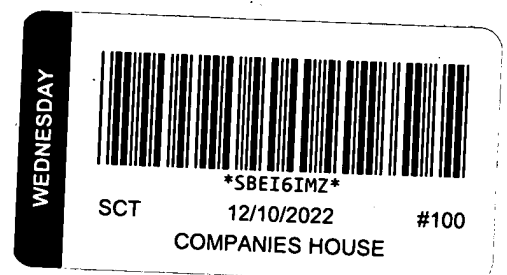


Company Registration No. SC481622 (Scotland)

HOMES FOR GOOD INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR



HOMES FOR GOOD INVESTMENTS LIMITED

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HOMES FOR GOOD INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

Home for Good Investments (**HFGI**), incorporated in 2014, is part of an evolving group of companies, which has grown and developed according to the needs and opportunities identified through working in the private rented sector (**PRS**). Each entity within the group has a clear role and function which ties back directly into Homes for Good's (**HFG**) core social aims:

1. To improve quality of property condition and property management within the PRS;
2. To lead by example to enable and inspire others to improve within the PRS;
3. To enable people with very limited housing choice access to quality homes within the PRS;
4. To develop solutions and test new ideas which tackle systemic barriers within the PRS.

HFGI is a private company limited by shares, established to purchase and renovate dilapidated properties. The property portfolio is located in the Greater Glasgow Area with 70% of the portfolio located within Glasgow City boundaries. The other 30% of the portfolio is located in nearby local authority areas. The average rent in each local authority area is close to the Local Housing Allowance rates to ensure properties are accessible to tenants on low incomes or accessing benefits.

Since 2014 **HFGI** has raised a total of £10.075m from partners The Charity Bank, Big Society Capital and anchor investors Impact Ventures UK, who successfully exited in 2020 when we welcomed Big Issue Invest as a new shareholder and partner.

Over 90% of our properties are now let to people on low incomes or who have been emergency homeless for a variety of reasons, including leaving domestic violence, recovering from addiction, mental illness and relationship breakdown. Most of our tenants require ongoing support to sustain their tenancy, and usually have little assistance from other agencies. This support is provided by our sister company and main shareholder, Homes for Good (Scotland) CIC (**HFGS**), which also manages this portfolio.

As a result of our first development for sale project in late 2020, we have established a funding stream for an ongoing development programme. This year we have identified and purchased 2 properties, which will release funds to provide further homes for people who need them.

Moving beyond the Covid-19 pandemic, at **HFG** we continued to adapt and work flexibly. Our priority continues to be keeping our tenants & team safe and healthy, balanced with ensuring our business remains financially viable.

We continue to offer an increased level of tenancy support to our tenants during this time, and work to minimise rent arrears has been successful in helping tenants to sustain their tenancies.

The board of directors continues to review key risks in wake of the COVID-19 pandemic and the current cost of living crisis. The economic environment, including rising costs of construction, fuel prices and rising interest rates, do present increased challenges for Homes for Good Investments. However, we have robust plans in place to mitigate any emerging risks and are in a strong financial and operation position to respond to the external environment.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Susan Aktemel
Alexander Pollock
John Anderson
Joshua Meek
Audrey Simpson

(Appointed 5 June 2021)

HOMES FOR GOOD INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Auditor

The auditors, Wylie & Bisset (Audit) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

DocuSigned by:

8AB8DB4F9175488...
Susan Aktemel
Director

21 September 2022

HOMES FOR GOOD INVESTMENTS LIMITED

BALANCE SHEET

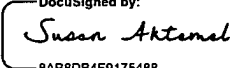
AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	4	89,115		99,815	
Investment properties	5	11,929,102		10,596,223	
		<u>12,018,217</u>		<u>10,696,038</u>	
Current assets					
Debtors	6	74,603		43,727	
Cash at bank and in hand		384,682		271,606	
		<u>459,285</u>		<u>315,333</u>	
Creditors: amounts falling due within one year	7	<u>(241,085)</u>		<u>(189,322)</u>	
Net current assets		<u>218,200</u>		<u>126,011</u>	
Total assets less current liabilities		<u>12,236,417</u>		<u>10,822,049</u>	
Creditors: amounts falling due after more than one year	8	<u>(9,237,522)</u>		<u>(8,391,744)</u>	
Net assets		<u><u>2,998,895</u></u>		<u><u>2,430,305</u></u>	
Capital and reserves					
Called up share capital	11	182		182	
Share premium account		999,963		999,963	
Revaluation reserve		2,193,362		1,746,993	
Profit and loss reserves		<u>(194,612)</u>		<u>(316,833)</u>	
Total equity		<u><u>2,998,895</u></u>		<u><u>2,430,305</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 21 September 2022 and are signed on its behalf by:

DocuSigned by:

 8AB8DB4F9175488...
 Susan Aktemel
 Director

Company Registration No. SC481622

HOMES FOR GOOD INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020	182	999,963	1,461,835	(388,701)	2,073,279
Year ended 31 March 2021:					
Profit for the year	-	-	-	71,868	71,868
Other comprehensive income:					
Revaluation of tangible fixed assets	-	-	285,158	-	285,158
Total comprehensive income for the year	-	-	285,158	71,868	357,026
Balance at 31 March 2021	182	999,963	1,746,993	(316,833)	2,430,305
Year ended 31 March 2022:					
Profit for the year	-	-	-	122,221	122,221
Other comprehensive income:					
Revaluation of tangible fixed assets	-	-	446,369	-	446,369
Total comprehensive income for the year	-	-	446,369	122,221	568,590
Balance at 31 March 2022	182	999,963	2,193,362	(194,612)	2,998,895

HOMES FOR GOOD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Homes for Good Investments Limited is a private company limited by shares incorporated in Scotland. The registered office is 123 Main Street, Bridgeton, Glasgow, G40 1QD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% Reducing balance
Computer equipment	Enter depreciation rate via StatDB - cd198

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

HOMES FOR GOOD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

HOMES FOR GOOD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

HOMES FOR GOOD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Investment property valuations - valuations are made on an open market basis by reference to market evidence of transaction prices for similar properties.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2021 - 5).

	2022 Number	2021 Number
Total	6	5
	<u> </u>	<u> </u>

HOMES FOR GOOD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2021	256,385
Additions	24,289
Disposals	(7,329)
At 31 March 2022	273,345
Depreciation and impairment	
At 1 April 2021	156,570
Depreciation charged in the year	29,705
Eliminated in respect of disposals	(2,045)
At 31 March 2022	184,230
Carrying amount	
At 31 March 2022	89,115
At 31 March 2021	99,815

5 Investment property

	2022 £
Fair value	
At 1 April 2021	10,596,223
Additions	919,142
Disposals	(32,632)
Revaluations	446,369
At 31 March 2022	11,929,102

Investment property comprises properties acquired for the purpose of rental to tenants. The fair value of the investment property has been arrived at on the basis of valuations which are carried out as and when the properties have been refurbished and are ready for rental by independent Chartered Surveyors, who are not connected with the company. The valuations are made on an open market value basis by reference to market evidence of transaction prices for similar properties.

6 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	59,526	35,881
Other debtors	15,077	7,846
	74,603	43,727

HOMES FOR GOOD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	155,850	58,076
Trade creditors	48,737	51,582
Corporation tax	1,060	-
Other taxation and social security	-	416
Other creditors	35,438	79,248
	<u>241,085</u>	<u>189,322</u>

8 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	6,581,087	6,100,177
Other creditors	2,656,435	2,291,567
	<u>9,237,522</u>	<u>8,391,744</u>

The long-term bank loans are secured by fixed charges over the investment properties.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Scott Gillon BA(Hons) FCCA CA and the auditor was Wylie & Bisset (Audit) Limited.

10 Contingent liability

The company is aware of potential repair works that will require to be carried out on one of the investment properties, however as the date of approval of the accounts this amount cannot yet be quantified. These works are, however, expected to increase the value of the property in question.

11 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.01p each	1,454,548	1,454,548	146	146
A Ordinary shares of 0.01p each	363,637	363,637	36	36
	<u>1,818,185</u>	<u>1,818,185</u>	<u>182</u>	<u>182</u>

HOMES FOR GOOD INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Purchase of investment properties	-	33,000

13 Related party transactions

Remuneration of key management personnel

	2022 £	2021 £
Aggregate compensation	25,018	37,000

Expenses were reimbursed to Susan Aktemel for materials and cost of travel totalling £2,544 (2021 - £14,672). No other director expenses were incurred in the year. No directors waived expenses which they were eligible to claim during the year (2021 - £Nil).

Further related party transactions were carried out with Maydos Development Ltd including contractor fees of £20,750 (2021 - £33,950) and materials reimbursed of £9,739 (2021 - £5,866). At the year end a debtor of £3,925 was due from Maydos Development Ltd (2021 - £967).

Advisory fees of £nil (2021 - £9,000) were also paid to Rock Ventures Limited of which £nil was outstanding at the year end date (2021 - £1,000).

Letting agent fees paid to Homes For Good (Scotland) CIC totalled £187,680 (2021 - £165,252). Expenses incurred on behalf of Homes For Good (Scotland) CIC totalled £17,076 (2021 - £nil). At the year end a creditor of £29,720 (2021 - £54,915) was owed to Homes for Good (Scotland) CIC.

In the year expenses of £98,101 (2021 - £50,202) were incurred in relation to Homes For Good Property Care. Expenses incurred on behalf of Homes For Good Property Care totalled £14,590 (2021 - £nil). At the year end a debtor of £9,660 (2021 - creditor of £17,191) was due from Homes For Good Property Care.

In the year expenses of £7,895 (2021 - £4,546) were incurred in relation to Homes for Good Glasgow. At the year end a debtor of £1,072 (2021 - creditor of £590) was due from Homes for Good Glasgow.

There have been no other transactions requiring disclosure by any director or other person related to the company during the year (2021 - none).

14 Parent company

There is no ultimate controlling party of the company.