

Company Registration No. 08938527 (England and Wales)

**HOUSING GATEWAY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# HOUSING GATEWAY LIMITED

## COMPANY INFORMATION

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**Directors**

P Nwosu  
J Embling  
J Drew  
T Leaver  
K Wilson

**Company number**

08938527

**Registered office**

Civic Centre  
Silver Street  
Enfield  
EN1 3XA

**Auditor**

Moore Northern Home Counties Limited  
Nicholas House  
River Front  
Enfield  
Middlesex  
EN1 3FG

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# HOUSING GATEWAY LIMITED

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# HOUSING GATEWAY LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their annual report and financial statements for the year ended 31 March 2021.

### Principal activities

The principal activity of the company is the acquisition and management of a property portfolio, to provide sub-market accommodation for residents in Enfield. The company's aim is to secure local properties for local people with housing needs.

To increase the supply of accommodation, in October 2020 the company launched a social letting agency under the trading name Enfield Lets (EL). EL takes short leases of 3-5 years on properties in Enfield and sublets them on assured short hold tenancies to tenants nominated by Enfield Council who would otherwise be at risk of homelessness. EL manages the properties and takes the void risk by offering its landlords guaranteed rent which is paid monthly in advance. At the end of the accounting period, EL had acquired a portfolio of 83 properties. The company expended £79,616 (2020: £nil) on set up costs for EL which is included in the company's operating costs for the period.

Housing Gateway Limited is wholly owned by Enfield Council and was formed to help assist the Council in reducing its budget pressure, by providing more affordable accommodation in the private rented sector.

### Directors

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

P Nwosu

J Middleton-Albooye

(Resigned 12 February 2021)

J Embling

J Drew

T Leaver

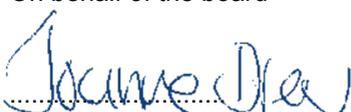
K Wilson

(Appointed 15 February 2021)

### 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.

On behalf of the board



J Drew

**Director**

Date: .08/09/2021....

# **HOUSING GATEWAY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

# HOUSING GATEWAY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HOUSING GATEWAY LIMITED

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#### Opinion

We have audited the financial statements of Housing Gateway Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# HOUSING GATEWAY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HOUSING GATEWAY LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# HOUSING GATEWAY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HOUSING GATEWAY LIMITED

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Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

### Use of our report

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



**Francis Corbishley (Senior Statutory Auditor)**  
**For and on behalf of Moore Northern Home Counties Limited**

08/10/2021  
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**Chartered Accountants**  
**Statutory Auditor**

Nicholas House  
River Front  
Enfield  
Middlesex  
EN1 3FG

# HOUSING GATEWAY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	7,884,064	7,201,064
Cost of sales		(345,787)	(138,718)
<b>Gross profit</b>		<u>7,538,277</u>	<u>7,062,346</u>
Administrative expenses		(4,941,883)	(2,659,526)
Other operating income		77,347	101,078
<b>Operating profit</b>	<b>4</b>	<u>2,673,741</u>	<u>4,503,898</u>
Interest receivable and similar income	<b>6</b>	-	15,378
Interest payable and similar expenses	<b>7</b>	(2,960,662)	(2,828,361)
Changes in the fair value of investment properties	<b>8</b>	1,886,087	(9,131,677)
<b>Profit/(loss) before taxation</b>		<u>1,599,166</u>	<u>(7,440,762)</u>
Tax on profit/(loss)	<b>9</b>	(217,756)	645,773
<b>Profit/(loss) for the financial year</b>		<u><u>1,381,410</u></u>	<u><u>(6,794,989)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# HOUSING GATEWAY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

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	2021 £	2020 £
Profit/(loss) for the year	1,381,410	(6,794,989)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>1,381,410</u>	<u>(6,794,989)</u>

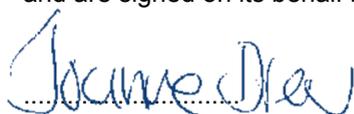
# HOUSING GATEWAY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		155,897		259,926
Investment properties	11		130,184,728		120,578,385
			<u>130,340,625</u>		<u>120,838,311</u>
<b>Current assets</b>					
Debtors	12	567,428		289,518	
Cash at bank and in hand		8,012,554		5,576,625	
		<u>8,579,982</u>		<u>5,866,143</u>	
<b>Creditors: amounts falling due within one year</b>	13	(5,297,412)		(8,743,604)	
<b>Net current assets/(liabilities)</b>			<u>3,282,570</u>		<u>(2,877,461)</u>
<b>Total assets less current liabilities</b>			<u>133,623,195</u>		<u>117,960,850</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(125,999,647)		(116,718,712)	
<b>Net assets</b>			<u><u>7,623,548</u></u>		<u><u>1,242,138</u></u>
<b>Capital and reserves</b>					
Called up share capital	16	5,000,001		1	
Profit and loss reserves	23	2,623,547		1,242,137	
<b>Total equity</b>			<u><u>7,623,548</u></u>		<u><u>1,242,138</u></u>

The financial statements were approved by the board of directors and authorised for issue on 08/09/2021 and are signed on its behalf by:



J Drew  
Director

Company Registration No. 08938527

# HOUSING GATEWAY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2019</b>		1	8,037,126	8,037,127
<b>Year ended 31 March 2020:</b>				
Loss and total comprehensive income for the year		-	(6,794,989)	(6,794,989)
<b>Balance at 31 March 2020</b>		1	1,242,137	1,242,138
<b>Year ended 31 March 2021:</b>				
Profit and total comprehensive income for the year		-	1,381,410	1,381,410
Issue of share capital	<b>16</b>	5,000,000	-	5,000,000
<b>Balance at 31 March 2021</b>		5,000,001	2,623,547	7,623,548

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# HOUSING GATEWAY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20	6,357,093		6,478,235	
Interest paid		(2,960,662)		(2,828,361)	
Income taxes paid		(522,133)		(489,591)	
<b>Net cash inflow from operating activities</b>		<b>2,874,298</b>		<b>3,160,283</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(48,891)		(86,472)	
Proceeds on disposal of tangible fixed assets		80,637		21,048	
Purchase of investment property		(9,328,905)		(4,526,173)	
Proceeds on disposal of investment property		220,000		-	
Interest received		-		15,378	
<b>Net cash used in investing activities</b>		<b>(9,077,159)</b>		<b>(4,576,219)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		5,000,000		-	
Repayment of borrowings		(1,061,210)		(6,020,890)	
Proceeds of new bank loans		4,700,000		10,500,000	
<b>Net cash generated from financing activities</b>		<b>8,638,790</b>		<b>4,479,110</b>	
<b>Net increase in cash and cash equivalents</b>		<b>2,435,929</b>		<b>3,063,174</b>	
Cash and cash equivalents at beginning of year		5,576,625		2,513,451	
<b>Cash and cash equivalents at end of year</b>		<b>8,012,554</b>		<b>5,576,625</b>	

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# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### 1 Accounting policies

#### Company information

Housing Gateway Limited is a private company limited by shares incorporated in England and Wales. The registered office is Civic Centre, Silver Street, Enfield, EN1 3XA.

#### 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.

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 investment properties and certain financial instruments at fair value. The principle accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover represents rental income receivable from housing benefit tenants and is recognised on a straight-line basis over the term of the tenancy agreement.

#### 1.3 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost of tangible fixed assets as follows:

Leasehold improvements	- Over 4 to 7 years
Fixtures, fittings & equipment	- 20% on cost

#### 1.4 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standards 102 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.5 Taxation

#### ***Current tax***

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

#### ***Deferred tax***

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gain and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

### 1.6 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

### 1.7 Government grants

Government grants in respect of capital expenditure are deferred and released to the profit and loss over the estimated useful life of the relevant asset which is fifty years.

### 1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.9 Going concern

The directors have reviewed the company's forecasts and have a reasonable expectation that the company has adequate resources to continue its operations for a period of not less than one year from the date that these financial statements are approved. The company has therefore continued to prepare its accounts on a going concern basis.

The company has experienced minimal impact relating to the COVID-19 pandemic and has transitioned well to continue operations during the lockdown period. The directors have considered the impact of the COVID-19 pandemic on the business and do not believe there to be any change in the going concern status of the company.

### 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.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Rental income	7,656,144	7,201,064
Enfield Let	227,920	-
	<u>7,884,064</u>	<u>7,201,064</u>
	<u>2021</u> £	<u>2020</u> £
<b>Other significant revenue</b>		
Interest income	-	15,378
Grants received	77,347	101,078
	<u>77,347</u>	<u>101,078</u>

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(8,224)	21,048
Government grants	(77,347)	(101,078)
Fees payable to the company's auditor for the audit of the company's financial statements	24,093	23,445
Depreciation of owned tangible fixed assets	72,283	96,752
Operating lease charges	345,787	138,718
	<u>                    </u>	<u>                    </u>

### 5 Employees

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

	2021	2020
	Number	Number
Directors	2	2
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	6,000	6,000
	<u>                    </u>	<u>                    </u>

Directors' remuneration represents salaries of non-executive directors, Joanna Embling and Peter Nwosu, for their services.

### 6 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	-	15,378
	<u>                    </u>	<u>                    </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	15,378
	<u>                    </u>	<u>                    </u>

### 7 Interest payable and similar expenses

	2021	2020
	£	£
<b>Other finance costs:</b>		
Other interest	2,960,662	2,828,361
	<u>                    </u>	<u>                    </u>

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Fair value movement on investment properties

	2021 £	2020 £
Changes in the fair value of investment properties	1,886,087	(9,131,677)

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	217,756	358,999
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(1,004,772)
Total tax charge/(credit)	217,756	(645,773)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	1,599,166	(7,440,762)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	303,842	(1,413,745)
Tax effect of expenses that are not deductible in determining taxable profit	26,894	38,548
Tax effect of income not taxable in determining taxable profit	(32,201)	(19,205)
Depreciation on assets not qualifying for tax allowances	13,734	18,383
Deferred tax adjustment for revaluation gain	-	(1,004,772)
Profit on revaluation of investment properties	(94,513)	1,735,018
Taxation charge/(credit) for the year	217,756	(645,773)

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 10 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2020	203,158	330,004	533,162
Additions	-	48,891	48,891
Disposals	(16,050)	(72,948)	(88,998)
At 31 March 2021	187,108	305,947	493,055
<b>Depreciation and impairment</b>			
At 1 April 2020	86,939	186,297	273,236
Depreciation charged in the year	33,973	38,310	72,283
Eliminated in respect of disposals	(8,361)	-	(8,361)
At 31 March 2021	112,551	224,607	337,158
<b>Carrying amount</b>			
At 31 March 2021	74,557	81,340	155,897
At 31 March 2020	116,219	143,707	259,926

### 11 Investment property

	2021 £
<b>Fair value</b>	
At 1 April 2020	120,578,385
Additions through external acquisition	9,328,905
Disposals	(220,000)
Net gains or losses through fair value adjustments	1,886,087
Impairment of Brickfield House and Greenway House	(1,388,649)
At 31 March 2021	130,184,728

Management appointed Strutt & Parker, a chartered surveyor firm regulated by RICS, to undertake the revaluation of the investment property portfolio.

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 12 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	81,148	29,388
Corporation tax recoverable	118,119	163,901
Other debtors	323,889	30,825
Prepayments and accrued income	44,272	65,404
	<u>567,428</u>	<u>289,518</u>

Included in other debtors and due within one year is £31,462 (2020: £29,248) owed by the London Borough of Enfield in respect of recharges for goods and services in the year.

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

	Notes	2021	2020
		£	£
Other borrowings		612,323	6,044,781
Trade creditors		989,367	457,285
Amounts owed to group undertakings		567,915	163,901
Corporation tax		8,840	358,999
Deferred income	15	81,376	77,575
Accruals		3,037,591	1,641,063
		<u>5,297,412</u>	<u>8,743,604</u>

Included in trade creditors and accruals and due within one year is £1,938,204 (2020: £1,618,498) owed to the London Borough of Enfield in respect of recharges for goods and services in the year. Other borrowings consist of loans which are secured against the company's investment properties and are expected to be repaid within the next twelve months.

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

	Notes	2021	2020
		£	£
Other borrowings		121,417,564	112,346,315
Deferred income	15	4,582,083	4,372,397
		<u>125,999,647</u>	<u>116,718,712</u>

Included in creditors due after more than one year are loans of £121,417,564 (2020: £112,346,315) which are secured against the company's investment properties and are due after more than one year.

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 15 Deferred income

	2021 £	2020 £
Arising from government grants	4,662,709	4,448,922
Other deferred income	750	1,050
	<u>4,663,459</u>	<u>4,449,972</u>

Deferred income is included in the financial statements as follows:

Current liabilities	81,376	77,575
Non-current liabilities	4,582,083	4,372,397
	<u>4,663,459</u>	<u>4,449,972</u>

The government grant balance of £4.66 million (2020: £4.44 million) relates to grants of £2.5m, £2.2m and £291k received by the company in 2017, 2020 and 2021 respectively for the acquisition of investment properties. The grants have been recognised on the balance sheet and are being released to the P/L over the estimated useful life of the investment properties.

### 16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	5,000,001	1	5,000,001	1

During the year the company allotted 5,000,000 ordinary £1 shares at par. These have been paid in full.

### 17 Operating lease commitments

#### Lessee

Leased rental properties

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	1,442,306	123,215
Between two and five years	3,866,857	300,734
In over five years	-	11,007
	<u>5,309,163</u>	<u>434,956</u>

# HOUSING GATEWAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 17 Operating lease commitments

(Continued)

#### Lessor

The operating leases represent leases to housing tenants. The leases are negotiated over a maximum term of 1 year, after which they become rolling leases with between 2 weeks and 4 weeks notice to terminate.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2021 £	2020 £
Within one year	1,598,647	692,004

### 18 Ultimate controlling party

The ultimate controlling party is the London Borough of Enfield by virtue of 100% ownership of the company's shares held by The Mayor and Burgesses of the Borough on behalf of the Council.

### 19 Related party transactions

The company's ultimate parent undertaking is the London Borough of Enfield by virtue of 100% ownership held by The Mayor and Burgesses of the Borough on behalf of the Council. The company has taken advantage of the exemptions available under Financial Reporting Standard 102 not to disclose any transactions or balances with entities that are 100% controlled by the Council.

### 20 Cash generated from operations

	2021 £	2020 £
Profit/(loss) for the year after tax	1,381,410	(6,794,989)
<b>Adjustments for:</b>		
Taxation charged/(credited)	217,756	(645,773)
Finance costs	2,960,662	2,828,361
Investment income	-	(15,378)
Depreciation and impairment of tangible fixed assets	1,460,932	96,752
Other gains and losses	(1,886,087)	9,131,677
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(323,692)	574,121
Increase/(decrease) in creditors	2,332,625	(795,157)
Increase in deferred income	213,487	2,098,621
<b>Cash generated from operations</b>	<u>6,357,093</u>	<u>6,478,235</u>

# HOUSING GATEWAY LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020
	£	£	£	£
<b>Turnover</b>				
Rental income		7,856,424		7,200,763
Management fee income		27,340		-
Other income		300		301
		<hr/>		<hr/>
		7,884,064		7,201,064
<b>Cost of sales</b>				
Rent re operating leases	345,787		138,718	
	<hr/>		<hr/>	
		(345,787)		(138,718)
		<hr/>		<hr/>
<b>Gross profit</b>	95.61%	7,538,277	98.07%	7,062,346
<b>Other operating income</b>				
Government grants receivable and released		77,347		101,078
<b>Administrative expenses</b>				
Staff training	10,081		16,035	
Directors' remuneration	6,000		6,000	
Housing management costs	914,801		615,170	
Finance & treasury management	253,044		182,076	
Management charge	280,474		164,919	
Service charge payable	266,297		211,073	
Rates	16,464		10,997	
Security costs	41,694		156,505	
Power, light and heat	59,942		104,432	
Housing repairs	1,090,470		571,395	
Insurance	82,547		90,748	
Equipment repairs	36,084		2,400	
Legal and professional fees	101,395		26,606	
Consultancy fees	287,903		130,125	
Audit fees	24,093		23,445	
Bank charges	425		2,768	
Bad and doubtful debts	-		239,149	
Printing and stationery	140		1,618	
Telecommunications	15,127		13,955	
Sundry expenses	2,194		(27,690)	
Depreciation	72,283		96,752	
Impairment losses	1,388,649		-	
Profit or loss on disposal of leasehold property	(8,224)		21,048	
	<hr/>		<hr/>	
		4,941,883		2,659,526
		<hr/>		<hr/>
<b>Operating profit</b>		2,673,741		4,503,898
<b>Investment revenues</b>				
Bank interest received	-		15,378	
	<hr/>		<hr/>	
		-		15,378
<b>Interest payable and similar expenses</b>				

# HOUSING GATEWAY LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

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	2021	2020
	£	£
Interest payable	(2,960,662)	(2,828,361)
<b>Other gains and losses</b>		
Increase or decrease in fair value of investment property	1,886,087	(9,131,677)
<b>Profit/(loss) before taxation</b>	1,599,166	(7,440,762)
Taxation	(217,756)	645,773
<b>Profit/(loss) after taxation</b>	<u>1,381,410</u>	<u>(6,794,989)</u>

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