total reserves			10,094		10,784		10,804		11,531

These financial statements were approved and authorised for issue by the Board on 16 September 2019 on behalf of the Board

 TRUSTEE [Sharon Igoe]

 TRUSTEE [Kellock Ainley]

The annexed notes form part of these financial statements.

Goodwin Development Trust (A Company limited by Guarantee)

Statement of Changes in Equity for the year ended 31 March 2019

	Revaluation reserve £	Restricted reserve £	Designated Reserve	Income & expenditure £	Total £
At 1 April 2018	-	9,781	-	1,750	11,531
(Deficit)/surplus for the year	-	(7,172)	110	6,337	(725)
Total comprehensive income/(deficit)	-	(7,172)	110	6,337	(725)
At 31 March 2019	-	2,609	110	8,085	10,804
	Revaluation reserve £	Restricted reserve £	Designated 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

Goodwin Development Trust (A Company limited by Guarantee)

Consolidated Statement of Cashflows for the year ended 31 March 2019

	Note	2019	2018
Cash flow from operating activities		£k	£k
Deficit for the year		(725)	(995)
Adjustments for non-cash items:			
Depreciation and impairment		2,100	1,171
(Profit) / Loss on disposal		(26)	1
Decrease in stock		1	-
(Increase) / Decrease in trade and other debtors		(234)	888
Increase in trade and other creditors		(785)	526
Net cash generated from operating activities		331	1,591
Cash flow from investing activities			
Purchase of tangible fixed assets		(2,579)	(3,197)
Proceeds from sale of tangible fixed assets		1,306	829
Investing cash flow		(1,273)	(2,368)
Net change in cash and cash equivalents		(942)	(777)
Cash and cash equivalents at the beginning of the year		(2,532)	(1,755)
Cash and cash equivalents at the end of the year		(3,474)	(2,532)

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019

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. The Directors believe that the financial statements should be prepared as a going concern, as the main debt to the group could be repaid by property surrender, i.e. it is not cash reliant. In addition, the Board continue to regularly review reforecast budgets and understand the restructure options available to them if needed.

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019 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.

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019 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 2019 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 2019 Continued

3. ACCOMMODATION IN MANAGEMENT

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

4. REVENUE

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

	2019 £k	2018 £k
Voluntary income	2,984	1,069
Income from charitable activities	1,443	1,938
Arts Council grants	1,157	372
Nurseries & cafe	458	504
Octagon	181	239
Other incoming resources	575	220
Rent receivable	377	332
	<u>7,175</u>	<u>4,674</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 2019	Total 2018
	£k	£k	£k	£k	£k
Income					
Rent receivable excluding service charge	111	9	-	120	51
Service charge income	-	2	-	2	6
Turnover from social housing lettings	<u>111</u>	<u>11</u>	<u>-</u>	<u>122</u>	<u>57</u>
Social housing activity expenditure	<u>77</u>	<u>8</u>	<u>-</u>	<u>85</u>	<u>53</u>
Operating surplus / (deficit) on social housing lettings	<u>34</u>	<u>3</u>	<u>-</u>	<u>37</u>	<u>4</u>
Void losses	-	-	-	-	-

5. FINANCIAL ASSISTANCE AND OTHER GOVERNMENT GRANT RECEIVABLE

Total government grants received in the period was £1,470k (2018: £1,000k).

This comprised £1,050k Homes England grant for the Hugh Webster housing scheme, and £420k Homes England funding for the empty properties scheme.

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019 Continued

6. OPERATING DEFICIT

	2019 £k	2018 £k
Operating surplus is stated after charging:		
Auditors' remuneration (see note 8)	11	11
Depreciation and amortisation of owned assets	2,100	1,007
Operating leases - other assets	-	-
	<hr/>	<hr/>
and after crediting:		
Deficit on sale of tangible fixed assets	-	(1)
	<hr/>	<hr/>

7. EXCEPTIONAL ITEM

The exceptional item of £1,915k comprises mainly a £1,897k write down on the value of the Hugh Webster housing scheme, following a market valuation conducted upon practical completion, in line with Homes England Guidance.

8. AUDITOR'S REMUNERATION

	2019 £k	2018 £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 £125k (2018: £125k), paid to 2 Employees (2018: 2), as defined on the company information page.

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 £1k (2018:£nil) in addition to the personal contributions of the Chief Executive.

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

10. EMPLOYEE INFORMATION

	2019	2018
The average number of persons employed during the year expressed in full time equivalents was:		
Administration staff	146	173
Housing development staff	1	1
	<hr/>	<hr/>
	£k	£k
Staff costs (including members of the Board)		
Wages and salaries	3,100	2,639
Social Security costs	210	183
Other pension costs	32	27
	<hr/>	<hr/>
	3,342	2,849
	<hr/>	<hr/>

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019 Continued

	2019	2018
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 (2018:£138k) 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 2018	2,120	5,011	7,131
Additions	-	2,475	2,475
Transfer to current assets	(164)	-	(164)
Disposals	(716)	(1,023)	(1,739)
At 31 March 2019	1,240	6,463	7,703
Depreciation and impairment			
At 31 March 2018	109	1,304	1,413
Charge for year - impairment	-	1,897	1,897
Disposals	(109)	(849)	(958)
At 31 March 2019	-	2,352	2,352
Net book value			
At 31 March 2018	2,011	3,707	5,718
At 31 March 2019	1,240	4,111	5,351

The company only housing properties consist of the properties for social housing lettings with a Net Book Value of £4,111(2018: £3,707k).

All social housing is wholly owned by Goodwin Development Trust.

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 2018	10,836	536	69	11,441
Additions	104	-	-	104
Disposals	(17)	-	(1)	(18)
At 31 March 2019	10,923	536	68	11,527
Depreciation and impairment				
At 1 April 2018	1,997	536	62	2,595
Charge for the year – depreciation	195	-	7	202
Disposals	(44)	-	-	(44)
At 31 March 2019	2,148	536	69	2,753
Net book value				
At 31 March 2018	8,839	-	7	8,846
At 31 March 2019	8,774	-	-	8,774

The net book value of land and buildings at 31 March 2019 comprised:

	£k
Freehold	3,920
Long leasehold	4,854

The cost of depreciable assets included in land and buildings at 31 March 2019 was £10,923
Included in the total net book value of tangible fixed assets held at 31 March 2019 was £nil in respect of assets held under finance leases and hire purchase contracts.

14. STOCKS

	Company		Group	
	2019 £k	2018 £k	2019 £k	2018 £k
Consumable stocks	-	-	-	1
Total stock	-	-	-	1

Stock recognised in cost of sales during the year as an expense was £1k (2018: £nil).

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019 Continued

15. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	Company		Group	
	2019	2018	2019	2018
	£k	£k	£k	£k
Trade debtors	439	277	441	292
Prepayments and accrued income	758	658	758	672
Amounts owed from group undertakings	112	2	-	-
VAT	-	-	-	1
	<u>1,309</u>	<u>937</u>	<u>1,199</u>	<u>965</u>

16. CASH

	Company		Group	
	2019	2018	2019	2018
	£k	£k	£k	£k
Cash at bank and in hand	20	1,002	12	420
Loans due within one year	(360)	(350)	(767)	(864)
Loans due after one year	(2,719)	(1,877)	(2,719)	(2,088)
	<u>(3,059)</u>	<u>(1,225)</u>	<u>(3,474)</u>	<u>(2,532)</u>

17. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Company		Group	
	2019	2018	2019	2018
	£k	£k	£k	£k
Loans and overdrafts	360	350	767	864
Trade creditors	112	481	120	489
Other tax and social security	56	49	56	50
Accruals and deferred income	871	1,282	895	1,304
VAT	2	14	1	11
	<u>1,401</u>	<u>2,176</u>	<u>1,839</u>	<u>2,718</u>

Loans and overdrafts please see note 18 for securities.

18. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	Company		Group	
	2019	2018	2019	2018
	£k	£k	£k	£k
Loans and overdrafts	2,719	1,877	2,719	2,088
	<u>2,719</u>	<u>1,877</u>	<u>2,719</u>	<u>2,088</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: £76,651 from Key Fund repayable in full 15 April 2020, which is unsecured, and £3,000,000 from Hull City Council, secured on the leasehold interest in the Hugh Webster site, and repayable over 30 years.

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019 Continued

19. PROVISION FOR DEFERRED TAX

	Company	Group
At 1 April 2018	-	138
Credited to the income statement	-	-
At 31 March 2019	-	138

Analysis of deferred tax

Potential future gains on the value of the land and buildings	-	£138k
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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 31 st March 2018 £k	Incoming Resources £k	Resources Expended £k	Fund at 31 st March 2019 £k
Fixed Assets	9,586	1,470	(8,447)	2,609
HCA – Hugh Webster Scheme	-	1,050	(1,050)	-
Migration Yorkshire	-	32	(32)	-
AMIF	-	43	(43)	-
Royal British Legion	-	72	(72)	-
YEI cafe	-	100	(100)	-
Haven Psychotherapy	-	191	(191)	-
MVC Coordinator	-	14	(14)	-
Building Better Opportunities	-	95	(95)	-
ENRG 2	-	300	(300)	-
Youth Employment Initiative	-	49	(49)	-
ACE	-	120	(120)	-
Creative Intermediate	-	61	(61)	-
Labour Market 2017	-	-	-	-
Holy Apostles	195	155	(350)	-
Creative People and Places	-	1,050	(1,050)	-
CLLD	-	136	(136)	-
Do-It	-	147	(147)	-
CILM 2018	-	64	(64)	-
Youth Music	-	13	(13)	-
Youth Arts Takeover	-	4	(4)	-
	9,781	5,166	(12,338)	2,609

HCA – Hugh Webster Scheme:

The Hugh Webster Housing scheme achieved practical completion in September 2018, at which point the Homes England grant received in the year of £1,050k was transferred into the Fixed Assets reserve.

Goodwin Development Trust

Notes to the Financial Statements for the year ended 31 March 2019 Continued

Designated reserve:

During the year, the group disposed of Kingfisher Rise, which resulted in a Recycled Capital Grant Fund (RCGF) balance of £110k, which is held as a designated reserve. There are no amounts of RCGF which are more than three years old where a repayment may be required.

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 £32k (2018 £27k). Contributions totalling £nil (2018 £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 transactions which would require disclosure.

24. GROUP AND RELATED UNDERTAKINGS

During the period ended 31 March 2019 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.