



# Annual Report and Accounts

For year ending 31<sup>st</sup> December 2022

## Mission Housing Limited

Registered Address;  
8 Belmont Hill, London, SE13 5BD.

A Registered Society under the Co-operative and Community Benefit  
Society's Act 2014 with Charitable Status No 17128R

# Contents

Objectives	3
The year in review	4
Financial review	7
The year ahead	8
Administrative details	9
Structure, governance and management	10
Statement of Board's responsibilities	11
Independent auditor's report	12 - 14
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Notes to the financial statements	18 - 28



**Cover image:**

Becky became a Mission Housing shared owner during 2022. She is a worship leader at YWAM (Youth With a Mission), leading worship at a variety of churches and events. Becky writes and records songs and instrumental music in her home studio, in Crawley.

She is part of a music group called "The Dragonflies" and they play worship music at hospices, hospitals, prisons and more.

# Objectives

The high property prices in London can prevent key Christian workers with low incomes from living in the communities they are seeking to serve. Mission Housing helps overcome this hurdle by providing shared ownerships (that allow multiple lenders to contribute to the cost of a property) and affordable tenancies to individuals, couples, families, churches and organisations.

This is possible because of the generosity of individuals, churches, organisations and trusts who provide loans, enable us to rent out their properties at below-market rates and donate money and properties to us.

We're unable to support everyone with a shared ownership or affordable tenancy, however our staff support many more people each year by sharing their knowledge and pointing people to other options they may have. We are also able to support a few people each year with short-term housing grants and new tenancy deposit loans through our Housing Support Fund.

The Board of Mission Housing have had regard to the Charity Commission's general guidance on public benefit when reviewing our activities.

The Objects of the Society shall be for the public benefit:

(a) the provision of housing (either directly or working together with other entities or individuals) for the following persons in housing need ("beneficiaries"):

- i. persons engaged in Christian mission or ministry or other Christian work;
- ii. persons in training for such ministry, mission or work;

In each case being persons who are, in the opinion of the Board, unable to fund suitable housing in an appropriate location out of their own resources;

(b) the provision of advice to beneficiaries or churches or other organisations with whom they work;

(c) any other Charitable Purpose related to (a) or (b) above subject to such purpose being connected with the advancement of the Christian religion.

# The year in review

2022 was Mission Housing's busiest year by far – in terms of property purchases and shared ownerships. This was made possible because of lenders who wanted to invest in mission. As a result, church leaders, school and youth workers, community activists, evangelists, counsellors and volunteers are all able to make an impact in their local communities.

The year also saw significant staff changes with the change of CEO in November with Phil Green leaving and the arrival of Bruce McGill to take over the leadership and development of Mission Housing. Nneoma Atumonyogo also left in May. In August 2022 we welcomed Katie Shelley as the Property and Administrative Assistant to support both Judi Feasey and Sarah Graham in the office. She is also improving the social media and website for Mission Housing with plans to increase our online profile in 2023.

## The year in numbers

**15** new shared ownerships

**29** new tenants and shared owners

**1** property purchased to rent

**2** new people supported with grants and deposit loans

**£3,732,391** of new loans received.

## The mission we started to support

Our 15 new shared ownership properties and one property bought for a tenant are enabling key Christian workers to live within the communities they serve. The partnership with Stewardship to extend shared ownership purchases beyond the M25 has also continued.

### Introducing our new shared owners in London:

- Jacob & Maddy – Bromley: Jacob is a full time ministerial apprentice at their church Hope Church. Maddy is a midwife. They lead the worship, football and 20s/30s ministry and their home is central to their ministry of hospitality.
- Iche & Phil – Camberwell: Phil is a youth worker with Southwark and Lambeth Councils and recently founded 'Step Out' creating a network of youth mentors. Iche is a local GP with a specialist interest in adolescent health, both championing young people's access to care and support.
- Charlotte & Dan – Kennington: Joining the team to plant Hope Church Vauxhall in the centre of the Vauxhall Gardens Estate, they love building friendships and getting involved with the community with children's and young people outreach.



William & Darkshinda – Mitcham: Fleeing persecution as Christians, and making London their home, they planted a church primarily for converts with the Baptist Union which has grown over the years. William is a passionate evangelist and trainer in multi-cultural issues.

- John-Henry & Lydia – Edgware: As a professional musician John-Henry leads the music ministry of Heath Street Baptist Church creating a hub of activity for those involved in music and the arts. Lydia works with The Natasha’s project, a contemporary dance co working with survivors of human trafficking and exploitation.
- Lighthouse Community – Peckham: A missional community of two families who have a call to evangelism and apologetics amongst the ‘ideas influencers’ in the highly educated networks of sceptical individuals who shape culture, most of whom have written Christianity off. A safe place to ask difficult questions.
- Gowan & Sarah – Romford: Gowan is the Lead Pastor of Riverside Church, a multi-generational and intercultural church in Dagenham an area that has seen much redevelopment, steering the church to engage in community transformation through its social action programmes.
- Kate – Limehouse: Working full time for St Anne’s in a pastoral and teaching role that involves working with schools, women and a homeless hostel and training and equipping others for ministry. She organises much of what goes on at the church.
- Kev & Rachel – Enfield: Called to serve at Chase Family Church, they are both involved with the children and young people’s work, where Kev is the Children's Pastor and technical support.

### Introducing our new shared owners beyond the M25:

- Becky – Crawley: An inspiring musician and songwriter, Becky works with YWAM leading worship and writing songs for conferences and events around the world. She has recorded four albums, produced songs for Spring Harvest and has a band called ‘Dragonflies’.
- Kathryn & Richard – Debenham: Attending Mickfield Evangelical Church where Richard is the Pastor, they are fully involved with the life and direction of the church, working with other local churches to reach further.
- Jane – Leeds: After 18 years teaching in Albania with the BMS, Jane returned to the UK to work with TeachBeyond and Share Education to support missionary families to plan the education of their children overseas.
- Daniel & Lisa – Leicester: Working with Navigators, they both have a passion to reach children and their families and young people / students in the universities in the City. They have seen extraordinary growth and success reaching hundreds each week.



Abby & Charlie – Mevagissey: As Pioneer Ministers and missionaries, they were called to this small town in Cornwall to work with local churches to establish an expression of Christian witness and community that engages with the locals and shaped by their needs.

- Kat & Pete – North Leatherhead: They lead ‘The Gathering’ a community-focused church and founding member of the Leatherhead Community Hub that provides a foodbank, community fridge and nursery. They both work for a local homeless hostel and are on the way to becoming foster carers.

## Partnership with Stewardship donors to provide capital to support mission beyond the M25.

To help Mission Housing to extend beyond the M25 we received capital from a donor through Stewardship in the form of a loan to Mission Housing. This enabled the purchase of 10 properties. It is hoped we can replicate this model in the future to enable more projects to be fulfilled.

## Other property movements

During the year, one of our shared owners were able to successfully staircase and become the outright owners of their home in East London. One rental property in Southwark and a shared ownership flat in North London were also sold as the tenant and shared owners moved out of London to pursue new ministries.

Another property in East London that had previously been a shared ownership was bought in 2022 and let to new tenants working in the area. They hope to be able to buy into the property as shared owners at some point in the future.

## The mission of our existing shared owners and tenants

We run the first Sylheti-speaking church and community hub in the UK, there are very few Sylheti Christians. Last year we developed more worship songs in the language (there were previously very few) due to a talented musician joining our team. We launched a podcast last year, and run a Christian-based drug and alcohol rehab centre. *Beth and Akik, Missionaries, Tower Hamlets.*

Buying our home (in Cornwall) has really changed how we have been received within some pockets of the community. It has made people more trusting and open towards us. So much of what we do happens in the home or from the home - Charlie's paid employment, my studying, and people coming and going. It is an ideal location for us to be present here. And it means we can afford to be here long term rather than pay extortionate rental prices! Charlie & Abi – Pioneer Ministers, Mevagissey.

Having a new home has given me a base, stability in body, soul and mind. Allowing me to serve work and study with a freedom and ease I hadn't realised I was missing. *Jane, Education Specialist, Leeds*

My first Hope House kid got his first home and moved into his own flat in May this year after living with me for 6 years. It was bitter-sweet...I was relieved to see him go and venture into the world of true adult adulating, but I was also anxious to know if he'd cope. It gave me great delight when he told me that he was always moaning at his friends to turn the bathroom light off which I had been doing to him for 6 years. He said he felt my pain. It was a most satisfying conversation! *Katie, Hope House, Epping Forest*

## Total numbers

- 59** Shared ownership properties.
- 18** Rental properties – that Mission Housing own\*.
- 9** Receiving support with a grant or deposit loan.
- 8** Rental properties – that Mission Housing manage.
- 1** Church secured loan.

\* This does not include our office building, which we also own.

## Income and expenditure:

Our property related income for the year was £333,113 with an additional £49,829 in gifts and donations. Our operating costs, excluding non-cash depreciation were £430,379 plus an additional £25,994 of interest paid (mostly on fixed-rate loans).

## Loans

As of 31st December 2022 Mission Housing held loans to the value of £13,061,497 an increase of £2,223,337 from the previous year. This represents 346 loans from 289 lenders. 67% of loans are equity loans, with the remaining 33% being fixed rate loans.

During the course of the year we received £3,732,391 in new loans and £686,413 of loans which were meant to be repaid during 2022 were extended. We repaid 17 loans with a total value of £690,331. In addition, 3 loans were partially repaid. The increasing value of equity loans – as a result of the revaluation of properties – is the reason for the additional £188,478 increase.

## Properties

At the end of the year, Mission Housing owned the Title Deeds for 59 shared ownership properties. The total value of this portfolio is £14,581,337 (£11,305,852 in 2021) with the average share belonging to the shared owners being 54%. Mission Housing's capital accounts for 16% - £5,071,770 (£4,527,984 in 2021) of the total value, with the remaining 30% - £9,509,567 being funded through loans (£6,777,874 in 2021).

Mission Housing owned 18 properties as of 31st December 2022. 17 being rented to tenants and our office building. This is the same number as the previous year. The total value of this portfolio is £11,056,331 (£10,581,765 in 2021). Mission Housing's capital accounts for 77% - £8,513,375 (£7,728,509 in 2021), with the remaining 23% - £2,542,956 being funded through loans (£2,853,256 in 2021).

## Reserves Policy

Mission Housing holds reserves to cater for any unexpected or unforeseen financial commitments. The reserves are adjusted to take into account the full extent of any unscheduled financial commitments over a period of time. Any cash balances are used as necessary working capital and available for future housing activity.

## Post balance sheet changes

Between 1<sup>st</sup> January 2023 and when the accounts were approved by the Board on 23 May 2023, there have been the following post balance sheet changes concerning properties and loans:

### Sales / income :

No sales so far in 2023, however the planned sale of some properties in 2023 is expected to release £800k back into reserves. This will help rectify the net current liabilities showing on the balance sheet.

### Loans:

- New loans received: £293,150
- New loans pledged (but not received): £898,695
- Loans expiring during 2023 that have been renewed: £142,566
- Loans that we have repaid: £31,500\*

### Purchases / expenditure

- Two shared ownership purchases using loans to value of £293,150

\* Excluding loans repaid as a result of property sales.

# The year ahead

2023 is the final year of our current three-year strategic plan. The Board will be meeting in April 2023 to put together a plan for the following three years. The current plan can be summarised as follows:

**People:** We are planning to increase the number of people we're supporting in London by 75%. However, quality (of people) is more important than quantity. And sustainability of growth is more important than speed of growth.

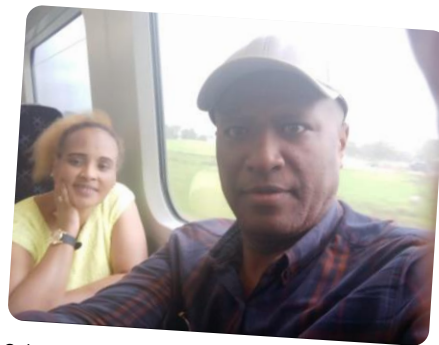
**Diversity:** We aim to be intentional in bringing about a significant increase of ethnic diversity across the organisation. A priority for 2023 will be building relationships with a more diverse range of churches and organisations.

**Properties:** We will remain committed to shared ownership. However, we will look to increase our range of solutions – for example, supporting more churches / organisations to purchase property and increasing the number of properties we own for rent.

**Fundraising:** In order to support more people, we will need to raise more funds – by increasing the number of lenders and increasing our charitable income. The first step to do this will be to invest in our communications and relationship-building efforts – both externally (to find new lenders) and internally (to existing lenders).

**Organisation:** We aim to be a lean, but not overstretched, staff team. To grow our impact, we will need to grow our staff team and ensure that our systems and processes are appropriate for the levels of growth that we are seeking to achieve.

In addition, during 2023 we will be continuing to work with Stewardship to develop our shared ownership model outside of London. The intention is for four more properties to be purchased outside of London during 2023.



Caleb and Adanesh are church planters. They have recently planted two churches near Elephant and Castle. One serves the Ethiopians and Eritrean communities, while the other is a multicultural church seeking to serve the local community.



Sam and Jen have been living and serving in Newham for seven years working with Crossway in Stratford. Sam works at Crossway as an Assistant Minister and they are both heavily involved in church life, focusing on families and children's ministry.



Sameh and Viviane, originally from Egypt, are part of the Cornerstone Arabic Christian Community. They are looking to purchase a home so they can continue to serve the Arabic Community west London.



# Administrative details

## Board Members

Anne Cartwright (7/7)  
Yvonne Emery (6/7)  
Richard Gatti (7/7)  
Adrian Greenwood – Chair (7/7)  
Peter King – Deputy Chair (5/7)  
Candy O'Donovan (2/2) Resigned at AGM in May 2022  
Mark Robinson – Treasurer (0/7)\*  
Denis Wade (5/7)  
Andy Wright (7/7)

A Registered Society under the Co-operative and Community Benefit Society's Act 2014 with Charitable Status No 17128R

**Registered Office:**  
8 Belmont Hill, London, SE13 5BD

(Number in brackets is meeting attended / total of number of eligible meetings)

\* Mark Robinson is on an agreed sabbatical. Andy Wright is covering the duties of treasurer in his absence.

## Chief Executive Officer

Phil Green till November 2022  
Bruce McGill from November 2022

## Company Secretary

Judi Feasey

## Bankers

CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

Kingdom Bank Limited  
Ruddington Fields Business Park  
Mere Way  
Ruddington  
NG11 6JS

Reliance Bank Limited  
Faith House  
23-24 Lovat Lane  
London  
EC3R 8EB

## Solicitors (conveyancing and employment)

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

## Solicitors (governance and other matters)

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

## Auditors

Azets  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
PE1 2SP

## Legislative Provision

The governing documents of Mission Housing Ltd are its Rules. It is incorporated under the Co-operative and Community Benefit Societies Act 2014 as a Registered Society. Mission Housing has charitable status as an exempt charity.

## Membership

New Members are approved by the Board of Directors. As part of our attempts to have a more engaged membership five members were added to the membership and there were no removals during the year.

## Board of Directors

Board members are elected by the Annual General Meeting 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 Annual General Meeting. Board members must be Members of Mission Housing. The Board is responsible for the business of the society.

The Board has adopted the NCVO 'Good Governance – A code for the voluntary and community sector' as its preferred guide to good governance principles.

## Management

The Board has delegated the day-to-day management of the society's activities to the Chief Executive Officer and Operations Manager (who is also the Company Secretary).

## Risk Management

The Board has put in place a Risk Register to highlight the areas of greatest risk for Mission Housing. The Register is reviewed regularly. The two greatest risks are:

### ➤ Reduction in property prices

There is nothing we can do to stop this happening, but we can ensure that we are prepared. Although this would reduce the value of our assets, with 85% of our loans being equity based rather than fixed-rate, the potential impact – on Mission Housing – is reduced. There are also benefits to Mission Housing when there is a drop in property prices, (1) the ability to purchase additional properties at lower prices (2) equity lenders more likely to extend their loan terms.

### ➤ Lenders wanting their loans repaid

Ongoing monitoring of when loans are due to be repaid is a key component of our planning to ensure that we maintain an appropriate level of reserves to manage the expected – and unexpected – repayment of loans. The Loan Panel of the Board meet regularly to review the profile of our loans and to ensure that the level of risk remains at the appropriate level.

# Statement of Board's responsibilities

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.

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

The financial statements have been prepared in accordance with the small entity provisions within the Financial Reporting Standard 102.

By order of the Board

**A.D.C. GREENWOOD**

Adrian Greenwood, Chairperson

Date: 23 May 2023

# Independent Auditor's Report

## Opinion

We have audited the financial statements of Mission Housing Limited (the 'society') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 society's affairs as at 31 December 2022 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014.

## 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 society 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 Board's 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 Board 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 Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

## **Opinion 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.

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

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the society 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 require for our audit.

## **Responsibilities of the Board**

As explained more fully in the Board's responsibilities statement, the Board is 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 Board 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 Board is responsible for assessing the society'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 Board either intend to liquidate the society 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- \* Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- \* Reviewing minutes of meetings of those charged with governance;
- \* Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- \* Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- \* Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Use of our report

This report is made solely to the society, in accordance Section 87 of the Co-Operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society those matters we are required to state to it 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 society for our audit work, for this report, or for the opinions we have formed.

**M. JACKSON**

**23 MAY 2023**

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services

Chartered Accountants  
Statutory Auditor

Ruthlyn House  
90 Lincoln Road  
Peterborough  
United Kingdom  
PE1 2SP

# Statement of comprehensive income

For the year ended 31 December 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	3	324,344	299,704
Operating expenditure	4	(797,225)	(657,370)
<b>Operating (deficit) / surplus</b>		<b>(472,881)</b>	<b>(357,666)</b>
Realised (loss)/profit on disposal of fixed assets		16,790	(12,500)
Interest and other income	7	58,598	70,148
Interest chargeable and similar charges	8	(25,994)	(19,151)
Unrealised movement on equity loans	8	(188,478)	(206,271)
Unrealised (deficit)/surplus on revaluation of investment properties	9	1,121,685	766,687
<b>Total comprehensive income for the year</b>		<b>509,720</b>	<b>241,247</b>

# Balance sheet

As at 31 December 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		25,639,107		21,888,283
<b>Current assets</b>					
Debtors	11	231,913		236,946	
Cash at bank and in hand		292,921		1,135,841	
		524,834		1,372,787	
<b>Creditors: amounts falling due within one year</b>	12	(641,088)		(1,135,618)	
<b>Net current assets</b>			(116,254)		237,169
<b>Total assets less current liabilities</b>			25,522,853		22,125,452
<b>Creditors: amounts falling due after more than one year</b>	13		(12,609,070)		(9,721,394)
<b>Net assets</b>			<b>12,913,783</b>		<b>12,404,058</b>
<b>Capital and reserves</b>					
Called up share capital			44		39
Revaluation reserve			8,918,180		8,192,291
Profit and loss reserves			3,995,559		4,211,728
<b>Total equity</b>			<b>12,913,783</b>		<b>12,404,058</b>

The financial statements have been prepared in accordance with the small entities provisions within the Financial Reporting Standard 102.

The financial statements were approved by the Board and authorised for issue on 23 May 2023 and are signed on its behalf by:

**A.D.C. GREENWOOD**

Adrian Greenwood  
Chairperson

**J FEASEY**

Judi Feasey  
Secretary

Registration No. IP17128R



# Statement of changes in equity

For the year ended 31 December 2022

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2021		61	7,425,604	4,737,168	12,162,833
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	241,247	241,247
Issue of share capital		1	-	-	1
Reduction of shares		(23)	-	-	(23)
Transfers		-	545,173	(545,173)	-
Balance at 31 December 2021		39	7,970,777	4,433,242	12,404,058
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	509,720	509,720
Issue of share capital		5	-	-	5
Transfers		-	947,403	(947,403)	-
Balance at 31 December 2022		44	8,918,180	3,995,559	12,913,783

# Notes to the financial statements

For the year ended 31 December 2022

## 1 Accounting policies

### Society information

Mission Housing Limited is a Registered Society under Co-operative and Community Benefit Societies Act 2014 domiciled and incorporated in England and Wales with registered number IP17128R. The registered office is 8 Belmont Hill, Lewisham, London, SE13 5BD.

### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

At the time of approving the financial statements, the Board has a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

### 1.3 Turnover and other revenue

Turnover represents rental income and service charges.

Cash donations are recognised on receipt. Other donations are recognised once the Organisation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of donation.

### 1.4 Tangible fixed assets

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

Individual furniture and equipment costing £500 or more are initially recorded at cost, assets costing less are immediately expensed to the Statement of Comprehensive Income.

All properties are visited at least once in any 5-year period. The current valuation on remaining properties is calculated using the Land Registry Index on Property prices. Every property should have a RICS valuation within a 5-year period.

# Notes to the financial statements (continued)

For the year ended 31 December 2022

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

Office land & buildings	2% straight line per annum
Freehold & leasehold properties	2% straight line per annum
Office equipment	25% straight line per annum
Land	No depreciation

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

## 1.5 Cash and cash equivalents

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

## 1.6 Financial instruments

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

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

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

### *Basic financial assets*

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

### *Classification of financial liabilities*

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

### *Basic financial liabilities*

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

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

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

# Notes to the financial statements (continued)

For the year ended 31 December 2022

## 1.7 Employee benefits

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

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

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

## 1.8 Retirement benefits

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

## 1.9 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.

## 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

	2022 £	2021 £
Rent	323,324	299,331
Service charges	1,020	373
	<b>324,344</b>	<b>299,704</b>

# Notes to the financial statements (continued)

For the year ended 31 December 2022

## 4 Operating costs

	2022 £	2021 £
Property maintenance	94,363	50,571
Property legal and professional	68,090	60,907
Other direct costs	2,414	1,631
Bad and doubtful debt	664	(1,947)
Grant expenditure from Housing Support Fund	-	1,280
Wages and salaries	160,991	119,952
Water rates and business rates	10,205	6,081
Rent	-	-
Property service charges	15,522	12,727
Light and heat	3,563	3,950
Premises	4,793	3,323
Printing, postage and stationary	3,531	2,747
Telephone and fax	2,356	2,325
Insurance	12,951	6,172
Travel and subsistence	1,003	243
Website and computer	10,832	8,297
Cleaning	11,410	11,511
Audit	10,362	9,990
Accountancy	2,706	2,154
Non-property legal and professional	8,561	11,617
Database development	-	10,247
Membership and subscriptions	1,640	2,316
Events	2,412	673
Others administrative cost	2,010	2,981
	430,379	329,748
Non cash depreciation	366,846	327,622
	<b>797,225</b>	<b>657,370</b>

# Notes to the financial statements (continued)

For the year ended 31 December 2022

## 5 Operating deficit

Operating deficit for the year is stated after charging:

	2022 £	2021 £
Fees payable to the Society's auditors for the audit of the Society's financial statements	10,362	9,990

## 6 Employees

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

	2022 £	2021 £
Total	5	4

There aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	137,305	102,323
Social security costs	8,587	4,978
Pension costs	15,099	12,651
	<b>160,991</b>	<b>119,952</b>

The full time equivalent number of employees during the year was 4 (2021: 2.7)

## 7 Interest and other income

	2022 £	2021 £
Bank interest	2,990	2,495
Interest on secured loan	2,753	1,700
Income E123 project	3,026	-
Set up fees received	28,549	4,500
Management fees received	8,200	5,150
Gifts and donations	13,080	56,303
	<b>58,598</b>	<b>70,148</b>

# Notes to the financial statements (continued)

For the year ended 31 December 2022

## 8 Interest payable and similar expenses

	2022 £	2021 £
Mortgage interest and other interest	25,994	19,151
Movement on equity loans, linked to the value or particular properties	188,478	206,271
	<b>214,472</b>	<b>225,422</b>

## 9 Amounts written off investments

	2022 £	2021 £
Charges in the fair value of investment properties	1,121,685	766,687
	<b>1,121,685</b>	<b>766,687</b>

## 10 Tangible fixed assets

	Office land & buildings £	Freehold & leasehold properties £	Shared ownership properties £	Office equipment £	Total £
<b>Cost</b>					
At 1 January 2022	570,210	10,028,355	11,305,852	6,950	21,911,367
Additions	7,510	627,980	3,168,610	1,758	3,805,858
Disposals	-	(640,000)	(169,874)	-	(809,874)
Revaluation	-	484,826	276,749	-	761,575
At 31 December 2022	577,720	10,501,161	14,581,337	8,708	25,668,926
<b>Depreciation and impairment</b>					
At 1 January 2022	16,800	-	-	6,284	23,084
Depreciation charged in the year	5,750	155,599	204,511	985	366,845
Revaluation	-	(155,599)	(204,511)	-	(360,110)
At 31 December 2022	22,550	-	-	7,269	29,819
<b>Carrying amount</b>					
At 31 December 2022	555,170	10,501,161	14,581,337	1,439	25,639,107
At 31 December 2021	553,410	10,028,355	11,305,852	666	21,888,283

# Notes to the financial statements (continued)

## For the year ended 31 December 2022

Housing properties consist of long leasehold properties of £10,502,634 (2021 - £10,106,382) and freehold properties of £14,579,864 (2021 - £11,233,410). Depreciation was charged for the year on long leasehold properties of £191,419 (2021 - £210,054) and freehold properties of £168,691 (2021 - £111,569).

The office building at 8 Belmont Hill, London, SE13 5BD which was held at historical cost of £470,322 was revalued at a third party valuation of £560,000 on 31 December 2017.

20% of the property portfolio were visited by surveyors for valuation purposes on an open market basis. The value of the remaining properties were calculated using the Land Registry House Price Index according to the post code of the property and rounded to the closest £500.

The historical cost of freehold and leasehold properties included at a valuation of £10,501,161 was £6,527,596 and shared ownership properties included at a valuation of £14,581,337 was £13,058,689.

### 11 Debtors

Amounts falling due within one year:

	2022 £	2021 £
Arrears of rent and service charges	1,559	3,617
Other debtors	17,325	16,031
Housing loan	3,246	4,171
Prepayments and accrued income	2,866	3,966
	<b>24,996</b>	<b>27,785</b>

Amounts falling due after more than one year:

	2022 £	2021 £
Secured loan – equity	90,000	90,000
Secured loan – fixed rate	88,000	88,000
Housing loan	28,917	31,161
	<b>206,917</b>	<b>209,161</b>
<b>Total debtors</b>	<b>231,913</b>	<b>236,946</b>



# Notes to the financial statements (continued)

For the year ended 31 December 2022

## 12 Creditors: amounts falling due within one year

	2022 £	2021 £
London Missional Housing Bond	5,000	-
Equity loans	369,863	1,105,401
Standard loans	222,807	11,365
Trade creditors	5,433	3,291
Taxation and social security	-	2,722
Deferred income	12,026	-
Other creditors	8,071	984
Accruals and deferred income	17,888	11855
	<b>641,088</b>	<b>1,135,618</b>

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

	2022 £	2021 £
London Missional Housing Bond		5,000
Equity loans	9,450,643	8,152,216
Standard loans	3,013,184	1,564,178
Deferred income	145,243	-
	<b>12,609,070</b>	<b>9,721,394</b>

A description of the loans;

- (i) London Missional Housing Bond – a partnership of churches and Christian organisations to support the mission of the church in some of the most deprived areas of London.
- (ii) Equity loans – the size of loans range from £5,000 to £450,000, repayable at maturity or on the sale of the property.
- (iii) Standard loans – the size of loans range from £1,000 to £1,000,000 repayable at dates agreed between the lender and Mission Housing Limited.

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	5,735,424	4,405,941
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# Notes to the financial statements (continued)

For the year ended 31 December 2022

## 14 Operating lease commitments

### Lessee

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

	2022 £	2021 £
	2,030	5,071

## 15 Related party transactions

### Remuneration of key management personnel

	2022 £	2021 £
Aggregate compensation	91,584	75,945

Key management personal represents 2 employees (2021: 2)

### Transactions with related parties

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

### Amounts due to related parties

	2022 £	2021 £
Entities with control, joint control or significant influence over the society	189,154	184,793

Loans have been received from two board members or their spouses to assist in the purchase of housing property.