

**AFFORDABLE CHRISTIAN HOUSING  
ASSOCIATION LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS**

**PERIOD FROM  
1 JANUARY 2014 TO 30 JUNE 2014**

# AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

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# AFFORDABLE CHRISITAN HOUSING ASSOCIATION LIMITED

## ADMINISTRATIVE AND LEGAL INFORMATION

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### INDUSTRIAL AND PROVIDENT SOCIETIES ACT 1965

Registered Number: 27367R

**COMMITTEE OF MANAGEMENT:** Bernadette Cunningham (-)  
(Number of normal management meetings -) Dr John Davies (-)  
Tim Fallon (-)  
Graham Garner (-)  
Richard Gatti (-)  
Will Hogg (-)  
Robert Lantsbury (-) (Chairman)

**CHIEF EXECUTIVE OFFICER:** Jim Gilbourne

**COMPANY SECRETARY:** Judi Feasey

**COUNCIL OF REFERENCE:** Fran Beckett  
Dorothy Davies  
Revd Jane Thorrington-Hassel  
John Woodman

### PROFESSIONAL ADVISORS:

Surveyor John Burr

Treasurer Jim Gilbourne

Solicitors Solomon Taylor & Shaw  
3 Coach House Yard  
Hampstead High Street  
London NW3 1QD

Auditors Scrutton Bland  
820 The Crescent  
Colchester Business Park  
Colchester CO4 9YQ

Bankers Barclays Bank plc  
Lloyds Bank plc  
CAF Bank Limited  
Reliance Bank Ltd

**ADMINISTRATION OFFICE and REGISTERED OFFICE:** 8 Belmont Hill  
Lewisham  
London SE13 5BD

# AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

## REPORT OF COMMITTEE OF MANAGEMENT

Period ended 30 June 2014

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The Committee of Management present their annual report, incorporating the reference and administrative information on Page 1.

### STRUCTURE GOVERNANCE AND MANAGEMENT

1. Originally, Amersham Christian Housing Association Ltd (ACHAL) was registered under the Industrial and Provident Societies Act 1965 (Register No 27367R) in May 1991. In May 2008 the Association changed name to Affordable Christian Housing Association Ltd under the same registration number as agreed under Form K of the Financial Services Authority. In June 2010 members agreed to the trading name of Affordable Christian Housing, referred to in this report as ACH.
2. Having adopted the "Model H 1991 (Charitable)" rules published by the National Federation of Housing Associations (now the National Housing Federation), ACH has charitable status as an exempt charity.
3. Under these rules, Committee members are elected at the annual general meeting for a period of three years, and thereafter are eligible for re-election: vacancies may be filled by the Committee for formal election at the next annual general meeting. New members of the Committee of Management would be sought by the existing members from among their contacts who share a heart for the work of the Charity and can contribute to a good skills mix on the Committee.
4. The members of the Committee of management during the six month period to 30 June 2014, each of whom has subscribed for one share are those detailed on page 1 of this report. The Committee met formally on occasions during the period to conduct the business of the Charity. The number of meetings each Committee member attended is reflected by the number in brackets after their name.

Angela Colman resigned from the Committee in March 2013. Will Hogg was invited to join the Management Committee in May 2013. At the AGM in June 2013 he was formally elected to the Management Committee for the first time as was Richard Gatti. Dorothy Davies retired from the Committee at the AGM having been on the Committee since the beginning of the Association.

5. Four new shares were issued to new members during the year and seven shares were cancelled. It should also be noted that in September 2013 notices were issued to those members who had not attended an AGM or been in contact with the Association for over two years that their membership of the Association would be cancelled if they failed to reply within three months of the notice. In January 2014 a further 26 members were removed from the list as they had not responded to the notice.

## AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT

Period ended 30 JUNE 2014 (continued)

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#### OBJECTIVES AND ACTIVITIES

6. The administrative base of ACH continued to operate from Lewisham with the refurbishment of the building being completed in February. By March 2013 it was fully occupied with the spare offices being leased to two local churches for administration and training purposes. Jim Gilbourne continues to oversee the administrative operations of ACH with the support of Judi Feasey as Company Secretary and Sarah Graham as the Administrative Assistant. All three members of staff work on a part-time basis.
7. ACH is established to:
  - assist key Christian workers find affordable homes in urban areas, primarily in London, where the local church is under resourced and in need of support and long-term commitment
  - provide help through the provision of housing for rental and shared ownership, equity and low interest loans, referrals to other agencies or other advice.
8. At the end of the year, charitable activities comprised of the renting of ten properties wholly owned by ACH, thirteen properties in shared ownership, six housing schemes supported by housing loans and three supported projects for rent via the housing support fund.

#### PUBLIC BENEFIT REPORTING

9. The Committee of Management have had regard to the Charity Commission's general guidance on public benefit when reviewing their activities.
10. Currently we have 33 associates working with churches and Christian organisations within the London area. Our most recent statistics 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 almost 11,000 people being impacted.

#### ACHIEVEMENT AND PERFORMANCE

11. During 2013 ACH agreed to earmark capital to support a number of other Christian workers and although it had been hoped to complete on these projects they were delayed for a number of reasons and did not complete until 2014. In January 2014 two projects were completed, one for a new shared ownership and a second as a new property to let.
12. One Shared Ownership was repaid in full, in February and two other shared owners partially staircased upwards, returning some capital back to ACH for other projects. Four Low Cost Housing Loans were repaid in full during 2013 and one new loan, to support the cost of a loft conversion, was completed.

## AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

### REPORT OF THE COMMITTEE OF MANAGEMENT

Period ended 30 June 2014 (continued)

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13. The refurbishment of one rental property began at the end of 2013 with major works to bring the property up to current standards.
14. The London Missional Housing Bond was launched in March 2013 and raised £380,000 to help fund the purchase of a home for workers with one of the key partners. The plan is to purchase a property in the first half of 2014, with a possible second bond being issued for another property. ACH receives a management fee for the administration of the bond. The capital for the bond is held in a separate bank account to the Charity's funds and is accounted for separately.

### FINANCIAL REVIEW

15. The financial statements for the period ended 30 June 2014, as set out on Pages 8-19, report the financial transactions of the charity.
16. The deficit of expenditure over income for the year, after the appropriate adjustment in Equity Loan Reserve Fund, is deducted from the accumulated surplus carried forward. For 2013 the assessment is that property prices increased by 9.4%.
17. The Charity does not set out to hold free reserves. Any cash balances and overdraft capacities are used as necessary working capital and available for the next housing activity.
18. The Committee consider the financial position of the Charity at 30 June 2014 to be satisfactory, with the continuing support of Christian partners, and give thanks to God for it. The available capital enables the Charity to consider appropriate applications for support.
19. The Committee continues to receive an increased number of applications. Those applicants who fulfil the Charity's criteria for support will be responded to positively as funding permits. Further increases in the housing stock are dependent on new finances being provided.

### FUTURE DEVELOPMENTS

20. Following a number of occasions where there has been collaborative effort at a meeting in September with the Management Committee of Victoria Park Homes 1965 (VPH) formal discussions began for the potential merger of the two Associations in July 2014. The new Association will have a new name, but will be based in Lewisham with the ACH staff undertaking the day to day running. The ethos of the new Association will be broadly on the same lines as ACH, as VPH have a similar Christian centred ministry to support urban churches within London. It is hoped that combining the two Associations will produce a single entity that will be able to grow the work and meet the needs of other Christian workers in the future.

## **AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE COMMITTEE OF MANAGEMENT**

**Period ended 30 June 2014 (continued)**

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#### **STATEMENT OF COUNCIL OF MANAGEMENT'S RESPONSIBILITIES**

Company law requires the members of the Committee of Management to prepare financial statements for each financial period which give a true and fair view of the state of affairs of ACH and of the results of ACH for that period. In preparing those financial statements the members of the Committee of Management are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that ACH will continue in existence.

The members of the Committee of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of ACH and enable them to ensure that the financial statements comply with the relevant legislation. They are also responsible for safeguarding the assets of ACH and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of the Committee of Management confirm that, so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

For and on behalf of the Committee of Management:

Mrs Judi Feasey  
Secretary

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

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We have audited the financial statements of Affordable Christian Housing Association Limited for the period ended 30 June 2014 on pages 8 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly Industrial and Provident Societies Act 1968. 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 Committee members and auditors**

As described in the Statement of Committee of Management's Responsibilities the Committee of Management are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards (United Kingdom General Accepted Accounting Practice).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968. We also report to you if, in our opinion, the Report from the Committee of Management is not consistent with the financial statements, if the Association has not kept proper accounting records, if a satisfactory system of internal control has not been established and maintained or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Committee of Management. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

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## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 30 June 2014 and of its excess of income over expenditure for the period then ended; and
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968.

## **SCRUTTON BLAND Chartered Accountants & Statutory Auditor**

820 The Crescent  
Colchester Business Park  
Colchester  
Essex  
CO4 9YQ

**AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

For the period ended 30 June 2014

|   | 1 January to 30 June 2014  |                          |                     | Year ended               |
|---|----------------------------|--------------------------|---------------------|--------------------------|
|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>£ | 31 December<br>2013<br>£ |
| <b>INCOMING RESOURCES</b>                               |                            |                          |                     |                          |
| Incoming resources from generated funds:                |                            |                          |                     |                          |
| Voluntary income  | 3,024                      | 26,948                   | 29,972              | 13,949                   |
| Legacies  | 603                        | -                        | 603                 | -                        |
| Investment income                                       | 10,840                     | -                        | 10,840              | 20,244                   |
| Incoming resources from charitable activities:          |                            |                          |                     |                          |
| Housing activity  | 50,032                     | -                        | 50,032              | 102,683                  |
| <b>Total incoming resources</b>                         | <b>64,499</b>              | <b>26,948</b>            | <b>91,447</b>       | <b>136,876</b>           |
| <b>RESOURCES EXPENDED</b>                               |                            |                          |                     |                          |
| Charitable activities                                   | 151,636                    | 4,341                    | 155,977             | 231,517                  |
| Exceptional expenditure                                 | -                          | -                        | -                   | 32,294                   |
| Governance costs  | 2,958                      | -                        | 2,958               | 3,668                    |
| <b>Total resources expended</b>                         | <b>154,594</b>             | <b>4,341</b>             | <b>158,935</b>      | <b>267,479</b>           |
| <b>NET (OUTGOING)/INCOMING RESOURCES</b>                | <b>(90,095)</b>            | <b>22,607</b>            | <b>(67,488)</b>     | <b>(130,603)</b>         |
| <b>Other recognised gains</b>                           |                            |                          |                     |                          |
| Share capital movements                                 | -                          | -                        | -                   | 7                        |
| Unrealised (loss)/gain on<br>revaluation of investments | (1,102)                    | -                        | (1,102)             | 159                      |
| Realised gain on disposal of fixed assets               | 238,449                    | -                        | 238,449             | -                        |
| <b>NET MOVEMENT IN FUNDS</b>                            | <b>147,252</b>             | <b>22,607</b>            | <b>169,859</b>      | <b>(130,437)</b>         |
| <b>RECONCILIATION OF FUNDS</b>                          |                            |                          |                     |                          |
| Total funds 1 January 2014                              | 1,873,284                  | 25,000                   | 1,898,284           | 2,028,721                |
| Total funds 30 June 2014                                | £ 2,020,536                | £ 47,607                 | £ 2,068,143         | £ 1,898,284              |

**Continuing operations**

All incoming resources and resources expended derive from continuing activities.

**Total recognised gains and losses**

All recognised gains and losses are included in the statement of financial activities.

The notes on pages 11 - 21 form part of these accounts

**AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**

For the period ended 30 June 2014

|   | Notes | 1 January to 30 June 2014  |                          |                  | Year ended               |
|---|-------|----------------------------|--------------------------|------------------|--------------------------|
|   |       | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>£       | 31 December<br>2013<br>£ |
| <b>TURNOVER</b>   | 2a    | 50,032                     | -                        | 50,032           | 102,683                  |
| Operating costs   | 2b    | 149,304                    | 1,200                    | 150,504          | 251,691                  |
| <b>OPERATING DEFICIT</b>  |       | <u>(99,272)</u>            | <u>(1,200)</u>           | <u>(100,472)</u> | <u>(149,008)</u>         |
| Profit on disposal of properties                                |       | 238,449                    | -                        | 238,449          | -                        |
| Investment income   | 2c    | 10,750                     | -                        | 10,750           | 19,883                   |
| Donations and Legacies  | 2d    | 3,627                      | 26,948                   | 30,575           | 13,949                   |
| Net income/(expenditure) on ordinary activities before interest |       | <u>153,554</u>             | <u>25,748</u>            | <u>179,302</u>   | <u>(115,176)</u>         |
| Interest receivable   |       | 90                         | -                        | 90               | 361                      |
| Interest payable  | 3     | (5,290)                    | (3,141)                  | (8,431)          | (15,788)                 |
| <b>NET INCOME/(EXPENDITURE) ON ORDINARY ACTIVITIES</b>          | 4     | <u>148,354</u>             | <u>22,607</u>            | <u>170,961</u>   | <u>(130,603)</u>         |

The notes on pages 11 - 21 form part of these accounts

**AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

**BALANCE SHEET**  
As at 30 June 2014

|  | Note | 30 June 2014<br>£  | 31 December 2013<br>£ |
|--|------|--------------------|-----------------------|
| <b>FIXED ASSETS</b>                          |      |                    |                       |
| Tangible fixed assets                        | 6    | 3,417,355          | 3,049,635             |
| Investment assets                            | 7    | 3,977              | 5,079                 |
| Programme related investments                | 8    | <u>84,739</u>      | <u>105,212</u>        |
|  |      | <u>3,506,071</u>   | <u>3,159,926</u>      |
| <b>CURRENT ASSETS</b>                        |      |                    |                       |
| Cash at bank and in hand                     |      | 498,763            | 559,384               |
| Sundry debtors                               | 9    | <u>17,623</u>      | <u>10,881</u>         |
|  |      | 516,386            | 570,265               |
| <b>CURRENT LIABILITIES</b>                   |      |                    |                       |
| Creditors payable within one year            | 10   | <u>211,566</u>     | <u>112,041</u>        |
| <b>NET CURRENT ASSETS</b>                    |      | <u>304,820</u>     | <u>458,224</u>        |
| <b>Total assets less current liabilities</b> |      | 3,810,891          | 3,618,150             |
| <b>Creditors: amounts falling</b>            |      |                    |                       |
| due after more than one year                 | 11   | <u>1,742,665</u>   | <u>1,719,783</u>      |
|  |      | £ <u>2,068,226</u> | £ <u>1,898,367</u>    |
| <b>CAPITAL AND RESERVES</b>                  |      |                    |                       |
| Issued share capital                         | 15   | 75                 | 75                    |
| Loan capital                                 |      | 8                  | 8                     |
| Unrestricted income funds                    | 16   |                    |                       |
| Undesignated funds                           |      | 1,943,828          | 1,806,365             |
| Designated funds                             |      | 76,708             | 66,919                |
| Restricted income funds                      | 16   | <u>47,607</u>      | <u>25,000</u>         |
|  |      | £ <u>2,068,226</u> | £ <u>1,898,367</u>    |

Approved by the Committee of Management on  
of Management by:

and signed on behalf of the Committee

R Lantsbury            )  
                                  ) Committee members  
B Cunningham        )

J Feasey                Secretary/Administrator

Industrial and Provident Societies Act 1965 registered number 27367R

The notes on pages 11 - 21 form part of these accounts

# AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

For the period ended 30 June 2014

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### 1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's accounts:

#### (a) Basis of Accounting

The accounts have been prepared on the historical cost basis and in accordance with applicable accounting standards. As an exempt charity, the company has complied with the main principles of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), including revaluing investments to market value.

#### (b) Restricted Funds

If funds were to be restricted by the donor they would be treated as restricted funds. All other receipts are unrestricted funds.

#### (c) Designated Funds

Within unrestricted funds an Equity Loan Reserve Fund has been established as a designated fund by the Committee of Management as detailed in Note 17.

#### (d) Incoming Resources

Gift and investment income are accounted for on a receipts basis. Tax payable on unrestricted donations made under Gift Aid is recognised as income when the gift is made.

Legacies are accounted for when the Charity becomes entitled to the income.

All other incoming resources are accounted for on an accruals basis.

#### (e) Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes non-recoverable VAT, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them and attract specific funding to sustain them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity.

# AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS – continued For the period ended 30 June 2014

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### 1. ACCOUNTING POLICIES – (continued)

#### (f) Depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates, calculated to write off wasting assets over their estimated useful lives:

Office equipment - 25% straight line

No depreciation is provided for on the housing stock because it is ACH's policy to maintain the assets in a continual state of sound repair and accordingly ACH considers that the lives of these assets are so long, and the residual values so high, that the depreciation is insignificant.

The value of the property contained in the financial statements is reviewed on an annual basis by the Committee of Management for impairment. Provision is made to reduce the value in the financial statements where it is felt the property value is overstated.

#### (g) Investments

Investments are included in the Balance Sheet at market value, with unrealised gains or losses being recognised in the Statement of Financial Activities.

**AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**For the period ended 30 June 2014**

**2a. TURNOVER**

|                           | <b>Unrestricted<br/>Funds</b> | <b>Restricted<br/>Funds</b> | <b>Six months<br/>ended<br/>30.6.14</b> | <b>Year<br/>ended<br/>31.12.13</b> |
|---------------------------|-------------------------------|-----------------------------|---|------------------------------------|
|                           | £                             | £                           | £                                       | £                                  |
| Rent receivable           | 50,131                        | -                           | 50,131                                  | 95,769                             |
| Interest on housing loans | (99)                          | -                           | (99)                                    | 4,109                              |
| Management fee receivable | -                             | -                           | -                                       | 2,775                              |
| Other income              | -                             | -                           | -                                       | 30                                 |
|                           | <u>£ 50,032</u>               | <u>£ -</u>                  | <u>£ 50,032</u>                         | <u>£ 102,683</u>                   |

**2b. OPERATING COSTS**

|   | <b>Unrestricted<br/>Funds</b> | <b>Restricted<br/>Funds</b> | <b>Six months<br/>ended<br/>30.6.14</b> | <b>Year<br/>ended<br/>31.12.13</b> |
|---|-------------------------------|-----------------------------|---|------------------------------------|
|   | £                             | £                           | £                                       | £                                  |
| <b>Direct Property Management</b>                   |                               |                             |   |                                    |
| Maintenance   | 9,158                         | -                           | 9,158                                   | 10,554                             |
| Services and ground rent                            | 2,095                         | -                           | 2,095                                   | 3,131                              |
| Property insurance                                  | 463                           | -                           | 463                                     | 2,610                              |
| Housing Support Fund payments                       | -                             | 1,200                       | 1,200                                   | 4,250                              |
| Loss on disposal of property                        | -                             | -                           | -                                       | 6,871                              |
| Major works on properties                           | 70,201                        | -                           | 70,201                                  | 30,000                             |
| Housing gifts repaid                                | -                             | -                           | -                                       | 20,000                             |
|   | <u>81,917</u>                 | <u>1,200</u>                | <u>83,117</u>                           | <u>77,416</u>                      |
| <b>Administration of housing activity</b>           |                               |                             |   |                                    |
| Staff costs (see Note 21)                           | 37,496                        | -                           | 37,496                                  | 71,858                             |
| Other   | 904                           | -                           | 904                                     | 2,259                              |
| Training  | 468                           | -                           | 468                                     | 2,606                              |
| Travelling  | 507                           | -                           | 507                                     | 504                                |
| Premises costs                                      | (5,284)                       | -                           | (5,284)                                 | 23,077                             |
| Stationery, postage, office expenses and telephone  | 2,354                         | -                           | 2,354                                   | 5,333                              |
| Printing, publicity, branding & website development | 392                           | -                           | 392                                     | 7,949                              |
| Legal and professional fees                         | 25,968                        | -                           | 25,968                                  | 21,583                             |
| NHF Affiliation fees                                | 466                           | -                           | 466                                     | 1,083                              |
| Bank charges  | 429                           | -                           | 429                                     | 604                                |
| Depreciation: office equipment                      | 729                           | -                           | 729                                     | 1,457                              |
| Office refurbishment costs                          | -                             | -                           | -                                       | 32,294                             |
|   | <u>64,429</u>                 | <u>-</u>                    | <u>64,429</u>                           | <u>170,607</u>                     |

**AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**For the period ended 30 June 2014**

**2b. OPERATING COSTS (continued)**

|                              | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Six months<br/>ended<br/>30.6.14<br/>£</b> | <b>Year<br/>ended<br/>31.12.13<br/>£</b> |
|------------------------------|-------------------------------------|-----------------------------------|---|--|
| <b>Governance</b>            |                                     |                                   |   |  |
| Committee expenses           | 266                                 | -                                 | 266   | 484                                      |
| AGM expenses                 | -                                   | -                                 | -   | 568                                      |
| Registrar's fees (FSA)       | -                                   | -                                 | -   | 425                                      |
| Staff and Board gifts        | 192                                 | -                                 | 192   | -  |
| Auditor's remuneration       | 2,500                               | -                                 | 2,500   | 2,191                                    |
|                              | <u>2,958</u>                        | <u>-</u>                          | <u>2,958</u>                                  | <u>3,668</u>                             |
| <b>Total operating costs</b> | <b>£ 149,304</b>                    | <b>£ 1,200</b>                    | <b>£ 150,504</b>                              | <b>£ 251,691</b>                         |

**2c. INVESTMENT INCOME**

|                 | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Six months<br/>ended<br/>30.6.14<br/>£</b> | <b>Year<br/>ended<br/>31.12.13<br/>£</b> |
|-----------------|-------------------------------------|-----------------------------------|---|--|
| Rent receivable | 10,712                              | -                                 | 10,712  | 19,775                                   |
| Dividends       | 38                                  | -                                 | 38  | 108                                      |
|                 | <u>10,750</u>                       | <u>-</u>                          | <u>10,750</u>                                 | <u>19,883</u>                            |

**2d. VOLUNTARY INCOME**

|                     | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Six months<br/>ended<br/>30.6.14<br/>£</b> | <b>Year<br/>ended<br/>31.12.13<br/>£</b> |
|---------------------|-------------------------------------|-----------------------------------|---|--|
| Gift Aid            | 317                                 | -                                 | 317   | 700                                      |
| LMHB grant received | -                                   | -                                 | -   | 2,000                                    |
| Other donations     | 2,707                               | 26,948                            | 29,655  | 11,249                                   |
| Legacies            | 603                                 | -                                 | 603   | -  |
|                     | <u>3,627</u>                        | <u>26,948</u>                     | <u>30,575</u>                                 | <u>13,949</u>                            |



## AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

### NOTES TO THE ACCOUNTS (continued)

For the period ended 30 June 2014

#### 3. INTEREST PAYABLE

|                   | Six months<br>ended<br>30.6.14<br>£ | Year<br>ended<br>31.12.13<br>£ |
|-------------------|-------------------------------------|--------------------------------|
| Mortgage Interest | 5,192                               | 12,755                         |
| Loan interest     | 98                                  | 1,150                          |
| Interest on bonds | 3,141                               | 1,883                          |
|                   | £ <u>8,431</u>                      | £ <u>15,788</u>                |

#### 4. NET INCOME/(EXPENDITURE) ON ORDINARY ACTIVITIES

Is stated after charging:

|  | Six months<br>ended<br>30.6.14<br>£ | Year<br>ended<br>31.12.13<br>£ |
|--|-------------------------------------|--------------------------------|
| Auditors' remuneration (including VAT)     | 3,000                               | 2,629                          |
| Depreciation                               | 729                                 | 1,457                          |
| (Profit)/loss on disposals of fixed assets | <u>(238,449)</u>                    | <u>6,871</u>                   |

#### 5. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Association has charitable status and no liability to corporation tax arises on its charitable activities.

Accordingly it is potential exemption from taxation in respect of income or capital gains received within categories by Part II of the Corporation Tax Act 2010 or Section 256 of the Taxable of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively charitable purposes.

**AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**For the period ended 30 June 2014**

**6. TANGIBLE FIXED ASSETS**

|                                   | <b>Housing Land<br/>and Buildings</b> | <b>Office Land<br/>and Buildings</b> | <b>Office<br/>Equipment</b> | <b>Total</b>              |
|-----------------------------------|---------------------------------------|--------------------------------------|-----------------------------|---------------------------|
| <b>Cost:</b>                      | <b>£</b>                              | <b>£</b>                             | <b>£</b>                    | <b>£</b>                  |
| As at 01.01.2014                  | 2,512,071                             | 535,400                              | 9,651                       | 3,057,122                 |
| Disposals in year                 | (161,551)                             | -                                    | -                           | (161,551)                 |
| Additions in year                 | 530,000                               | -                                    | -                           | 530,000                   |
| As at 30.06.2014                  | <u>2,880,520</u>                      | <u>535,400</u>                       | <u>9,651</u>                | <u>3,425,571</u>          |
| <b>Depreciation:</b>              |                                       |                                      |                             |                           |
| As at 01.01.2014                  | -                                     | -                                    | 7,487                       | 7,487                     |
| Provided for year                 | -                                     | -                                    | 729                         | 729                       |
| As at 30.06.14                    | <u>-</u>                              | <u>-</u>                             | <u>8,216</u>                | <u>8,216</u>              |
| <b>Net Book Value: 30.06.2014</b> | <b>£ <u>2,880,520</u></b>             | <b>£ <u>535,400</u></b>              | <b>£ <u>1,435</u></b>       | <b>£ <u>3,417,355</u></b> |
| 31.12.2013                        | <b>£ <u>2,512,071</u></b>             | <b>£ <u>535,400</u></b>              | <b>£ <u>2,164</u></b>       | <b>£ <u>3,049,635</u></b> |

The bank mortgages are secured on the respective deeds of the housing land and buildings and the property used for office space (see note 8).

**The housing stock at 30 June 2014 comprises:-**

|                               | <b>6 months 2014</b> |                    | <b>2013</b>  |                    |
|-------------------------------|----------------------|--------------------|--------------|--------------------|
|                               | <b>Units</b>         | <b>£</b>           | <b>Units</b> | <b>£</b>           |
| Shared ownership schemes      | 13                   | 1,009,590          | 12           | 854,590            |
| Properties for rent, at cost: |                      |                    |              |                    |
| Freehold                      | 4                    | 831,649            | 4            | 831,649            |
| Long leasehold                | 7                    | 1,039,281          | 7            | 825,832            |
|                               | <u>24</u>            | <u>£ 2,880,520</u> | <u>23</u>    | <u>£ 2,512,071</u> |

The property held for use as office space is used by the Association in the delivery of its charitable aims. Any surplus space is let to organisations with similar objectives with a view to raising funds to further deliver the objectives of the Association.

**7. INVESTMENTS**

The company holds equity shares gifted to it during 2002 and 2007.

|                                | <b>Market value</b> |                 |
|--------------------------------|---------------------|-----------------|
|                                | <b>30.6.14</b>      | <b>31.12.13</b> |
|                                | <b>£</b>            | <b>£</b>        |
| Barclays Bank ordinary shares: |                     |                 |
| As at 01.01.2014               | 5,079               | 4,182           |
| Additions - rights issue       | -                   | 738             |
| (Loss)/Profit on revaluation   | (1,102)             | 159             |
| As at 30.06.2014               | <u>£ 3,977</u>      | <u>£ 5,079</u>  |

NOTES TO THE ACCOUNTS (continued)

For the period ended 30 June 2014

8. PROGRAMME RELATED INVESTMENTS

|                                    | 30.6.14  |                 | 31.12.13 |                  |
|------------------------------------|----------|-----------------|----------|------------------|
|                                    | Loans    | £               | Loans    | £                |
| Housing loans As at 01.01.2014     | 6        | 112,677         | 9        | 175,663          |
| Advanced in year                   | -        | -               | 1        | 25,000           |
| Repaid in full                     | (1)      | (22,829)        | (4)      | (87,986)         |
| As at 30.06.2014                   | <u>5</u> | <u>£ 89,848</u> | <u>6</u> | <u>£ 112,677</u> |
| These housing loans are repayable: |          |                 |          |                  |
| within one year (note 9)           |          | 5,109           |          | 7,465            |
| after more than one year           |          | 84,739          |          | 105,212          |
|                                    |          | <u>£ 89,848</u> |          | <u>£ 112,677</u> |

Interest is charged on housing loans.

9. DEBTORS

|                                    | 2014            | 2013            |
|------------------------------------|-----------------|-----------------|
|                                    | £               | £               |
| <b>Repayable within one year:-</b> |                 |                 |
| Housing loans (Note 8)             | 5,109           | 7,465           |
| Income tax recoverable             | -               | 641             |
|                                    | <u>5,109</u>    | <u>8,106</u>    |
| Prepayments and accrued income     | 5,856           | 2,775           |
| Mission Housing Intercompany       | 6,658           | -               |
|                                    | <u>£ 17,623</u> | <u>£ 10,881</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | 2014             | 2013             |
|---|------------------|------------------|
|   | £                | £                |
| Creditors   | 10,327           | -                |
| Accrued expenses  | 23,017           | 20,688           |
| Deferred income   | -                | 761              |
|   | <u>33,344</u>    | <u>21,449</u>    |
| Bank mortgages - portion repayable<br>within one year (Note 12) | 11,950           | 35,698           |
| Private loans repayable within one year (Note 13)               | 166,272          | 54,894           |
|   | <u>£ 211,566</u> | <u>£ 112,041</u> |

The bank mortgages are secured on the freehold and leasehold deeds of properties to which they relate.

NOTES TO THE ACCOUNTS (continued)

For the period ended 30 June 2014

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                                | 2014               | 2013               |
|--------------------------------|--------------------|--------------------|
|                                | £                  | £                  |
| Bank mortgages (Note 12)       | 291,187            | 371,927            |
| Private loans (Note 13)        | 1,071,478          | 967,856            |
| London Missional Housing Bonds | 380,000            | 380,000            |
|                                | <u>£ 1,742,665</u> | <u>£ 1,719,783</u> |

These deferred liabilities fall due for payment in the following periods after the balance sheet date:

|                            | 2014               | 2013               |
|----------------------------|--------------------|--------------------|
|                            | £                  | £                  |
| between one and two years  | 53,950             | 50,698             |
| between two and five years | 252,800            | 558,695            |
| after five years           | 1,435,915          | 1,110,390          |
|                            | <u>£ 1,742,665</u> | <u>£ 1,719,783</u> |

The bank mortgages are secured on the freehold and leasehold deeds of properties to which they relate.

12. BANK MORTGAGES

ACH has two bank mortgages. The bank mortgage held with Lloyds TSB plc has been paid off.

The bank mortgage held with Reliance bank bears interest at 3.0% above base rate and is also repayable by instalments. It is secured on the deeds of 8 Belmont Hill and represents 58% of the present value of the property.

At the balance sheet date the amounts outstanding on the mortgages were:-

|   | 2014             | 2013             |
|---|------------------|------------------|
|   | £                | £                |
| Repayable within one year (Note 6)          | 11,950           | 35,698           |
| Repayable after more than one year (Note 7) | 291,187          | 371,927          |
|   | <u>£ 303,137</u> | <u>£ 407,625</u> |

13. PRIVATE LOANS

Private loans fall into two types: standard loans and equity loans. Standard loans are repayable at specified dates ranging between less than one year and twenty years. Equity loans are linked to shared ownerships on particular properties; their eventual repayment value will track changes in that property's value (up or down). See Note 17 re Equity Loan Reserve Fund.

|                              |           | 2014               |           | 2013               |
|------------------------------|-----------|--------------------|-----------|--------------------|
|                              |           | £                  |           | £                  |
| Standard loan: interest free | 13        | 90,000             | 13        | 90,000             |
| interest @ 4% or less        | 4         | 164,000            | 3         | 74,000             |
| Equity loans interest free   | 16        | 902,750            | 15        | 777,750            |
| interest @ 4% or less        | 4         | 81,000             | 4         | 81,000             |
|                              | <u>37</u> | <u>£ 1,237,750</u> | <u>35</u> | <u>£ 1,022,750</u> |

## AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

### NOTES TO THE ACCOUNTS (continued)

For the period ended 30 June 2014

#### 14. CAPITAL COMMITMENTS

At 30 June 2014 expenditure on housing activities had been authorised but not contracted for amounting to £Nil (2013: £Nil). At that date £Nil had been both authorised and contracted for (2013: £Nil).

#### 15. ISSUED SHARE CAPITAL

There is no authorised share capital. Shares once issued are non-returnable. Movements during the year were as follows:

|                               |                  |
|-------------------------------|------------------|
| Shares in issue at 01.01.2014 | <u>75</u>        |
| Shares in issue at 30.06.2014 | <u><u>75</u></u> |

#### 16. SHAREHOLDERS' FUNDS

|                   | Share<br>Capital<br>£ | General<br>funds<br>£ | Designated<br>funds<br>£ | Restricted<br>funds<br>£ | Funds<br>£         |
|-------------------|-----------------------|-----------------------|--------------------------|--------------------------|--------------------|
| At 1 January 2014 | 75                    | 1,806,365             | 66,919                   | 25,000                   | 1,898,359          |
| Movement in year  | -                     | 137,463               | 9,789                    | 22,607                   | 169,859            |
| At 30 June 2014   | <u>£ 75</u>           | <u>£ 1,943,828</u>    | <u>£ 76,708</u>          | <u>£ 47,607</u>          | <u>£ 2,068,218</u> |

#### UNRESTRICTED FUNDS

With an increasing emphasis on Equity Loan funding in the work of ACH, the Committee of Management have established a Reserve Fund policy which uses a designated fund to set aside a proportion of those Equity Loan balances which have a potentially earlier repayment than on the sale of the related property. When a property is sold any related Equity Loans are repaid, and any such Equity Loan Reserve Fund provisions on those loans are released. The designated Housing Support Fund was established a couple of years ago to support Associates with their housing costs.

#### RESTRICTED FUNDS

The housing gifts restricted fund represents housing gifts received and passed on to the intended Associates.

The London Missional Housing Bond was launched in March 2013 as a way of raising funds to help purchase homes for workers with one of the Association's key partners. The closing fund balance at the end of the year is zero, however cash at bank of £27,564 and other net current assets is matched by long term liabilities to bond holders.

## AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED

### NOTES TO THE ACCOUNTS (continued)

For the period ended 30 June 2014

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#### 17. RELATED PARTY TRANSACTIONS

There was one related party transaction in period a Committee of Management lent Affordable Christian Housing Association £40,000 but it was paid back.

No other related party transaction took place in the period.

#### 18. REMUNERATION AND EXPENSES

No member of the Committee of Management is paid any remuneration.

Travel expenses amounting to £16 (2013: £28) have been reimbursed in the year.

#### 19. STAFF COSTS

Staff remuneration costs comprise:-

|               | 6 months        |                 |
|---------------|-----------------|-----------------|
|               | 2014            | 2013            |
|               | £               | £               |
| Wages (net)   | 33,330          | 43,704          |
| Pension costs | 2,802           | 8,127           |
| PAYE & NIC    | 1,364           | 20,027          |
|               | <u>£ 37,496</u> | <u>£ 71,858</u> |

Average staff numbers during the year.

No employee earns in excess of £60,000 per year.

#### 20. POST BALANCE SHEET EVENTS

With effect from 1 July 2014 the company merged with Victoria Park Homes (1965) Limited. As a result of this a new legal entity exists, Mission Housing Association Limited known as Mission Housing. All assets and liabilities were transferred to Mission Housing on 1 July 2014 and all post year end activities will pass through Mission Housing.

**AFFORDABLE CHRISTIAN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**For the period ended 30 June 2014**

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                  | <b>Restricted<br/>funds</b> | <b>Designated<br/>funds</b> | <b>Unrestricted<br/>funds</b> | <b>Total funds</b> |
|----------------------------------|-----------------------------|-----------------------------|-------------------------------|--------------------|
| Fixed assets                     | 335,000                     | -                           | 3,082,355                     | 3,417,355          |
| Net current assets/(liabilities) | (284,252)                   | 76,708                      | (1,138,527)                   | (1,346,071)        |
|                                  | <u>£ 50,748</u>             | <u>£ 76,708</u>             | <u>£ 1,943,828</u>            | <u>£ 2,071,284</u> |