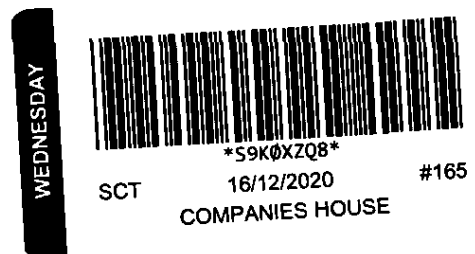


Company Registration No. SC597899 (Scotland)

**HOMES FOR GOOD GLASGOW CIC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**  
**PAGES FOR FILING WITH REGISTRAR**



# **HOMES FOR GOOD GLASGOW CIC**

## **CONTENTS**

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	<b>Page</b>
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 8

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# HOMES FOR GOOD GLASGOW CIC

## BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	3	55,968		28,438	
Investment properties	4	2,765,000		1,908,854	
		<u>2,820,968</u>		<u>1,937,292</u>	
<b>Current assets</b>					
Debtors	5	33,567		30,243	
Cash at bank and in hand		117,977		272,855	
		<u>151,544</u>		<u>303,098</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(77,943)</u>		<u>(88,378)</u>	
<b>Net current assets</b>			73,601		214,720
<b>Total assets less current liabilities</b>			<u>2,894,569</u>		<u>2,152,012</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(2,877,458)</u>		<u>(2,126,000)</u>
<b>Net assets</b>			<u>17,111</u>		<u>26,012</u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Revaluation reserve			82,125		43,020
Profit and loss reserves			(65,114)		(17,108)
<b>Total equity</b>			<u>17,111</u>		<u>26,012</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 16 July 2020 and are signed on its behalf by:

S Aktemel  
Director



Company Registration No. SC597899

# HOMES FOR GOOD GLASGOW CIC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 22 May 2018</b>		-	-	-	-
<b>Period ended 31 March 2019:</b>					
Loss for the period		-	-	(17,108)	(17,108)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	43,020	-	43,020
Total comprehensive income for the period		-	43,020	(17,108)	25,912
Issue of share capital		100	-	-	100
<b>Balance at 31 March 2019</b>		100	43,020	(17,108)	26,012
<b>Year ended 31 March 2020:</b>					
Loss for the year		-	-	(48,006)	(48,006)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	39,105	-	39,105
Total comprehensive income for the year		-	39,105	(48,006)	(8,901)
<b>Balance at 31 March 2020</b>		100	82,125	(65,114)	17,111

# HOMES FOR GOOD GLASGOW CIC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Company information

Homes For Good Glasgow CIC 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 and fittings	25% Reducing balance
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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.

Investment properties are included in the Balance Sheet at their market value and are not depreciated.

Although this accounting policy is in accordance with the Financial Reporting Standard 102, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### 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 other comprehensive income.

# HOMES FOR GOOD GLASGOW CIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 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.

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 GLASGOW CIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 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.

# HOMES FOR GOOD GLASGOW CIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	-	-

### 3 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 April 2019	38,107
Additions	46,186
At 31 March 2020	84,293
<b>Depreciation and impairment</b>	
At 1 April 2019	9,669
Depreciation charged in the year	18,656
At 31 March 2020	28,325
<b>Carrying amount</b>	
At 31 March 2020	55,968
At 31 March 2019	28,438

### 4 Investment property

	2020 £
<b>Fair value</b>	
At 1 April 2019	1,908,854
Additions	817,041
Revaluations	39,105
At 31 March 2020	2,765,000

Investment property comprises of properties acquired for the purpose of being let out to tenants. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 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 valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.



# HOMES FOR GOOD GLASGOW CIC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	6,777	3,780
Other debtors	26,790	26,463
	<u>33,567</u>	<u>30,243</u>

### 6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	10,774	11,299
Other creditors	67,169	77,079
	<u>77,943</u>	<u>88,378</u>

### 7 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	2,850,000	2,126,000
Other creditors	27,458	-
	<u>2,877,458</u>	<u>2,126,000</u>

The long-term loan is secured by fixed charges over the investment properties.

### 8 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.

The auditor was Wylie & Bisset (Audit) Limited.

### 9 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

## HOMES FOR GOOD GLASGOW CIC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 9 Related party transactions

(Continued)

Expenses were reimbursed to Susan Aktemel for items purchased personally and refunded totalling £3,712. Also, board expenses reimbursed to Karen Lynch totalling £206. No other director expenses were incurred in the year. No directors waived expenses which they were eligible to claim during the year.

Further related party transactions were carried out with Maydos Development Ltd including contractor fees of £81,753 and materials reimbursed of £9,428.

In addition, the following transactions took place amongst the respective companies:

	Reimbursements	Purchases	Total owed/(due)
	£	£	£
Homes for Good (Scotland) CIC	6,315	41,512	10,190
Homes for Good Investments Ltd	1,352	32,468	10,116
Homes for Good Property Care Ltd	-	710	2,601

#### 10 Parent company

The ultimate controlling party is Homes For Good (Scotland) CIC, the majority shareholder.

# CIC 34

## Community Interest Company Report

**For official use**  
*(Please leave blank)*

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*Please  
complete in  
typescript, or  
in bold black  
capitals.*

**Company Name in  
full**

Homes for Good Glasgow CIC

**Company Number**

SC441866

**Year Ending**

31 March 2020

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

**(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)**

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## **PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT**

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

Home for Good Good Glasgow (HFGG), incorporated in 2018, 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. 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 quality homes within the PRS;
4. To develop solutions and test new ideas which tackle systemic barriers within the PRS.

HFGG is a community interest company limited by shares, established to purchase and renovate dilapidated properties. The property portfolio is located in the Greater Glasgow Area with 75% of the portfolio located within Glasgow City boundaries. The other 25% of the portfolio are located in North Lanarkshire, Renfrewshire, West Dunbartonshire and North Ayrshire. 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.

To date HFGG has raised £2.85m from partners Social & Sustainable Capital LLP To date 52 homes have been purchased in this portfolio. Once refurbished, the majority of homes are rented to people from either a homelessness background, on low incomes, and/or accessing housing related benefits.

Due to the support provided by HFG's Tenancy Support Team, HFGG is able to provide homes to tenants with additional support needs and work with them to ensure that they can sustain their tenancy. Of current tenants, 63% have been in previous significant housing need including 56% with a homelessness background. 92% of current tenants are either unemployed, economically inactive, students or working on a low income.

With the outbreak of Covid-19 & the subsequent lockdown restrictions, at HFG we have adapted how we work during this unprecedented time. Our priority is, and will continue to be, keeping our tenants & staff team safe and healthy, balanced with ensuring our business remains financially viable. HFG have increased the level of tenancy support we offer our tenants during this time, and we worked intensively to minimise rent arrears due to tenants getting into financial difficulties.

Property management, tenancy support and central corporate services are provided by HFG Scotland (HFGS), a social enterprise letting agency, which owns 51% shares of HFGG. HFGG pays for these services through a management fee deducted at source by HFGS from any rental income received therefore also helping to sustain another social enterprise.

*(If applicable, please just state "A social audit report covering these points is attached").*

*(Please continue on separate continuation sheet if necessary.)*

**PART 2 – CONSULTATION WITH STAKEHOLDERS** – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

Key stakeholders continue to include YPeople, Glasgow City Mission, The Simon Community & Glasgow Homelessness Network, all of whom HFG works with closely to try to alleviate homelessness in Glasgow. YPeople lease a number of properties owned by HFGG that are used to provide temporary accommodation to people facing homelessness. The Simon Community, Glasgow City Mission and Glasgow Homelessness Network with HFG to provide support and underwrite housing first tenancies, some of which are within HFGG homes.

All HFGG tenants continue to be key stakeholders, these stakeholders are provided with support and assistance through our sister social enterprise, HFGS. As previously described, HFGG pays HFGS through a letting agent fee on rent received that is deducted at source by HFGS. In light of the pandemic, HFGS has greatly increased its efforts to support its tenants and has also created an online community.

Social & Sustainable Capital, an impact fund, provided lending funds to grow this portfolio. We report to them quarterly, both in relation to the financial performance of the organisation, and the social impact provided through our homes.

*(If applicable, please just state "A social audit report covering these points is attached").*

**PART 3 – DIRECTORS' REMUNERATION** – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

Director's remunerations are fully detailed in our accounts, there are no other transactions or arrangements in connection with the remuneration of directors or compensation for director's loss of office, which require to be disclosed.

**PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION** – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration has been made

*(Please continue on separate continuation sheet if necessary.)*

## PART 5 – SIGNATORY

The original report must be signed by a director or secretary of the company

Signed

*anish*

Date

24/11/20

Office held Director

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Homes for Good Glasgow CIC	
123 Main Street	
Glasgow G40 1QD	
Tel 07780 457 580	
DX Number	DX Exchange

**When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:**

*For companies registered in England and Wales:* Companies House, Crown Way, Cardiff, CF14 3UZ  
DX 33050 Cardiff

*For companies registered in Scotland:* Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139  
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

*For companies registered in Northern Ireland:* Companies House, 2nd Floor, The Linenhall, 32-38  
Linenhall Street, Belfast, BT2 8BG

The accounts and CIC34 **cannot** be filed online

**(N.B. Please enclose a cheque for £15 payable to Companies House)**