

Growing at a Steady Pace

On target, for our **1000th** home



North London Muslim Housing Association

**Annual Report
2016 - 2017**



From the Chair

Ismail Yusuf



The Chair addresses shareholders at the Annual General Meeting.

I am truly pleased to report and confirm the ongoing viability of the organisation. I am able to say that we are on track to achieving the target we set ourselves of owning, and having available for rent, a thousand homes.

The staff continue to perform well and have delivered strong financial results by their commitment and seeking of value for money in all their transactions. They continue to keep rent arrears in check despite the difficulties caused by the changes in the welfare benefit rules. The figures speak for themselves. With a turnover of £6.62 million and an operating surplus of £2.274 million, I believe that the entire team has delivered well.

The organisation continues to acquire new homes at a steady pace and remains committed to its task of providing homes for those in need, especially at a time when both house prices and rents are at their highest. We currently have 86 homes in

development at five different sites, some of which will be available for purchase as shared ownership schemes; allowing people to own their own home, or at least a share in it, whilst slowly staircasing to full ownership at a time and pace of their choosing and convenience.

We also plan to purchase an additional 50 new homes from other housing associations by the next financial year. For this reason, we consider that we will soon meet the milestone of a thousand homes, which will take us into a different regulatory regime.

We remain committed to good governance, transparency and equality. In all our dealings, we look for value for money, commercial

sense and viability. During the year, we have been involved with the London BME consortium, where 14 London-based BME housing associations work together in collaboration to share experiences and resources, to achieve, amongst other things, value for money, understanding and cohesion between the communities that we are a part of, all of which are important if we are to earn and maintain respect within the sector. I remain confident that we will continue to grow and provide decent housing and services to our tenants/ customers.



London BME Chair and CEOs event.

During the year, the Board appointed Aziz Rahim as Chief Executive. He was previously our Housing Services Director and had been acting up in the role of Chief Executive since June 2014. Apart from the ambition and drive that he has shown in building up our stock, one of his most recent noteworthy achievements has been to help the organisation achieve the Investors in People Gold accreditation. No doubt, he is now working on the platinum award!

We continue to work for our tenants/ customers, placing them at the heart of everything we do by, amongst other things, providing excellence in our services. We have achieved high levels of customer satisfaction across most of our key services, with 80% of the customers who took part in our survey expressing their satisfaction.

Whilst the staff are dedicated and doing well in delivering services to our customers, I can report that the Board is also working well in planning, overseeing, controlling and scrutiny of the organisation. Behind our achievements is a great deal of hard work, dedication and enthusiasm and I would like to express my thanks to our staff, my fellow Board members, and the residents involved in our participation initiatives, for all that they do to ensure our success.

Finally, I am both happy and content that the organisation remains viable and that the Board is continuing to do its utmost to ensure the highest levels of transparency and control, including governance of the Association, its activities and finances.

Ismail Yusuf

September 2017

From the Chief Executive

Aziz Rahim

I have pleasure in introducing the Annual Report for 2016-2017, outlining our continued progress over the past year.

We are an outstanding BME housing association, with a turnover of some £6.62 million. We operate across over five local authority areas in north east London, providing high quality social homes and housing services.

In the year to 31 March 2017, we delivered strong financial results, with an operating surplus of £2.274 million. As in previous years, this surplus will be reinvested in building more homes for people in need of social housing.

As we celebrate our 29th birthday this year, it is worth reflecting on how far we have come since 1988. We are excited to be within reach of our 1000th home by next year.

However, over the past year, we have seen wide-ranging changes to government policy, including a Housing White Paper, the Housing and Planning Act, the one per cent annual rent reduction, the proposed Voluntary Right

to Buy, Universal Credit and the uncertainty surrounding the Local Housing Allowance.

Together, these changes have fundamentally altered the environment in which we operate. They represent a major challenge to the sector. We have taken the opportunity to reassess NLMHA's long-term strategy to ensure that we respond, whilst continuing to meet the needs of our customers.

At the same time, the Government is looking to housing associations to play a key role in addressing the national housing shortage. NLMHA is committed to playing its part. We are currently developing 86 units at five schemes and, over the next financial year, we will build an additional 50 new homes in collaboration with larger housing associations.

NLMHA is strongly committed to delivering effective value for money. The current

external environment demonstrates the importance of a commercial approach, and we will continue to ensure that this is reflected in all our decision-making. However, we will always maintain our social purpose.

We cannot do all we need to do alone. We will need to strengthen our relationships with all of our stakeholders. I'm looking forward to working with the London Mayor and other housing associations to find creative ways to provide more homes. I am also working in partnership with the London BME Group and North River Alliance.

We will be working to raise our profile in the sector and will be participating in the National Housing Federation's campaign to raise awareness of the contribution that housing associations make.

I would like to thank my Board for their strategic leadership, support and wisdom in

overseeing NLMHA's current performance and its future development. I would also like to thank my colleagues who have worked with me during this challenging year. I strongly believe that everything happens by, with, or through people; nothing happens on its own. We are a great team.

Although the next 12 months are likely to be challenging, there is a lot to be optimistic about. We are well placed to seize this opportunity for NLMHA to stand out from our peer group.



Growing and improving

Strengthening NLMHA



Achieving Investors in People Gold

We achieved Investors in People (IIP) 'Gold' accreditation in March 2017, after successfully holding IIP Silver for last six years.

To achieve IIP Gold is a fantastic result for the business and our dedicated team. It demonstrates the changes and progress we have made over the past three years, since our last inspection. It reflects our commitment to delivering a 'gold' service and to continuing to take the organisation to an even higher position amongst our peers in the housing sector.

We see achieving IIP Gold as an integral part of our business progression and we won't be resting for a moment. We will take on board all comments from the report to continue to improve the opportunities for our staff, to ensure they are fully supported to achieve their full potential, and for the business to meet its objectives.

Gold assessment provides evidence that NLMHA, through sheer hard work and commitment at all levels, is demonstrating excellence in the management and development of its people. The Board of Management and the senior management team's vision, expertise and years of knowledge and experience have driven forward NLMHA's ambitions and excellent practice.

What also came across strongly throughout the assessment interviews was the dedication of our employees to making a difference in people's lives through the support they deliver, and how NLMHA fully supports their professional development to enable them to achieve this goal.

Value for money

We remain committed to providing services that represent value for money for our residents, and to delivering continuous improvement in the quality and range of our homes and services.

NLMHA performed well during 2016 -2017. Our total management cost per unit is £2,514, which is much lower than the median level of £3,550 in the sector, as identified by the Homes and Communities Agency.

Our Corporate Strategy sets out NLMHA's mission statement: "To provide quality homes and services, strengthen and build communities and improve the lives of our residents."

This focuses not only on the effective provision of affordable housing, but also on investing in our neighbourhoods and communities to increase their value to our residents.

Growing and developing

Good quality new homes for north east London

We are currently developing five schemes.

We will take handover of Bellevalia Court in Clapton E5 in October 2017. The scheme provides eight flats for affordable rent and three flats for shared ownership.

YMCC House on Lea Bridge Road in Hackney will provide 10 homes for shared ownership and 10 for affordable rent. Four of the shared ownership homes are regular flats and six will be duplexes – set over two floors.

Our development at Vallance Road in Tower Hamlets will provide a further 37 homes – 13 for social rent, 12 for affordable rent and 12 for shared ownership.

Hunts Wharf in Hackney will provide seven homes. Four are for affordable rent and three are shared ownership.

On Holloway Road in Islington, we are developing 11 homes. Of these, eight are for affordable rent and three are for shared ownership.

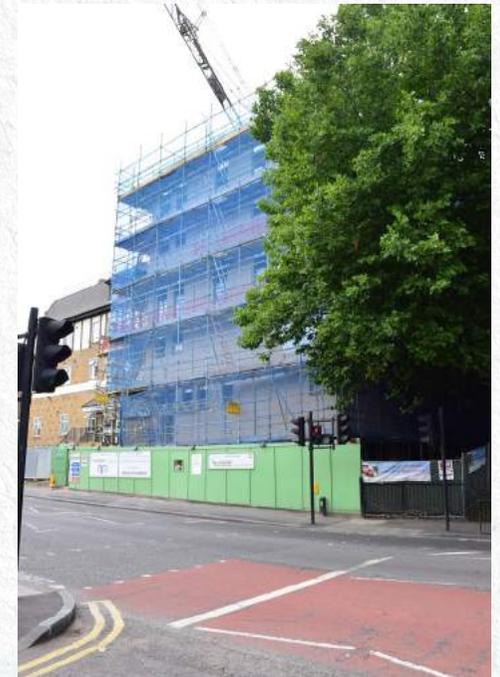
Over the next financial year, we will build an additional 50 new homes in collaboration with larger housing associations.



Vallance Road in Tower Hamlets.



Bellevalia Court in Clapton.



YMCC House on Leabridge Road.

Growing, while exceeding targets

Investment - proud of our assets

Investing in our housing stock is a fundamental part of our business. It ensures that we have good quality homes available to rent. It also maintains the value of the assets we borrow against when we build new homes.

We spent £0.84 million on maintaining and improving our homes during 2016-2017. We installed 29 new boilers, 59 new kitchens and 32 new bathrooms. Yet again, we carried out annual gas services on 100% of our boilers.

We ensure our homes are fit for purpose and that current and future residents will want to live in them.

Our efforts are focused on maintaining homes to an agreed standard, improving our neighbourhoods and providing an effective repairs service.

Our corporate goal states: "Will manage the Association's resources effectively and will ensure security of assets", which permits the effective targeting of resources to where they can have the greatest impact in raising standards and delivering value for money.

We maintain a comprehensive stock condition database, which we use to develop our programmes of major repairs investment. NLMHA's asset management was described as 'excellent' in our audit report this year.

100% of homes had a valid gas safety certificate

100% of emergency repairs on target

99% of urgent repairs on target

99% of routine repairs on target



Growing, while effectively managing the business

Our strategic goal: “Will conduct our business to the highest standards”, recognises that value for money is achieved when the agreed services are delivered in the most cost-effective way.

We achieved a surplus of £2.274 million from a £6.624 million turnover, out-performing the budget target.

We will reinvest the surpluses to provide new homes and improved services.

Rent collection

We outperformed our rent collection target, which from 1 April 2016 to 31 March 2017 was 102.77%. Rent arrears as at March 2017 were running at 3.29%.

Lettings

In 2016-2017, we let 29 new and existing homes to new customers.

Empty homes

We worked to speed up the turnover of our empty homes. Our average re-let time was 5.9 weeks. Our rent loss through properties becoming empty was 0.28%.

Complaints

We received 18 complaints during 2016-2017 and answered 100% within our target timescales. None of these complaints were upheld and none progressed to stage 2 of our complaints process.



NLMHA shareholders at the AGM.

102.77% of rent collected

3.29% rent arrears at the end of the year

Growing under strong leadership



Ismail Yusuf
Chair



Bilal Batha
Vice Chair



Munaf Zina
Secretary



Ahmed Yusuf Alibhai
Treasurer



Afzal Galaria
Member



Nafisa Bhamji-Patel
Member, elected
20 September 2016



Yahya Hafesji
Member, elected
20 September 2016



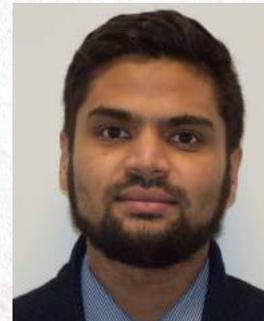
David Booker
Co-opted Member



Patrick Vernon
Co-opted Member



Anjum Bokhari
Co-opted Member



Sohail Balesaria
Co-opted Member

Isin Mehmet
Co-opted Member
Appointed 2 June 2016,
resigned 4 July 2016

Dawood Akhoun
Elected term ceased
20 September 2016

Mahmood Bham
Elected term ceased
20 September 2016

Growing and bringing positive change

Investing in neighbourhoods and communities

Many of our improvements do not offer clearly measurable financial gains, but they do contribute significantly to the overall wellbeing of the local community. This 'social value' is an important element in our value for money delivery.

We will continue researching to find a formal way to calculate social value, but we are keen to balance the cost and benefits of such methods. For this reason, when our investments add social value, they still tend to be supported by an outline of the benefits that will arise.

We are committed to investing in our neighbourhoods and communities. We invest in local communities through our

Residents' Wellbeing Budget, which totals £30,000. This year, we have focused on creating community spirit at our estate-based properties, by engaging young residents to take ownership of the upkeep of safe and clean conditions in communal areas.

Estate walkabouts with residents help us to monitor improvements and identify future investment opportunities.



Engaging young residents to take ownership at their estates.

Growing and offering a better future

Providing opportunities

Jobs and training

In partnership with learndirect in Walthamstow, we offered free training for unemployed residents – including basic IT skills, as well as courses introducing particular careers.

We continued to offer work experience to our residents at our offices, as well as giving short placements to local school children.

Through a partnership with large employers, residents and family members got the chance to take up opportunities with Tesco, Google and Travis Perkins.

We belong to the North River Alliance, so residents had the option of taking part in a free two-week course designed to help people land their first job in construction.

Engaging young people and families

During the 2016 summer holidays, we involved Hackney residents in activities and family trips. The events were good for community cohesion and offered the opportunity to discuss community-related issues.

Over the Easter 2017 break, residents from seven estates in Waltham Forest joined us for boat trips, sporting challenges and family days out – boosting community cohesion, fitness and a sense of well-being. We also talked to the residents about welfare reform and the support we can offer.

Residents from Shahjalal House and the Holly Street estate took part in a healthy living and eating event, in partnership with Shoreditch Trust.

Meanwhile, One Support will shortly begin providing weekly housing surgeries at our office. Residents will be able to access advice on housing and financial matters, and keeping up rent payments.



Activities for families boost community cohesion.

Growing while delivering excellence

Taking pride in our services



Aiming high on customer satisfaction, and meeting customer expectations, are at the heart of our work.

We set realistic standards, communicate them fully to our staff and then deliver them. We continually work to maintain excellent front line services.

Our annual STAR customer satisfaction surveys cover a range of services. We are pleased to report that overall resident

satisfaction with NLMHA's services puts us in the top 25% of similar landlords.

In the current economic climate, residents are seeing their costs rising faster than their income. But 84% are still satisfied with the value for money offered by their rent – which is an increase of 2% on last year's figure.

80% satisfied with the overall service

79% satisfied we keep residents informed

84% satisfied that services provided represent value for money

82% satisfied with the overall condition of the property

Some 80% of our residents are satisfied with their neighbourhood.

80% satisfied overall with our repairs service

80% satisfied with their neighbourhood

83% satisfied with our general enquiries service

Growing in partnership

London BME Group



Julian Ashby, Chair of the HCA's Regulation Committee, addressing a BME London event.

Last year we reported how 12 black and ethnic minority housing associations had launched a series of joint working projects. NLMHA is a lead member in this group.

The projects have so far covered joint procurement of goods and services, mentoring of each other's staff and joint staff training sessions. We have also set up a pooled employment service.

Our aim is to gain better value for money for our residents, communities and organisations. By working together, we hope to offer services we could not deliver alone. We have also set up joint sessions where we can directly share our experiences and offer each other support.

The group has been so successful that two more housing associations have now joined. Our staff at all levels, as well as our chief executives and board chairs, are now getting more involved.

By working collectively, we are making our individual associations stronger. With the challenges currently faced by the housing sector, collaboration has never been more important or necessary.

30% savings expected in legal fees

5-10% savings expected for communal electricity supplies

20% savings expected for communal gas supplies



Growing and building the business

For 2017, our Financial Statements have been prepared and presented using the new accounting Standard, FRS 102 format.

We continued to make solid financial progress during the year. The value of our housing stock at March 2017 was £97.5m.

Our housing stock stood at 739 general housing needs, six shared ownership units and 69 leasehold properties.

Our surplus for 2017 was £2.274m (2016: £2.064m), after housing property depreciation of £1.463m (2016: £1.330m). The finances were again well managed.

Director of Resources

Statement of comprehensive income for the year ended 31 March 2017	2017 (£)	2016 (£)
TURNOVER	6,624,403	6,252,699
Operating costs	(3,439,210)	(3,339,110)
OPERATING SURPLUS	3,185,193	2,913,589
Surplus on sale of housing properties	-	-
Interest receivable	20,192	31,371
Interest payable and similar charges	(931,190)	(880,822)
Total comprehensive income for the year	2,274,195	2,064,138

Turnover breakdown analysis	2017 (%)	2016 (%)
Service charge costs	7.05	6.68
Management	12.52	12.40
Routine maintenance	8.03	7.29
Planned maintenance	0.06	2.40
Major repairs expenditure	1.18	1.74
Bad debts	0.28	-
Rent payable	0.08	0.08
Housing property depreciation	22.03	21.17
Loss on replacement of components	0.40	-
Pension liability re-measurement	0.12	1.38
Interest	14.01	14.02
Surplus for the year	34.23	32.85
Total	100	100

Balance sheet for the year ending 31 March 2017	2017 (£)	2016 (£)
Fixed assets		
Housing properties	96,329,188	96,078,405
Other fixed assets	788,743	800,690
Investment properties	400,000	400,000
	97,517,931	97,279,095
Current assets		
Debtors	245,663	273,452
Shared ownership property not sold	744,686	468,715
Cash and cash equivalents	4,671,116	3,585,650
	5,661,465	4,327,817
Creditors: Amounts falling due in less than one year	-2,203,851	-2,066,053
Net current assets	3,457,614	2,261,764
Total assets less current liabilities	100,975,545	99,540,859
Financed by:		
Creditors: Amounts falling due after more than one year		
Disposal proceeds fund	247,807	247,807
Government grant – deferred income	54,005,326	54,605,445
Loans	29,075,527	29,292,917
Pension liabilities	243,000	265,000
	83,571,660	84,411,169
Capital and reserves		
Called-up non-equity share capital	136	136
Revenue reserves	17,223,223	14,949,028
Revaluation reserve	180,526	180,526
Total	100,975,545	99,540,859

Executive team

Aziz Rahim
Chief Executive (from March 2017)
Acting Chief Executive
(from June 2014 to March 2017)
Housing Services Director

Moosa Bhamjee
Director of Resources

Solicitors

Devonshires Solicitors
30 Finsbury Circus
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Clarke Willmott LLP
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Internal auditors

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EC1A 4AB

External auditors

Nexia Smith & Williamson
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London
EC2R 6AY

Bankers

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Finsbury Park
London
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The Co-operative Bank plc
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IN PEOPLE

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