

# The secret history of our streets

REPORT & ACCOUNTS 2016-2017









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# Introduction

As we approach our 50th year and look back on the last year's activities it seems appropriate to consider the broader picture of what makes a housing association and the homes we provide.

Have you ever stopped to think what stood where a new development now stands, who lived there before, or what a site was previously used for? Has somewhere that was until recently an area of deprivation suddenly become highly desirable and how does this affect people? Who are the people you might never see or know little about that maintain our homes and neighbourhoods?

Newlon has a varied mix of homes from Huguenot terraces and converted Georgian townhouses to 21st century tower blocks. Our newer stock will have been developed on brownfield land, or through reusing a site. As we review the last year and look ahead to the next we will uncover some of the stories that make our housing association unique and a key part of providing the affordable homes, regeneration and sustainable communities that London needs.

# Chief Executive's report



I am pleased to report that we enjoyed a successful year in 2016/2017. We faced a very challenging environment with the introduction of rent cuts for social housing residents and the continuing increase in land values and demand for housing in the traditionally poorer areas of north and east London where we work. In many ways the city is changing, pushing increasingly upwards and outwards, with anywhere in inner London potentially becoming beyond the reach of ordinary people. I am therefore particularly proud that we continue to be able to develop and provide much needed new affordable homes right at the heart of London in areas such as Aldgate and Camden. Newlon is very much unique in managing and developing new homes entirely in north and east London and as we approach our 50th anniversary in 2018 I think this is something worth celebrating.

A key part of our social purpose is to provide new affordable housing, but we are also always aware of the needs of our existing residents. I am pleased to be able to say that our focus on services following the introduction of our new service model in April 2015 continues to bear fruit. Independent surveying shows that satisfaction for residents that rent from us is at the highest level ever and has risen consistently for the last two years.

To be able to improve services and continue to develop new homes can only be achieved through a successful approach to Value for Money, a commitment to governance and having a dedicated and talented staff group.

I am really proud that we have achieved Investors in People (IIP) Gold Accreditation. In 1997 Newlon was one of the first housing associations to be IIP accredited and less than 3% of organisations who are assessed ever reach the coveted Gold standard. This shows that our commitment to continuous improvement, learning and development and supporting our staff to achieve the best they can has been independently assessed as being at the highest level.

Thriving in the current challenging environment also requires the ability to innovate and a track record and approach to successful partnership. I am excited that we have recently entered into our first ever joint venture with Galliford Try Partnerships, which will provide an innovative way of raising finance to reinvest in new social housing.

I am pleased to be able to report that Outward, our specialist care and support subsidiary, has also had a strong year. Overall, as we look ahead to our 50th anniversary in 2018 we are well placed for the challenges ahead and to retain our distinctive place as one of London's main providers of new affordable homes.

**Mike Hinch** Group Chief Executive



1. Monmouth Road Green garden opening (Enfield)
2. CGI of City North (Islington)
3. Plant room - safety inspection (Islington)
4. CGI of Goodman's Fields (Tower Hamlets)



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# Chair's report



I am pleased to echo Mike in reporting that Newlon Housing Trust and the Newlon Group enjoyed another successful year in 2016/2017 despite the continuing challenging environment.

We have maintained our excellent record of governance and viability including retaining our G1 and V1 ratings. We also delivered a healthy surplus to reinvest in providing more new affordable homes and improving services.

We are making excellent progress with our aim of providing a further 2,000 new affordable homes between 2013 and 2022. More than 1,700 have either already been delivered, are currently onsite or are confirmed in our development pipeline, including our first ever private sale homes, as part of a landmark development in Waltham Forest.

As a Board we are committed to fostering a Value for Money culture across the Newlon Group as this is critical to successfully navigating the next few years. As part of this we have committed to developing provision of digital services and this will be a significant focus for the Group over the next year, including launching a self-service portal.

2016/2017 was the first year of operation for our new Community Services team and I am pleased to say that they enjoyed a successful year. Highlights included the opening of a new community garden at the Barnsbury Estate, winning a second Sport Islington Award for the Barnsbury women's health and lifestyle initiative and our in-house work experience scheme for residents looking for work.

I am proud that our work has been acknowledged with a number of awards. This includes winning the Best New Affordable Housing Scheme of the Year in Inside Housing's Development Awards and a National Learning Disabilities & Autism Award for the Group's Selwyn Road scheme.

I would like to express my thanks to my colleagues on the Board for the part they play in Newlon's continuing success. I would also like to wish farewell to our former Vice Chair, Steve Hitchins, who recently stepped down from the Board at the end of his term. Steve contributed enormously to Newlon as a Board member and to the regeneration of the area around the Emirates Stadium in Islington and he will be greatly missed.

In light of recent events I feel it is appropriate to mention our commitment at Board level to the safety of residents. Newlon has made significant additional investment in recent years to prioritise residents' safety and meet regulatory requirements. We also have the systems and people in place to ensure that all safety monitoring equipment is maintained and regularly inspected. You can read about some of this vital work, which often goes unseen, in this report.

The overall operating environment remains complex, but we continue to be well placed to grow and provide the services our residents and customers need and I am looking forward to another strong year ahead.

**Sarah Ebanja** Chair of the Newlon Board



# What lies beneath the story of our new homes

## Sights set at Camden Road

Camden Court, our major new scheme developed in partnership with Barratt Homes, is nearing completion. Situated moments from Camden Road station and the Regent's Canal and only five minutes' walk from the centre of Camden Town, it is a real achievement to be able to provide 82 new affordable homes in such a central and desirable location. It is even more impressive that 50% of all the 164 homes at the scheme are affordable.

Split between Shared Ownership flats, Intermediate Rent and social rented family accommodation, this development is centred around attractive communal courtyards which are unusually set at below street level.

Finding a site of this size in such a central location is very unusual and it has an interesting history. Where our new building stands there was previously a 1920s

optics factory purpose-built for Hilger Instruments, who were one of the foremost manufacturers of precision optical instruments in the world. This building was replaced at some point after the Second World War with accommodation for the local authority's social services and parking departments. They moved on and it was last used as a temporary GP's surgery and was empty at the time that it was acquired for redevelopment as housing.

In an area where the average price of a house is over £1 million, the ratio between median household incomes and house prices is greater than 27:1 and there is only a small gap between private rents and take-home incomes, it is vital that housing can still be provided for local people.







1. Former premises on the site of Camden Court
2. Camden Court - nearing completion
3. CGI of completed Goodman's Fields
4. WW2 bomb damage at Goodman's Fields
5. Goodman's Fields - under construction
6. Goodman's Fields - under construction

## Full circle at Goodman's Fields

One area where housing prices and land values have increased even faster than in Camden is Tower Hamlets on the boundary of the City of London. Until recently Spitalfields, Aldgate and the areas heading towards Docklands in inner East London were among the capital's most deprived districts. Impacted by industrial decline, bombing and slum clearance even as recently as the late 1980s parts of these areas were characterised by dereliction. Regeneration of the area first started with the renovation of warehouses in Wapping. As people have increasingly moved eastwards due to prices rising in the rest of London, these were among the first areas where housing costs increased dramatically. Now for the first time more Londoners live east of Tower Bridge than west and this trend is set to continue, with another 600,000 people predicted to settle in East London in the next 15 years.

It is therefore vital that we can continue to secure developments, such as our new major scheme at Goodman's Fields. Situated adjacent to the City of London in Aldgate and only a few minutes' walk from Tower Bridge we are developing 171 affordable homes in a mix of tenures in partnership with Berkeley Homes. The most expensive penthouse homes in the private parts of the development by Berkeley will have stunning views over London and are likely to be sold for more than £5 million. A far cry from the poverty that characterised this area for much of the 18th, 19th and 20th centuries.

The site has a fascinating history, dating as far back as 1293 when a house of minoresses (which gave its name to the nearby road Minories) was set up in Aldgate. The nuns ran a farm which was initially tenanted and eventually sold to Roland Goodman. His son inherited the site and let the ground out for grazing horses, giving the name to the area.

From the 16th century, the open ground was divided into garden plots. It was bought by Sir John Leman, Lord Mayor of London, whose great-nephew William Leman laid out four streets, named after relatives. By the 18th century the area had acquired a reputation for wild behaviour and in 1737 there was a shoot-out in Goodman's Fields involving the highwaymen Dick Turpin and 'Captain' Tom King. The Goodman's Fields Theatre, the first theatre outside the West End, and beyond the jurisdiction of the Lord Mayor and Aldermen of London was opened in 1727.

From this time on the previously fashionable area became poorer and was encroached upon by warehouses and subdivided by railways. The area suffered major damage in the Blitz and coupled with the decline of the nearby docks came to be characterised by mass dereliction by the early 1980s, despite its proximity to the City of London. In a fascinating example of the way that London is regenerated and reinvented it has now come full circle as one of the capital's most expensive and desirable places to live. We are proud that through developments like this we can continue to provide the affordable homes that local people need.

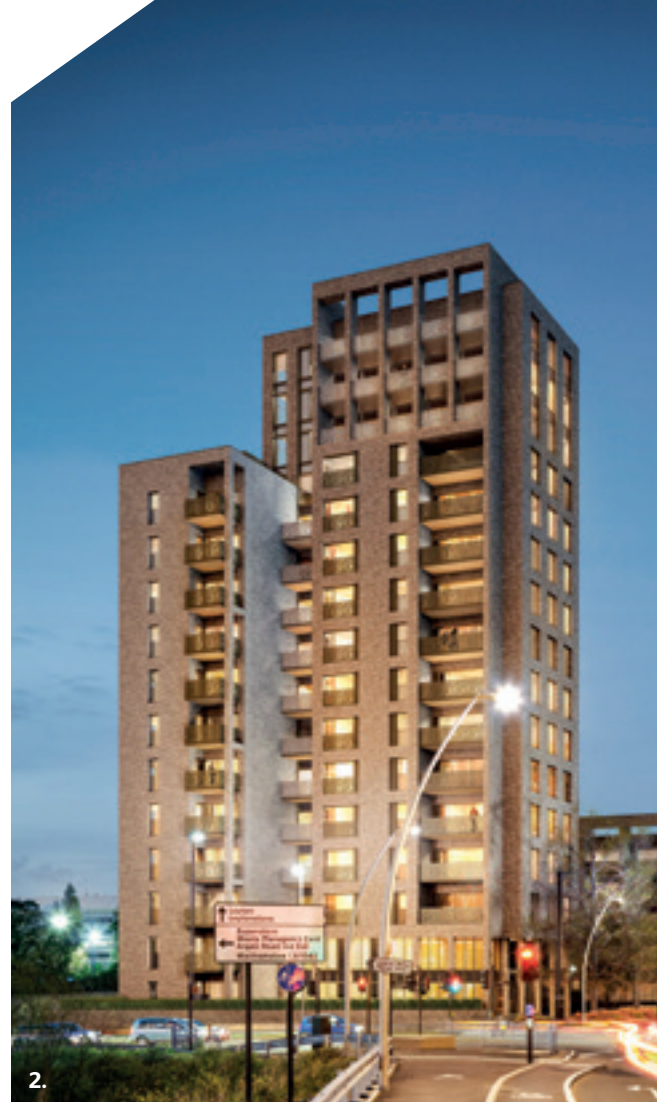
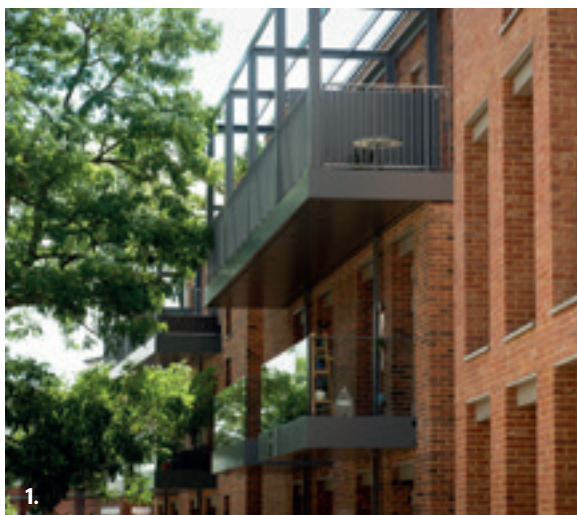


## At home with heritage in Hampstead

Camden Court is not the only new affordable housing we are developing in Camden. We are also working in partnership on two schemes situated on either side of Kidderpore Avenue in the west of the borough. The area is characterised by a number of listed buildings including some renowned and distinctive Arts and Crafts homes dating from the late 1890s.

In total we will be providing a further 44 homes in addition to 22 homes that have already been completed in a mix of rented and Shared Ownership accommodation across the two schemes.

Kidderpore Green, which is being developed in two phases with Barratt Homes, includes a new building for Hampstead School of Art which was founded in 1946 under the patronage of Henry Moore. While across Kidderpore Avenue we are partners with Mount Anvil in the Hampstead Manor development, which includes the renovation of several Grade II listed buildings to create a heritage driven development at the heart of this unique area of London.



## Nesting instinct

Nest is the name for our landmark new 16 storey brick clad scheme being developed in Dunedin Road in Leyton, marking the north eastern entry point to the Olympic Park. The area suffered extensive bomb damage during the Second World War because of its proximity to the major railway networks at Stratford and before work could begin on site we had to carry out a specialist bomb survey to check for unexploded ordinance.

A boldly designed, confident building, it celebrates the regeneration and reinvention of this area of East London, and is ideally situated close to the Lea Valley and Olympic Park. It is also just a few minutes from excellent public transport links and many local amenities at the heart of Leyton.

The development will provide 84 new homes in a mix of tenures between rented and Shared Ownership homes and for the first time in Newlon's history a small number are being developed for outright sale to provide funding towards delivering new social housing.

With excellent views of the surrounding area it will be the perfect nest for the new residents to settle into the neighbourhood. It is due for completion in early 2019.

1. Kidderpore Green
2. CGI of Nest (Dunedin Road)
3. Onsite at Dunedin Road
4. The Crescent and Monmouth Road Green Community Garden
5. CGI of Station Square





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### Providing a helping hand at Doubleday Court

Nearby in Leyton is Doubleday Court, built on the site of a formerly derelict church hall, a development of 12 new homes which will be completed in the autumn of 2017. Like Nest it has an innovative tenure mix as of the 12 homes for supported housing, two have been developed to provide Shared Ownership for people with long term disabilities. Working with our specialist care and support subsidiary, Outward, and our local authority partners, Newlon is one of very few organisations nationally providing the opportunity for people with low level care and support needs to live as independently as possible by owning their own homes, through the HOLD scheme.

We are also continuing to develop new supported housing in a number of other locations including at Linwood Close in the borough of Enfield where we are redeveloping an existing site to provide eight new high specification homes for people with learning disabilities. This is part of our ongoing programme of updating and redeveloping a number of existing schemes in the same area to meet the changing needs of local people.

### Redrawing the map across north and east London

In 2013 we set the ambitious target of developing 2,000 new affordable homes by 2022. We have already completed 850 of these homes with a further 850 on site or confirmed for development. This includes new schemes in Enfield, Islington and Redbridge. In addition the major regeneration scheme at Hale Village, where our offices are based, has been the catalyst for the further transformation of the area and Tottenham Hale is now at the heart of a designated Housing Zone. A further 2,000 new homes are planned, as well as a redeveloped town centre, while works are already underway to upgrade the station, which is one of London's busiest transport interchanges. Newlon will be providing a number of new affordable homes as part of the continuing regeneration of Tottenham Hale. This includes new schemes at 1 Station Square where we will have 128 homes and Monument Way where we will be providing 54 new rented affordable homes.

Once more the map of London continues to be redrawn with previously deprived areas being transformed and brought back to life. As at Goodman's Fields and Camden Road, we see it as vital that organisations like Newlon are at the heart of this process so that local people can afford to be part of the redevelopment of their neighbourhoods.

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# Secret service

## behind the scenes of keeping residents safe

Nearly 50 years ago when Newlon first started work our housing was primarily provided by buying and converting mainly Victorian street properties into flats. Over time as we grew we gradually started to develop new affordable housing from scratch and as land has become more expensive and demand has increased we have developed more complex and often larger schemes.

The pace and changing face of development coupled with the provision of new types of tenure means that we have needed to adapt to ensure we are providing the services our residents require.

As well as front line services such as responsive repairs and maintenance we carry out a vast range of health and safety and security inspections and work to manage anti-social behaviour and issues that can often be invisible such as tenancy fraud. While the majority of this work goes on unseen on a day by day basis it is backed up by a regulatory framework which we take very seriously. All of our buildings have up to date Fire Risk Assessments, Water Safety Certificates and Gas Safety Certificates. We even use residents as mystery shoppers to test our services and responses to enquiries.

At our larger developments the buildings have a range of sophisticated systems, including active fire safety measures, which require regular inspection and checking. This work is carried out by our concierge and estate inspection teams. For example at 3 Queensland Road, part of the Arsenal Regeneration Area, the building has many safety features including a sprinkler system, active fire detection systems and CCTV, many of which are based in the plant room where systems are checked daily. Another area at Queensland Road where, perhaps surprisingly, we need to make regular checks is the rooftops where the vents are located for the valves which would clear smoke from communal areas in the event of a fire. There are also solar panels which need to be checked to ensure they are functioning correctly.

Our concierge and estate inspection teams ensure that all of our properties are inspected on a regular basis. In last year's Annual Report we reported on the new handyperson service we had introduced in partnership with Wates Living Space, our main responsive repairs provider. This team visits our properties on a rota basis in close succession to our estate inspection teams, meaning that any communal repairs that are reported can be actioned quickly and effectively.



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1. Safety inspection at Queensland Road
2. Stock improvement - resident with new kitchen
3. Concierge at Arsenal
4. Concierge at Hale Village
5. Concierge on patrol at Arsenal





This has helped deliver a genuine improvement in repairs with over 94% completed on target and average repair times across all types of job down to 8.2 days in 2016/17 from 15.7 the previous year. To build on this we have now introduced a further service with Wates and from July of this year a new team are carrying out our cyclical and stock improvement works programme, including external decorations and internal electrical works. We hope that this will deliver the same step change in efficiency and cost effectiveness that the handyperson team has contributed to.

Another aspect of the service we provide is our stock improvement programme, which includes ongoing works to ensure that people's homes are maintained above decent homes standards.

Last year we set a target of improving a minimum of 400 homes and we exceeded this by completing works to 416 properties. This included installing 221 new boilers, providing 63 homes with new uPVC windows and doors, which help improve energy efficiency and providing 73 new kitchens and bathrooms. A further 48 properties underwent full electrical rewiring.





# Community Services

## supporting residents in need

Our Community Services team works directly with Newlon residents to provide financial inclusion and welfare benefits advice, support households in hardship and to help them access employment and training. The team also run two thriving community hubs.

### Financial support and welfare benefits advice

During the year our in-house financial inclusion and welfare benefits advice service helped residents in need to receive over £52,000 in backdated housing benefits and more than £165,000 in ongoing welfare benefits. We previously offered out of house specialist support but since changing to an in-house role we have seen a significant increase in uptake for the service with 126 new registrations during the year. We have also been able to work much more closely with our Lettings and Income teams to provide early intervention where people appear to be struggling to maintain their tenancies.

We support households facing the most challenging circumstances through administering a hardship fund with funding from external charity SPH Friends. In the past year £30,000 was distributed to 70 households by providing grants for furniture or kitchen items.

### Support into employment and training

Another key part of the team's role is our Information Advice and Guidance (IAG) service which supports residents who are seeking employment, work placements, apprenticeships or training.

In the past year 115 residents were provided with IAG services which included supporting 27 into employment, 23 into apprenticeships or work placements and 47 into training.

One of our most successful initiatives has been providing fixed three month work placements for residents at Newlon, working with a wide variety of teams. These placements provide people with a structured programme of work experience and a formal reference. Many residents have successfully gone on to gain jobs, including several who now work at Newlon.

### Community facilities and activities

Our two main community spaces are based at the Barnsbury Estate in Islington and Lascar Wharf in Tower Hamlets. The range of the services we provide at these hubs includes low cost health and wellbeing programmes. We are really proud that we won a Sport Islington Award for the second year in a row for our health and lifestyle initiative based at the Barnsbury Community Centre.

We are also pleased with the popularity of the new Barnsbury Community Garden, which was opened in the summer of 2016. As well as providing an attractive green space for residents and local people to chill out the garden is also the setting for a number of local food growing, horticulture and training initiatives. By providing the space for people to gain a range of work experience and qualifications we are using the garden to grow more than food and plants.

As part of our drive for digital services we have introduced a new online booking system for people who want to hire out our community spaces. Both of our main hubs have seen a steady growth in bookings, with more than 50% coming from Newlon residents. In addition the vast majority of participants in the wide range of services provided by other hirers have been our residents as well as other members of the local community.



### Community Services in action

Petra – a Newlon resident from Islington is undertaking a work placement with the Community Services team to gain work experience in an office and administrative environment. Following an interview she was shortlisted and then appointed to the Community Facilities Administrative Officer role at the Barnsbury Community Centre. We asked her to tell us about her experience:

#### What does your role involve?

I am currently taking bookings, showing people around the centre, as well as collating centre usage statistics for monthly reports.

Much of my role involves data input including maintaining the registers, and the centre's calendars.

I am the first point of call for new clients wishing to hire our centre.

My role involves centre checks, risk assessments and general maintenance.

#### What's the best thing about the role?

Every day is different and I enjoy meeting new people, learning new things and maintaining a good relationship between customers, residents and colleagues.

#### What have you learnt so far?

Refining my computer skills, including using Outlook and Excel applications and improving my confidence by speaking to customers over the phone and in person.

1. Petra at work at Barnsbury
2. Activity Break at Nutley Edge
3. New accommodation at Doubleday Court
4. Proud Gardening Competition winner



# Outward

## a focus on improving wellbeing

Outward, our Group's specialist care and support provider, can be very proud of its achievements in the past year. One of the charity's key business plan aims was to really focus on improving the wellbeing of the people it supports. Given the significantly reduced funding in social care it has been a challenge to continue delivering innovative services and projects that offer more than just the day-to-day care which is funded. We are pleased to report on a number of successful projects that have maximised wellbeing of the people Outward support through the innovative use of resources.

### Doubleday Court

Having a place to live to call your own brings stability, increased independence and ultimately a greater sense of wellbeing. Outward and Newlon have been working together this year to develop Doubleday Court, an impressive modern supported living service in Leyton that will be home to 12 people with learning disabilities and other support needs.

Each of the residents will have their own self-contained flat, representing a huge step forward in their lives. Two flats are also available for Shared Ownership through the HOLD scheme. The new residents have been living in shared houses, or with their own families. Matthew, an Outward customer who is moving to the new scheme, told us that he finds shared living frustrating and is looking forward to this new chapter in his life:

"I have to share one bathroom with three other people, and can't have my friends over to visit. My only private space is my bedroom. I want to be able to relax in my own place. I'm really excited about having my own flat."

### Making a house a home

Another part of Outward's strategy to improve customers' wellbeing is to support them to 'make a house a home'.

This year the focus has been on gardening. Gardening is a healthy activity that encourages people to go outside, be creative and get active. Outward launched its third annual Gardening Competition in 2017 and had a record number of nineteen entries, involving dozens of its customers.

In addition to lush raised beds and colourful hanging baskets, there were lots of herbs and vegetable produce, as well as sensory elements for people on the autistic spectrum. Customers kept scrapbooks of their progress and were very proud of their achievements, as were we.

### Holidays at Nutley Edge

A further big project that has benefited many people with learning disabilities is Nutley Edge. This is Outward's holiday centre in East Sussex, consisting of 12 self-catering cottages and an Old Farmhouse, all set on 11 acres of rolling pastures.

Outward has always encouraged the people it supports to go on holiday. Holidays improve wellbeing and help people get away from the 'day-to-day'. It is also true that holidays for people with learning disabilities, or on the autistic spectrum, can be expensive and in some cases uninspiring. Outward heard this so often that it decided to do something about it by hosting its own holidays.

Last year Outward ran nine Activity Breaks for over 90 guests from across London and the South East. There have been some touching stories. In September 2016 we welcomed Paula on an Activity Break. Paula had gone through a hard time at home: "I found the holiday very helpful and I made some new friends there. I had a family bereavement and had felt depressed, but Nutley Edge made me feel much better and it gave me a break from home and was very worthwhile."





# Our performance

## Newlon in numbers

### Group stock numbers 2016/2017

|                         |              |
|-------------------------|--------------|
| Social rent             | 3,839        |
| Affordable Rent         | 234          |
| Low cost home ownership | 1,718        |
| Supported housing       | 775          |
| Intermediate Rent       | 1,112        |
| Other                   | 104          |
| <b>Total</b>            | <b>7,782</b> |

### Improving services

#### Value for Money

Since introducing our innovative handyperson service there has been a reduction in the number and cost of communal repairs. Analysis has shown the average handyperson repair is **40% cheaper** than the equivalent repair completed under a main schedule of rates contract.

#### Going digital

- **73% of households** now receive an electronic version of their newsletter and rent statement saving money and the environment.
- The number of residents accessing advice online through the Knowledge Base on our website **increased by 40%**.
- We have implemented online Live Chat on our website.

### Improving satisfaction

- Satisfaction with overall service for residents who rent from us - **72%** (+10% over past three years).
- Helpfulness of staff - **75%** (+9%).

### Improved lettings

#### Social rented and Affordable Rent housing

Number of lets: 113  
 Number of re-lets: 65  
 Average time to re-let 2016/17: **26 days** (2015/16: 33 days).

#### Intermediate Rent housing

Number of Intermediate Rent lets: 65  
 Number of Intermediate Rent re-lets: 64  
 Average time to re-let 2016/17: **19 days** (2015/16: 36 days).

#### Reducing our arrears

At the end of the year **overall arrears were 3.07%**, continuing our ongoing trend of successfully reducing arrears each year.

#### Overall arrears as % of rent due

|         |       |
|---------|-------|
| 2014/15 | 3.62% |
| 2015/16 | 3.55% |
| 2016/17 | 3.07% |

### Improving homes

We completed improvement **works to 416 properties** last year against a target of 400. This included installing 221 new boilers, providing 63 homes with new uPVC windows and doors, constructing 73 new kitchens and bathrooms and full electrical rewiring of 48 properties.

#### Recognition for our work

- Winner of Inside Housing's Development Awards for Affordable Housing Development of the Year.
- Winner of Sport Islington Award.
- Ranked 31st nationally in 24housing's top 50 landlords.

We were also shortlisted finalists for many other awards during the past year including:

- Our Chair, Sarah Ebanja, for Board Member of the Year at the Women in Housing Awards.
- Desmond Court for Most Innovative Supported or Sheltered Housing Scheme in the Housing Innovation Awards.
- For our Outstanding Approach to Regeneration at the UK Housing Awards.
- For the Best Brand/Marketing Campaign at the British LGBT Awards.





# Introduction to the Summary Financial Statements

## Operating Activities

Financial Statements show a good performance for the year. The Group turnover was £93m, 10% up on the last year, and operating costs plus the cost of sales were £49m, giving an operating surplus of £44m or margin of 47%.

The total operating income includes income from social housing lettings, supporting people & care and Shared Ownership sales. Social housing lettings income increased by 4% to £60m, and the margin increased to 45% from 40%. Income from supporting people & care activities rose by 4%, and generated a margin of 2% compared to 5% last year. The sales margin for Shared Ownership has improved to 48% from 25%, although on lower sales of £5m.

The surplus on housing property sales was £6m, £3m lower than the previous year, reflecting a reduction in the number of units sold compared to last year.

Interest payments at £15m decreased by £2m compared with the previous year, largely as the result of refinancing carried out last year. Interest rates have remained low and Newlon's most variable loans have continued to benefit from the low short-term LIBOR rates.

In summary, the Group continued to perform well and generated a healthy financial surplus thus enabling continued investment in our existing properties and services and in providing new affordable housing.

## Funding and Assets

The Group continues to develop new properties for rent and also for Shared Ownership. There was a total investment of £60m in housing properties during the year, and disposals of £9m mainly from staircasing. The net book value of housing properties was £960m at year end.

The total Group cash, including investments, was £42m, a decrease of £18m over the year as a result of the investments described above. In addition, there are undrawn facilities totalling £43m at the year end which were fully secured and can be drawn as and when required.

## Key Financial Ratios

In line with our banking covenants the key financial ratios of gearing and interest cover relate to Newlon Housing Trust only.

As stated in the Strategic Report (full report included in our Report and Financial Statements), the gearing ratio at the year end was 46% (against a maximum limit of 65%) and the interest cover ratio was 296% (against a minimum limit of 110%).

**Surjit Dhande** Group Finance Director



# Consolidated statement of comprehensive income

Year ended 31 March 2017

|                                                         | 2017          | 2016          |
|---------------------------------------------------------|---------------|---------------|
|                                                         | £'000         | £'000         |
| Turnover                                                | 92,740        | 84,705        |
| Cost of sales                                           | (2,451)       | (10,753)      |
| Operating costs                                         | (46,387)      | (47,732)      |
| <b>Operating surplus</b>                                | <b>43,902</b> | <b>26,220</b> |
| Surplus on disposal of fixed assets: Housing properties | 6,416         | 9,347         |
| Surplus / (deficit) on sale of other fixed assets       | 52            | (15)          |
| Other interest receivable and similar income            | 199           | 251           |
| Interest and financing costs                            | (15,031)      | (16,666)      |
| Movement in fair value of investment properties         | 83            | 89            |
| Other finance costs                                     | -             | (5,185)       |
| Surplus before taxation                                 | 35,621        | 14,041        |
| Taxation on surplus                                     | (74)          | (29)          |
| <b>Surplus for the financial year</b>                   | <b>35,547</b> | <b>14,012</b> |
| Movement in fair value of hedged financial instrument   | (360)         | (440)         |
| Total comprehensive income for year                     | 35,187        | 13,572        |



# Statement of financial position

at 31 March 2017

|                                                                | Group 2017 | Group 2016 | Association 2017 | Association 2016 |
|----------------------------------------------------------------|------------|------------|------------------|------------------|
|                                                                | £'000      | £'000      | £'000            | £'000            |
| <b>Fixed assets</b>                                            |            |            |                  |                  |
| Tangible fixed assets – housing properties                     | 959,765    | 924,381    | 946,393          | 910,619          |
| Tangible fixed assets – other                                  | 9,354      | 9,854      | 8,853            | 9,301            |
| Investment properties                                          | 1,700      | 1,600      | -                | -                |
|                                                                | 970,819    | 935,835    | 955,246          | 919,920          |
| <b>Current assets</b>                                          |            |            |                  |                  |
| Properties developed for sale                                  | 14,246     | 6,420      | 14,246           | 6,420            |
| Debtors – receivable within one year                           | 7,179      | 5,117      | 4,751            | 3,308            |
| Debtors – receivable after one year                            | -          | 284        | -                | 284              |
| Current asset investments                                      | 5,000      | 15,000     | 5,000            | 15,000           |
| Cash and cash equivalents                                      | 37,275     | 44,673     | 28,405           | 37,469           |
|                                                                | 63,700     | 71,494     | 52,402           | 62,481           |
| <b>Creditors: amounts falling due within one year</b>          | (29,887)   | (32,338)   | (27,175)         | (30,327)         |
| <b>Net current assets</b>                                      | 33,813     | 39,156     | 25,227           | 32,154           |
| <b>Total assets less current liabilities</b>                   | 1,004,632  | 974,991    | 980,473          | 952,074          |
| <b>Creditors: amounts falling due after more than one year</b> | (885,719)  | (890,137)  | (874,020)        | (878,306)        |
| <b>Provisions for liabilities and charges</b>                  | (25)       | (1,153)    | (25)             | (1,153)          |
| <b>Net assets</b>                                              | 118,888    | 83,701     | 106,428          | 72,615           |
| <b>Capital and reserves</b>                                    |            |            |                  |                  |
| Called up share capital                                        | -          | -          | -                | -                |
| Designated reserve                                             | 1,752      | 1,752      | -                | -                |
| Income and expenditure reserve                                 | 129,648    | 94,101     | 119,053          | 84,880           |
| Cashflow hedge reserve                                         | (12,625)   | (12,265)   | (12,625)         | (12,265)         |
| Restricted reserve                                             | 113        | 113        | -                | -                |
|                                                                | 118,888    | 83,701     | 106,428          | 72,615           |

# Board members



Sarah Ebanja  
**Chair**



Steve Hitchins  
**Vice Chair**



Matt Campion



Mike Hinch



John Cross



Nicola Bastin



Fred Angole



Jackie Ballard



Martin Hughes



Maria Grogan



# Executive team



Mike Hinch  
**Group Chief  
Executive**



Surjit Dhande  
**Group Finance  
Director**



Peter Little  
**Group Director  
Supported Housing  
and Care**



Bill Henderson  
**Housing Services  
Director**



Barbara Duff  
**Corporate Services  
Director**



Mark Newstead  
**Property Services  
Director**



Caroline Pennock  
**Business  
Development  
Director**

Newlon is committed to sound corporate governance and has adopted the National Housing Federation (NHF) Code of Governance 2015 and Code of Conduct 2012. The Board confirms the Trust is compliant with both the Code of Governance and Code of Conduct with the exception of the following matter. During 2016-2017, one Board member, Steve Hitchins, remained on the Board for a tenth year, based on legal advice. The regulator was informed of this.



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## **Newlon Housing Trust is a charitable housing association**

Group Chief Executive: Mike Hinch    Chair: Sarah Ebanja

Newlon Housing Trust is registered with the Homes and Communities Agency L0006, Inland Revenue charity no. X21906/1, Community Benefit Society 18449R.

Access Homes HA Ltd is registered with the Homes and Communities Agency SL3605, Community Benefit Society 24992R.

Outward Housing, trading as Outward, is a company limited by guarantee – company no. 2151434, registered charity no. 800529.

Newlon Fusion is a company limited by guarantee – company no. 4000022, registered charity no. 1119673.

NewlonBuild Ltd is a registered company – company no. 7884092.

Finsbury Park Homeless Families Project is a company limited by guarantee – company no. 2879813, registered charity no. 1030970.

NewlonInvest is a private limited company – company no. 09492006.

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