

MISSION HOUSING ASSOCIATION LIMITED

**REGISTERED NO.: IP17128R
HCA REGISTERED NO.: L0262**

REPORT AND FINANCIAL STATEMENTS

**for the year ended
31 December 2016**

**FIELD SULLIVAN LIMITED
CHARTERED ACCOUNTANTS**

**NEPTUNE HOUSE
70 ROYAL HILL
LONDON SE10 8RF**

Mission Housing Association Limited

Status:	Industrial and Provident Society, number IP17128R The Association's governing document is its Rules
Board members:	Anne Cartwright (5/7) Bernadette Cunningham (7/7) – Resigned Feb 2017 Tim Fallon (1/7) Richard Gatti (5/7) Adrian Greenwood (Chair) (7/7) Robert Lantsbury (3/7) – Resigned Feb 2017 Mark Robinson (5/7) Jon Skaife (Co-opted March 2016, elected June 2016) (3/6) Jane Thorington-Hassell (7/7) Mike Wilton (3/7) – Resigned Feb 2017 Peter King (Co-opted February 2017) (numbers in brackets = meetings attended/total number of eligible meetings)
Chief executive officer:	Jim Gilbourne
Secretary:	Anne Cartwright
Treasurer:	Mark Robinson
Auditor:	Field Sullivan Limited Neptune House 70 Royal Hill London SE10 8RF
Solicitors:	Solomon, Taylor & Shaw 3 Coach House Yard Hampstead London NW3 1QD
Bankers:	CAF Bank Limited Reliance Bank Ltd
Registered office:	8 Belmont Hill Lewisham London SE13 5BD

Mission Housing Association Limited

Report of the Board

Year ended 31 December 2016

The Board presents its report together with the audited financial statements for the year ended 31 December 2016.

Legislative Provision

The Association is incorporated under the Industrial and Provident Societies Act 1965 and is a Registered Social Housing Provider registered with the Homes and Communities Agency under the Housing and Regeneration Act 2008.

The Association operates under the Model Rules 2011 published by the National Housing Federation. Mission Housing Association Limited (MH) has charitable status as an exempt charity.

Principal Activity

The Principal Activity of the Association is the provision of accommodation for people on low income.

Review of Results

The association had a successful year in 2016 with turnover increasing by more than 15%, with the operating surplus, before depreciation and major works, remaining healthy. Together with the annual revaluation of property assets, a strong overall comprehensive income is reported and a strong growth in our balance sheet. We're now currently supporting almost 70 individuals and couples, active in their mission and ministry, in most boroughs in London.

Property Movements in 2016 – During the year, three properties were purchased for the granting of shared ownership leases.

- One was a flat on Caledonian Road in Kings Cross, purchased for £840,000 with a shared ownership lease granted of 50%, and which attracted equity loans to the association of 38% of the purchase price. The property was bought for a couple involved with a church plant in Kings Cross.
- Another house was purchased in Constance Road, Twickenham for £645,000 with a shared ownership lease granted of 77%, and which attracted equity loans of 6%. This was to help a family where the husband is the Chief Executive of a Christian based schools charity and his wife is providing voluntary work for charity helping vulnerable women.
- The third purchase was a flat in Damien Court, East London, where a substantial discount of £200,000 was provided by the sellers because they wanted the property to be used for Christian ministry in the area. The couple who purchased the flat, took a 47% shared ownership interest, and are currently in the process of refurbishing the property.

In addition to these purchases, a 3-bed maisonette in Blore Close, Vauxhall, was purchased for £480,000, which attracted equity loans of 34% of the value. This purchase was to support a local youth worker on the Patmore Estate, who will be initially sharing the flat with others involved with the project.

A one bed flat in Islington became vacant and was sold towards the end of the year, for which the Association received proceeds of £511,304 after sale costs. This boost in capital will be used to support other purchases and projects in 2017 and beyond.

Our management of properties, not owned by the Association, increased in number with an additional property in Creswick Walk, Bow being offered. The owner of the flat married and moved out of London but her flat has enabled a local Christian worker to rent the property, affordably, and continue in ministry.

Mission Housing Association Limited

Report of the Board

Year ended 31 December 2016

Post Balance Sheet Transactions

The purchase of another property, and granting a shared ownership lease, in Styles Gardens, Brixton completed in February 2017. The full purchase price was £417,000 and a shared ownership lease was granted, with a 37% interest, to a husband and wife working for CHIPS and Tearfund respectively. This property requires extensive refurbishment that will be funded by a downward staircasing of about 3%.

Early in 2017, three shared owners have indicated that they would like to staircase up or buy out the Association's share of the property during 2017. This could raise over £400,000 for the Association to use on new projects and purchases.

Equity Loans – the Association has continued to attract additional equity loans from private individuals, churches and charitable organisations. These funds are used in the direct support of new property purchases for accepted beneficiaries, where the loan provider may receive an uplift in the value of their loan, linked to the change in value of the property over time. More details are provided in .

The number of units of accommodation at 31 December 2016 was:

General Needs – Housing for rent	17
Shared ownership	27
Properties to rent – managed by MHA for others	3

In addition, the number of assisted households was:

Supported by Low Cost Housing Loan	4
Housing Support Fund Beneficiaries	2

Risk Assessment – Responsibility for the identification of risk to the association is now more clearly defined and is regularly considered by the Board through the introduction of a risk register. Building Insurance and Public Liability Insurance are reviewed periodically. The rented properties are surveyed and planned maintenance is carried out. Lessees are required to keep their homes in good repair; support is offered in this respect. Reserves are of a level to cover most possible risks. Access to housing, legal and financial experts also minimises risks.

Public Benefit Reporting – The Board of the Association have had regard to the Charity Commission's general guidance on public benefit when reviewing their activities. Currently we have over 50 beneficiaries of our services, who are working with churches and Christian organisations in the London area. We undertook a review of their activities and the results show that they reach a wide range of groups and ethnicities, including the young and old, employed and unemployed, those with physical and mental health issues and addictions, homeless and refugees and many other needy groups across London, with nearly 25,000 people being impacted, as well as many others through journalistic articles and blogs by tenants.

We have beneficiaries working in roles across London and specific areas of London. For example we have eight beneficiaries in Tower Hamlets working with youngsters and people with mental health issues; and three working in Hackney reaching the homeless and local families as well as youngsters; their ministries range from sports to psychotherapy and hospitality. Others reach out through bringing local community together, seeking justice for those marginalised, reaching those in prison and helping them to make better life choices.

Mission Housing Association Limited

Report of the Board

Year ended 31 December 2016

Reserves Policy – The Association does set out to hold some reserves to cater for the repayment of any equity loans. This is adjusted to take into account the amount of time-limited equity loans that need to be repaid over a period of time. Any cash balances and any overdraft capacities are used as necessary working capital and available for the next housing activity.

Membership – during the year two new members were added. One member, John Woodman the former Treasurer of ACH, sadly died. Two members asked to be removed from the membership. As part of good governance, in July, all members who had not attended, or sent apologies, for the two previous AGM's were invited to confirm if they wished to remain in membership. This led to the removal of a further 13 members, including a member who is no longer contactable.

Plans for the Future – the Board held an Away Day in January 2017 to prepare a business plan for the next three to four years. As a result, it is planned to increase the number of Christian workers supported to between 12 and 20 in each successive year. The increase will be implemented in a prudent manner making greater use of revolving capital (from property sales and staircasing), gifts and donations, as well as accepting further private loans (standard and equity) and some possible bank borrowing if necessary.

The Board applied to de-register from the Homes and Communities Agency (HCA) to enable the Association to pursue a more distinctive Christian ethos, free from some of the requirements of the HCA. E.G. the intro of 1% rent reduction & voluntary right to buy. It was felt that some aspects of being registered could impede the core aims of MHA. Discussion on deregistering began prior to the merger, assessing the pros and cons of Registration. It was in March 2016 that the Board formally resolved to apply for deregistration, knowing that this could be a lengthy process.

New partnerships will be considered by the Board with Christian organisations who require the experience and expertise of the Association in property ownership and management, but only in projects unlikely to require capital from the Association. Such partnerships will enable us to support the housing of key Christian workers both inside and outside of London. One new partnership is being developed in 2017 with Friends International for a property in Cambridge. This area was seen as a potential growth area for by the Board.

The Board Members

Board members are elected at the Annual General Meeting (AGM) for a period of three years and are thereafter eligible for re-election. Vacancies may be filled by the Board during the year, for formal election at the next AGM. Jon Skaife was co-opted to the Board in March and was elected to the board by the members at the AGM in June 2016. Peter King attended the Away Day and was co-opted to the board in January 2017. He will be eligible for election to the board at the next AGM. Anne Cartwright continues as Secretary for MHA.

Two Board Members, Rob Lantsbury and Mike Wilton decided at the end of 2016 that due to pressures of work and family they needed to step down from the MHA Board because they no longer had sufficient time. Bernadette Cunningham told Board members at their February meeting that she also felt it was time to step down from the board. All three are continuing in membership of the Association.

Mission Housing Association Limited

Report of the Board

Year ended 31 December 2016

Board Members responsibilities

The Board is required to prepare financial statements for each financial year in accordance with applicable laws and Generally Accepted Accounting Practice in the UK (UK GAAP), which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing those financial statements, the Board is required to:

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

The Board is responsible for maintaining adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefits Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2012. It is also responsible for safeguarding the assets of the Association and hence for taking steps for the prevention and detection of fraud and other irregularities.

All current Board members have taken all the steps they ought to have taken to make themselves aware of any information needed by the association's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Board members are not aware of any relevant audit information of which the auditors are unaware.

The Board also agreed to adopt 'Good Governance – A code for the voluntary and community sector' as its preferred governance document and is working towards full compliance with its principles.

Related party transactions

A loan received to assist in the purchase of a property situated at 63 Median Road, London E5 0PJ, was held at 31 December 2016 by A Cartwright (Secretary) and J Tasker (her husband), being related parties. Its value at the end of the year was £45,000.

The board of the association is listed on page 1

By order of the Board

A Greenwood – Chair

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MISSION HOUSING ASSOCIATION LIMITED

We have audited the financial statements of Mission Housing Association for the year ended 31 December 2016 which comprise the income and expenditure account, the balance sheet and the related notes numbered 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968 and the section 83 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of board members and auditors

As explained more fully in the Statement of Board Members' Responsibilities set out on page 5 the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Board Members' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Act 1965, the Friendly and Industrial and Provident Societies Act 1968, Co-operative and Community Benefit Societies Act 2014 and the Accounting Direction for Social Housing in England from April 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Friendly and Industrial and Provident Societies Act 1968 and Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- a satisfactory system of internal control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit

Field Sullivan Limited

Chartered Accountants and Statutory Auditors
70 Royal Hill, Greenwich, London, SE10 8RF

Date:

Mission Housing Association Limited

Statement of Comprehensive Income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	275,320	228,627
Operating expenditure	4	(490,202)	(326,272)
Other income		4,769	8,030
Operating (deficit) /surplus		(210,113)	(89,615)
Realised profit on disposal of fixed assets		47,725	502,157
Interest and other income	7	69,745	19,224
Interest chargeable and similar charges	6	(18,970)	(16,053)
Unrealised movement on equity loans	6	(284,680)	(830,163)
Unrealised surplus on revaluation of investments		90	(501)
Unrealised surplus on revaluation of investment properties		1,350,057	3,139,981
Total comprehensive income for the year	16	953,854	2,725,030

All of the above relates to continuing activities.

There were no recognised gains or losses apart from the above.

Mission Housing Association Limited

Statement of Changes in Reserves for the year ended 31 December 2016

	Income and expenditure reserve £	Revaluation Reserve £	Restricted Reserve	Total £
Balance at 1 January 2015	6,844,451	-	212,469	7,056,920
Total comprehensive income for the year	2,725,031	-	-	2,725,031
Transfer from restricted reserve to the income and expenditure reserves	212,469		(212,469)	-
Transfer from the income and expenditure reserves to the revaluation reserve	(7,571,517)	7,571,517		-
Balance at 31 December 2015	2,210,434	7,571,517	-	9,781,951
Total comprehensive income for the year	953,854	-		953,854
Transfer from the income and expenditure reserves to the revaluation reserve	(1,350,561)	1,350,561		-
Transfer from the revaluation reserve to the income and expenditure reserves	453,323	(453,323)		-
Balance at 31 December 2016	2,267,050	8,468,755	-	10,735,805

Mission Housing Association Limited

Balance sheet
as at
31 December 2016

	Note	2016		2015	
		£	£	£	£
Tangible fixed assets					
Housing properties	9		16,903,414		14,562,550
Investments	10		4,458		4,367
			<u>16,907,872</u>		<u>14,566,917</u>
Current assets					
Debtors	11	60,049		136,068	
Cash at bank and in hand		<u>727,145</u>		<u>1,267,513</u>	
		787,194		1,403,581	
Creditors: amounts falling due within one year	12		<u>107,812</u>		<u>164,622</u>
<i>Net current assets</i>			679,382		1,238,959
Total assets less current liabilities			<u>17,587,254</u>		<u>15,805,876</u>
Creditors: amounts falling due after more than one year	13		6,851,390		6,023,851
			<u>10,735,864</u>		<u>9,782,025</u>
Capital and reserves					
Share capital	14		51		66
Loan capital	16		8		8
Revenue reserve	16		2,267,050		2,210,434
Revaluation reserve	16		8,468,755		7,571,517
			<u>10,735,864</u>		<u>9,782,025</u>

These financial statements were approved by the Board on _____
and signed on its behalf by:

Adrian D.C. Greenwood - Chair

Anne Cartwright - Secretary

Mission Housing Association Limited

Statement of Cash Flows for the year ended 31 December 2016

	Note	2016 £	2015 £
Net cash generated from operating activities	15	64,967	(34,209)
Cash flow from investing activities			
Movement on share capital		(15)	(1)
Purchase of tangible fixed assets		(1,696,850)	(2,012,715)
Proceeds from sale of tangible fixed assets		522,725	1,378,710
Payment of loans made by the Association		31,179	10,068
Interest Received		69,745	19,224
		(1,073,216)	(604,714)
Cash flow from financing activities			
Interest paid		(18,970)	(16,053)
New equity loans		585,000	788,486
New secured loans		71,652	465,493
Repayments of equity loans		(74,333)	(15,850)
Repayments of borrowings		(95,468)	(50,453)
		467,881	1,171,623
Net change in cash and cash equivalents		(540,368)	532,700
Cash and cash equivalents at beginning of the year		1,267,513	734,813
Cash and cash equivalents at end of the year		727,145	1,267,513

Mission Housing Association Limited

Notes to the accounts
for the year ended
31 December 2016

1 Legal Status

The association is registered under the Companies Act 2006 and is a registered housing provider.

2 Accounting policies

The principal accounting policies are summarised below and have been applied consistently.

(i) *Introduction and accounting basis*

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. The company has adopted FRS 102 for the first time in the preparation of these accounts. Accordingly the date of transition to FRS 102 was 1 January 2015.

The accounts are prepared on the historical cost basis of accounting except for tangible fixed assets, which have been included at revalued amounts.

(ii) *Turnover*

Turnover represents rental income and service charges net of voids, fees and grants from local authorities and the Homes and Communities Agency.

(iii) *Fixed assets*

Tangible fixed assets

Tangible fixed assets are stated at their current valuation, which is to be updated annually.

Individual furniture and equipment costing £500 or more are initially recorded at cost.

Depreciation

Depreciation is charged on a straight line basis over the expected useful economic lives of the fixed assets at the following annual rates:

Furniture and equipment	25% per annum
Housing properties	
Freehold	2% straight line
Leasehold	Over useful economic life

Land is not depreciated.

Capitalisation of works on housing properties

Works on housing properties which tend to increase the utility or useful economic life of the assets are capitalised. Initial works on new housing properties acquired to make them habitable are also capitalised.

Mission Housing Association Limited

Notes to the accounts
for the year ended
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Sale of housing properties

When a housing property is sold its cost and depreciation to the date of sale are excluded from fixed assets. Any profit or loss on such sale is taken to the income and expenditure account.

Shared ownership housing properties

Are included in the fixed assets at the percentage of the Association's share in the ownership. Any payment for increase in percentage of share is treated as addition. Any payments received for decrease in shares is treated similar to sale of housing property.

Impairment

Houses, which are depreciated over a period in excess of 50 years, are subject to impairment reviews annually, in accordance with FRS15 and the 2010 SORP. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write downs are charged to operating surplus.

(iv) VAT

Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

(v) Housing loans

Finance charges on housing loans are recognised in the income and expenditure account as they accrue.

(vi) Operating leases

Amounts payable under operating leases are recognised in the income and expenditure account as they fall due.

(vii) Debtors

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amount due according to the original terms of the receivables.

(viii) Creditors

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Short term trade creditors are measured at the transaction price.

Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(ix) Employee Benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Mission Housing Association Limited

Notes to the accounts
for the year ended
31 December 2016

3 Turnover

	2016 £	2015 £
Rent	275,199	222,814
Void losses	-	-
Rental income net of voids	275,199	222,814
Service charges	-	3,066
Insurance for shared ownerships	121	2,747
	275,320	228,627

4 Operating costs

	Note	2016 £	2015 £
Property maintenance		28,735	25,621
Legal and professional fees for properties		33,195	42,977
Other direct costs		6,528	21,482
Wages and salaries	4	79,945	77,279
Rent, water rates and business rates		15,620	16,656
Light and heat		3,655	3,989
Premises		2,314	5,013
Printing, postage and stationery		2,512	3,476
Telephone and fax		1,451	1,541
Insurance		1,147	765
Travel and subsistence		823	949
Website and computer costs		1,459	3,189
Cleaning		5,590	5,029
Audit fees		3,600	6,660
Accountancy		4,011	6,115
Professional fees		10,614	4,058
Membership and subscriptions		3,554	2,613
Marketing		-	1,372
Other admin costs		1,801	1,979
		206,554	230,763
Major works on properties		51,597	12,566
Non cash depreciation		232,051	82,943
		490,202	326,272

Mission Housing Association Limited

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for the year ended
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5 Gross wages of staff	Note	2016 £	2015 £
Number of part time staff		3	3
Gross wages		67,911	67,294
Employers NI		5,469	3,947
Employers pension		6,565	6,038
	3	79,945	77,279
<p>The directors are defined as the members of the Board. None of the board members received any emoluments (2015: Nil).</p>			
6 Interest chargeable and similar charges			
Mortgage interest and other interest		12,665	12,978
Interest on bonds		6,305	3,075
Interest on equity loans, linked to the value of particular properties		284,680	830,163
		303,650	846,216
7 Interest and other income			
Interest on secured loan		1,344	2,626
Dividend income		90	105
Bank interest		246	885
Income E123 project		3,500	2,485
Management fee received		2,800	3,868
Gifts and donations		59,416	5,993
Gift aid tax reclaim		1,749	2,346
Other income		600	916
		69,745	19,224
8 Surplus/(deficit) on ordinary activities			
Auditors' remuneration (including VAT and expenses)			
- For the current year		3,600	6,000
- In relation to prior year		-	4,860
Depreciation		232,051	82,943
Operating lease rentals (land and buildings)		13,800	13,950
Landlord's lighting		-	-

Mission Housing Association Limited

Notes to the accounts
for the year ended
31 December 2016

9 Tangible fixed assets

	Housing Properties:				Total
	Office equipment	Office land and buildings	Freehold & Leasehold properties	Shared ownership properties	
	£	£	£	£	£
Cost					
At 1 January 2015	1,724	630,000	8,740,000	5,191,640	14,563,364
Additions	-	-	1,022,500	674,350	1,696,850
Disposals	-	-	(475,000)	-	(475,000)
Revaluation	-	120,000	587,500	419,589	1,127,089
At 31 December 2016	<u>1,724</u>	<u>750,000</u>	<u>9,875,000</u>	<u>6,285,579</u>	<u>16,912,303</u>
Depreciation					
At 1 January 2016	814	-	-	-	814
Charge for the year	575	7,500	137,250	86,726	232,051
Disposals	-	-	(137,250)	(86,726)	(223,976)
Revaluation	-	-	-	-	-
At 31 December 2016	<u>1,389</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>8,889</u>
Net book value					
At 31 December 2016	<u>335</u>	<u>742,500</u>	<u>9,875,000</u>	<u>6,285,579</u>	<u>16,903,414</u>
At 31 December 2015	<u>910</u>	<u>630,000</u>	<u>8,740,000</u>	<u>5,191,640</u>	<u>14,562,550</u>

Housing properties consist of long leasehold properties of £7,705,534 (2015: £5,695,627) and freehold properties

The office building at 8 Belmont Hill, London SE13 5BD which was held at historical cost of £535,400 is now held at trustees' valuation of £750,000. The valuation of the property was agreed by the trustees at a trustees meeting held on 11 April 2017.

Housing properties were revalued during the period by Gary Edgar, MRICS of E Surveyors Ltd, Ferenc Ebozue,

MRICS of Wood Croft Chartered Surveyors on the basis of open market value. The historical cost of freehold and

leasehold properties included at a valuation of £9,875,000 was £8,740,000 and shared ownership properties included at a valuation of £6,285,579 was £5,191,640.

Mission Housing Association Limited

Notes to the accounts
for the year ended
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10 Investments	2016	2015
	£	£
At 1 January 2016	4,367	4,868
Acquired on merger	-	-
Additions	-	-
Disposals	-	-
Revaluation	91	(501)
At 31 December 2016	<u><u>4,458</u></u>	<u><u>4,367</u></u>

11 Debtors	2016	2015
	£	£
Due in less than 1 year:		
Arrears of rent and service charges	4,256	5,009
Secured loan *	5,612	10,067
Other debtors	3,705	-
Deposit	-	48,000
Prepayments	2,053	1,845
	<u>15,626</u>	<u>64,921</u>
Due after more than 1 year:		
Secured loan *	44,423	71,147
	<u><u>60,049</u></u>	<u><u>136,068</u></u>

*The loans are secured on the properties to which they relate.

12 Creditors: amounts falling due within one year	2016	2015
	£	£
Rent in advance	3,740	5,987
London Missional Housing Bond	70,000	125,000
Bank loan secured on 8 Belmont Hill, London	13,000	13,000
	<u><u>107,812</u></u>	<u><u>164,622</u></u>

Mission Housing Association Limited

Notes to the accounts
for the year ended
31 December 2016

13 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Amounts falling due after more than one year:		
Between one and two years	26,000	26,000
Between two and five years	39,000	39,000
In five or more years	192,823	206,101
Equity loans, linked to the value of particular properties		
Between one and two years	-	-
Between two and five years	-	-
In five or more years	5,481,255	4,684,900
Standard loans		
Between one and two years	-	38,493
Between two and five years	337,009	284,357
In five or more years	25,000	25,000
London Missional Housing Bond		
Between one and two years	-	-
Between two and five years	750,303	720,000
In five or more years	-	-
	6,851,390	6,023,851

A description of the loans:-

Number of properties with equity
21

Number of loans
106

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14 Share capital

	2016	2015
	£	£
Authorised, allotted and called-up ordinary shares of £1 each fully paid:		
At 1 January 2015	66	67
Additions	2	2
Cancelled shares	(17)	(3)
At 31 December 2015	51	66

The shares carry no rights to any form of dividend or distribution either during the Association's life or on a

When a shareholder ceases being a member the share is cancelled and the value becomes part of the Association's

15 Cash flow from operating activities

	2016	2015
	£	£
Operating profit	(210,113)	(89,615)
Movement on debtors	44,840	(40,665)
Movement on creditors	(1,811)	13,128
Depreciation charge	232,051	82,943
Net cash generated from operating activities	64,967	(34,209)

16 Capital and Reserves

	1 January 2016	Movement in the year	Transfer on disposals	Totals
	£	£	£	£
Share capital	66	(15)	-	51
Loan capital	8	-	-	8
Revenue reserve	2,210,434	(396,707)	453,323	2,267,050
Revaluation reserve	7,571,517	1,350,561	(453,323)	8,468,755
Totals	9,782,025	953,839	-	10,735,864

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17 Housing stock

Brought Forward	9	8	24	41
Additions	-	1	3	4
Disposals	(1)	-	-	(1)
Carried forward	<u>8</u>	<u>9</u>	<u>27</u>	<u>44</u>

18 Operating lease commitments

The Association had annual commitments at 31 December 2016 under operating leases for land and buildings expiring:

	2016 £	2015 £
In one year	13,950	13,950
In two to five years	<u>2,188</u>	<u>2,188</u>

The above operating leasing consist of £2,188 for the photocopier and £13,950 for rent payable to a homeowner for the E123 project.

19 Related party transactions

No board member received any remuneration or received reimbursement for any expenditure incurred during the year.

Loan received to assist in the purchase of the housing property situated at 63 Median Road, London E5 0PJ was received from Anne Cartwright and John Tasker (board member and her husband) as follows:

	Loan at 31 December 2016 £	Loan at 31 December 2015 £
Anne Cartwright and John Tasker	45,000	43,043