

# 30 Years Of Making Dreams Come True



North London Muslim Housing Association  
**ANNUAL REPORT 2017 - 2018**



# From the Chair

Ismail Yusuf

I confirm that the organisation remains viable and I also confirm that we remain on track to achieving the target we set ourselves of owning and having available for rent 1,000 homes in the immediate future.

The staff continue to perform well and continue to deliver strong financial results through their commitment and by continuing to seek value for money in all their transactions. They continue to keep rent arrears in check, despite the difficulties they have encountered due to changes in the welfare benefit rules.

The figures speak for themselves. In the year to 31 March 2018, we delivered strong financial results, with a turnover of £7 million and an operating surplus of £2.14 million. I believe that the entire team has delivered well.

The organisation continues to acquire new homes at a ready but 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 170 homes in development at several sites in the areas where we operate.

We plan to maintain the momentum of growth in order eventually to surpass the current goals we have set ourselves. This meets with the expectations of government that housing providers continue to develop and build new homes to help reduce the current crisis, where homes are lacking for those in need. We have made arrangements for the finances to be available safely to support the growth that we have planned.

We have not forgotten our commitment to providing homes for the elderly in the community and we continue to seek out opportunities in this regard. It is my pleasure to confirm that we have secured a 55+ scheme in the Stoke Newington area.

We remain committed to good governance, transparency and equality. In all our dealings, we look for value for money, commercial sense and viability. We continue to work together with other London-based BME housing associations to share experiences and resources, to achieve, amongst other things, value for money and respect within the sector.





Aziz Rahim remains the Chief Executive. He has shown ambition and drive in building up our stock and has built a good network of support for his plans for the organisation. Aziz is leading the organisation forward with a strong focus on growth and efficiency.

We continue to work for our tenants/ customers by providing excellence in support and services. Whilst we cannot please everyone all of the time, a good majority of our client base continues to

express satisfaction with the services they have received, and we have achieved high levels of customer satisfaction across most of our key services.

The staff remain dedicated and are doing well in delivering services to our customers. I can also confirm that the Board is working well together in planning, overseeing, controlling and scrutiny of the organisation. Behind our achievements, there continues to be a great deal of hard work, dedication and enthusiasm.

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 NLMHA 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 organisation, its activities and finances.

Board meeting  
in progress



# From the Chief Executive

Aziz Rahim

It is my pleasure to introduce the Annual Report for 2017-2018, outlining our continued progress. We are a progressive and innovative organisation that is stretching the envelope to get things done.

With a turnover of around £7 million during the year to 31 March 2018, we delivered strong financial results and an operating surplus of £2.14 million.

As in previous years, this surplus enabled us to maintain our stock of social housing (our priority as a social purpose business) and, crucially, to progress 170 new homes, at six schemes, to the construction stage. We achieved these things because, fundamentally, NLMHA is a strong organisation with solid foundations – despite policy shocks such as the 1% annual rent cut, imposed by the previous, coalition government.

Our success is further underlined by our strong performance in customer service, which we will maintain or improve in the years ahead – our

board, staff and residents expect nothing less. Our STAR survey for 2017-2018 confirmed that 82% of residents are satisfied overall with our services and 79% are satisfied with the maintenance service.

As we celebrate our 30th birthday, it is worth reflecting on how far we have come since 1988. We are excited to be within sight of our 1,000th home.

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. As well as the units we are currently developing, we will also build 65 new homes in collaboration with larger housing associations over the next two years.

Our shared ownership business is growing too – as it must, with a rising number of people deciding that buying property outright in London is out of reach. In all, 55 of the 170 homes we are developing are for shared ownership.

NLMHA is strongly committed to delivering effective value for money. Our work is underpinned by our undertaking to drive efficiency and effectiveness. The current external environment demonstrates the importance of a commercial approach, which is reflected in all our decision-making processes. However, we will always maintain our social purpose.

We cannot do all of this alone and will further strengthen our relationships with stakeholders. I'm looking forward to working with the London Mayor, local authorities and other housing associations to find creative ways to provide more homes.

I would like to thank my Board for their navigation of NLMHA through a challenging 12 months. I am grateful for their strategic leadership, support and wisdom.

My colleagues have demonstrated their high calibre throughout this year and I want to thank them. Despite setbacks and an extremely difficult external landscape, their commitment to our social purpose and achieving our stretch objectives has delivered real success. We are a great team.

NLMHA is a housing association that continues to thrive and innovate. We are proud of our social purpose, it is our golden thread and runs through everything we do. Although the next 12 months are likely to be challenging, there is plenty to be optimistic about.

I hope you enjoy reading this Annual Report and the Financial Statements.





# 30 years of

## Making the most of partnerships

### Partnership with L&Q

Our aim is to deliver as many affordable rented homes as we can, at the lowest possible cost. However, we lack the internal capacity to carry out development at scale.

Partnering with L&Q – a large association with a strong balance sheet and a track record of development expertise – addresses this challenge and is helping us to deliver our strategic growth ambitions.

The partnership gives us a number of other benefits too. Firstly, we gain from the

economies of scale that are available when procuring through a larger development programme. This, in turn, enables us to deliver on value for money.

Secondly, the partnership allows us to do a better job of managing the risks associated with development. Developing in partnership pools and shares risk among more parties, providing a larger buffer against uncertainties.

### North River Alliance (NRA)

As one of 11 members of the North River Alliance, we work with other landlords in north and east London to provide good quality homes for local communities.

We are happy to be partners in the new NRA scheme at Electric Quarter in Enfield,

which will provide 52 homes in two phases. Phase 1 will complete in October 2018 and phase 2 in December 2019.

Electric Quarter will deliver  
52 new homes in Enfield

Leven Wharf is a new  
development of 42 units  
for NLMHA by L&Q.  
The homes are due  
for completion in  
October 2018



# 30 years of

## Developing homes for the community

### YMCC House

The achievements of an organisation result from the combined efforts of all its individuals.

On our 30th anniversary, we are proud to name our development in Lea Bridge Road, Hackney, in honour of the members of the Young Muslim Cricket Club who were instrumental in the creation of NLMHA.

The 20 new homes at this scheme are due for completion in October 2018.

YMCC House provides  
20 new homes in Hackney

Vallance Road  
provides 37 new  
homes in E1

### Vallance Road

Vallance Road is a brilliant example of working in partnership – this time with Gateway Housing. The 37 homes at this Tower Hamlets scheme are due to complete in March 2019.



# 30 years of

## Developing homes for the community

### Cazenove Road, Hackney – 12 flats for ages 55+

Success seems to be largely a matter of hanging on after others have let go. The Cazenove Road scheme in Hackney is an perfect example of our perseverance.

Cazenove Road provides homes for older residents

We have worked for years to purchase these 12 flats from Metropolitan Housing Trust and we will complete the purchase by October 2018. This is our first scheme for residents aged 55+.

Hunts Wharf provides eight new homes in Hackney

### Hunts Wharf

Hunts Wharf is another scheme that has come out of our membership of the North River Alliance.

It will provide eight new homes in Hackney, which are due for completion in January 2019.

### Our 1,000th home

At the end of the financial year, we owned and managed 825 homes. We are currently in development with a further 170 homes, which will see our total raise to 995.

With discussions around future developments that would add 65 new homes to our total, we are preparing to take our stock over the 1,000 mark in the near future.

# 30 years of

## Meeting the highest standards

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

NLMHA performed well during 2017-2018. Our social housing cost per unit is £3,160, which is lower than the median level of £3,550 in the sector identified by the regulator.

We now have new metrics, as shown below. Housing associations are expected to use these metrics alongside the value for money standard.

Metric 1 – Reinvestment %	7.15%
Metric 2 – New supply delivered %	1.20%
A. New supply delivered (social housing units) %	1.20%
B. New supply delivered (non-social housing units) %	–
Metric 3 – Gearing %	0.73%
Metric 4 – EBITDA MRI interest cover %	476.50%
Metric 5 – Headline social housing cost per unit	£3,160
Metric 6 – Operating margin %	
A. Operating margin (social housing lettings) %	17.64%
B. Operating margin (overall) %	17.61%
Metric 7 – Return on capital employed %	5.26%





# 30 years of

## Managing an effective community business

We achieved a surplus of £2.14 million from a turnover of around £7 million.

We reinvested this surplus to provide new homes and improve services.

### Rent collection

We collected **97.4%** of rent, which was below target due to the local authority payment cycle (**99.25% by 8 April 2018**).

Our rent arrears during the year remained steady (**3.83% in week 1 and 3.88% in week 49**).

### Lettings

We let **22 homes** during the year.

### Empty homes

We dramatically improved our average re-let time for empty properties to **14.6 days**. The previous year, the figure was **5.9 weeks**.

Our rent loss through properties becoming empty fell by more than half to **0.11%** (**0.28% the previous year**).

### Complaints

We received five complaints during the year and answered **100%** within our target timescales. None of the complaints progressed to stage 2 of our complaints process.

### Repairs

We continued our strong performance on repairs, achieving:

**100%**  
of emergency  
repairs on target

**99%**  
of routine repairs  
on target

**99%**  
of urgent repairs  
on target

**100%**  
of gas safety  
certificates issued



# 30 years of

## Growing under strong leadership

An organisation, no matter how well designed, is only as good as the people who lead and work in it. NLMHA is performing and growing under strong strategic leadership.



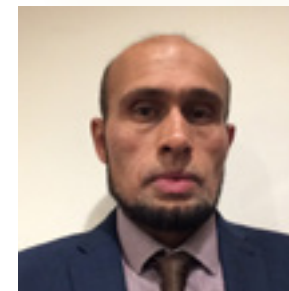
Ismail Yusuf  
Chair



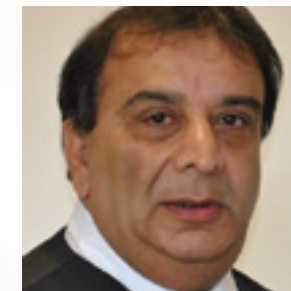
Bilal Batha  
Vice Chair



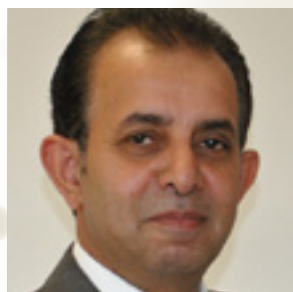
Munaf Zina  
Secretary



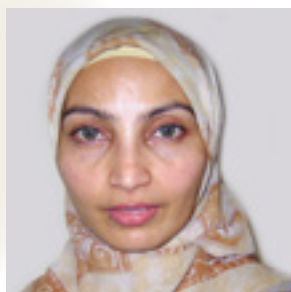
Yahya Hafesji  
Treasurer



Afzal Galaria  
Member



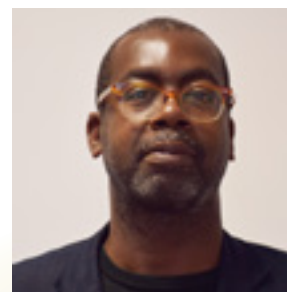
Ahmed Yusuf Alibhai  
Member



Nafisa Bhamji-Patel  
Member



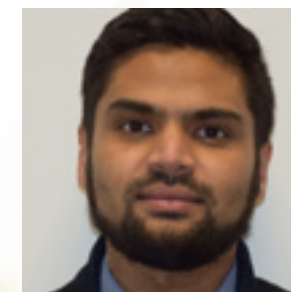
David Booker  
Co-opted Member



Patrick Vernon  
Co-opted Member



Anjum Bokhari  
Co-opted Member



Sohail Balesaria  
Co-opted Member



# 30 years of

## Engaging with residents

### Jobs and training

We have been working with Morgan Hunt to offer residents free industry-recognised training courses, in areas such as customer service, IT and management. These have helped residents improve their skills set and become more employable.

We run a rolling programme to give people from the community intensive in-house experience and external training in becoming a housing practitioner. At the end of the programme, they are able to secure jobs in the housing industry.

We also provide two weeks' work experience for students from local schools and offer young people apprenticeships in the construction industry when we are developing new homes.

### Tenancy sustainment and resident support

In partnership with One Support, we have been helping residents who need additional support.

One Support have the expertise to identify individual customer needs and circumstances, providing more intensive support where needed.

They have helped our residents with benefits advice, tenancy sustainment issues, accessing local services, tackling complex debt problems, debt management and budgeting.

### Tenant Scrutiny Panel

The Tenant Scrutiny Panel acts as the independent, resident-led group that holds NLMHA to account through scrutiny and challenge, to ensure continuous improvement.

During 2017-2018, the panel appointed a new chair, who led the panel's review of the tenant's handbook, discussions on service delivery and scrutiny of estate services. The panel received training and development to enhance their skills.

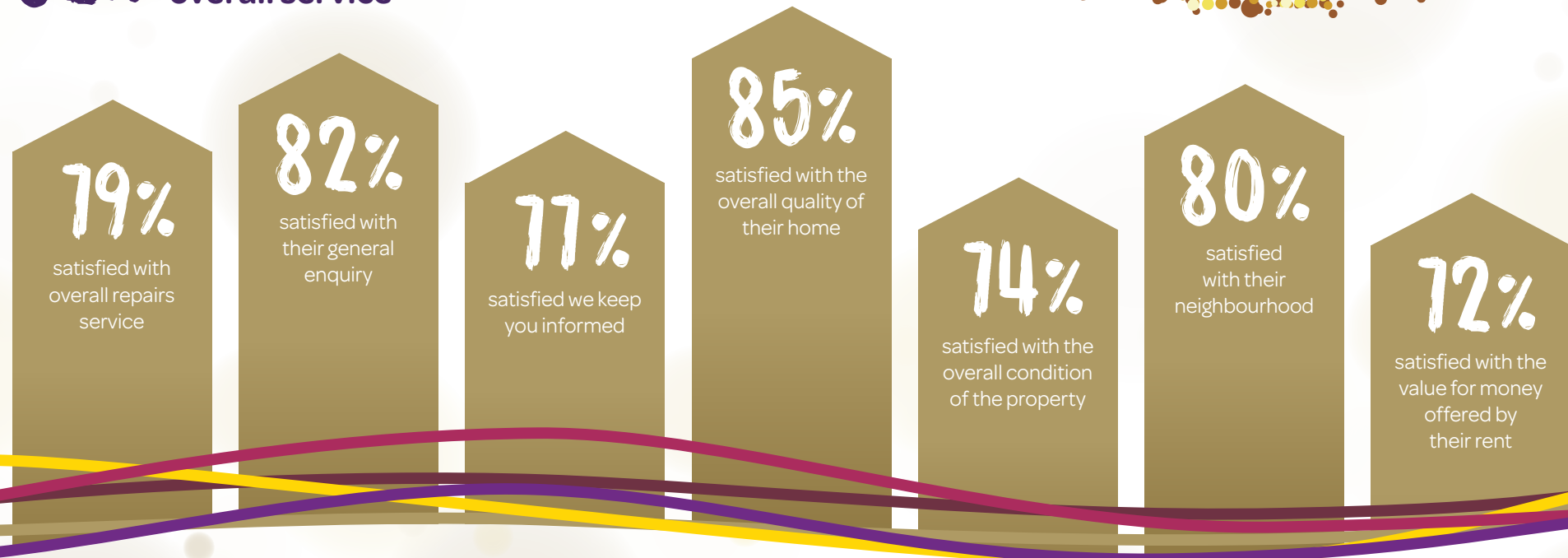


# 30 years of

Taking pride in our service

During the year, we carry out a rolling programme of resident satisfaction surveys, asking questions from the industry-standard STAR survey, designed by the National Housing Federation (NHF).

**82%** satisfied with the overall service







# 30 years of

## Making solid financial progress

We continued to make solid financial progress. The value of our housing stock at 31 March 2018 was £103m.

During the year, we acquired nine general needs homes and three for shared ownership. We have six schemes under development to deliver more new homes for affordable rent, social rent and shared ownership. Our housing stock stood at 748 general needs units, nine shared ownership units and 68 managed leaseholders.

The surplus for 2018 was £2.143m (2017: £2.274m – restated) after depreciation. The finances were again well managed.

**Moosa Bhamjee**  
Director of Resources

Statement of comprehensive income for the year ended 31 March 2018	2018 (£)	2017 (£) Restated
TURNOVER	7,000,930	6,624,403
Operating costs	(4,071,987)	(3,439,210)
OPERATING SURPLUS	2,928,943	3,185,193
Surplus on sale of housing properties	-	-
Interest receivable	6,259	20,192
Interest payable and similar charges	(792,117)	(931,190)
<b>Total comprehensive income for the year</b>	<b>2,143,085</b>	<b>2,274,195</b>

Turnover breakdown analysis	2018 (%)	2017 (%) Restated
Service charge costs	7.03	5.01
Management	12.12	12.56
Routine maintenance	7.38	8.05
Planned maintenance	0.05	0.06
Major repairs expenditure	1.31	1.19
Bad debts	0.27	0.28
Rent payable	0.07	0.08
Housing property depreciation	24.69	24.88
Loss on replacement of components	0.43	0.40
Pension liability re-measurement	(0.04)	0.12
Interest	11.31	14.06
Cost of shared ownership sales	4.77	0.00
Surplus for the year	30.61	33.31
<b>Total</b>	<b>100.04</b>	<b>100.00</b>



Balance sheet for the year ending 31 March 2018	2018 (£)	2017 (£) Restated
<b>Fixed assets</b>		
Housing properties	102,795,636	96,329,188
Other fixed assets	782,733	788,743
Investment properties	400,000	400,000
	<b>103,978,369</b>	97,517,931
<b>Current assets</b>		
Debtors	287,167	245,663
Shared ownership property not sold	1,281,202	744,686
Cash and cash equivalents	853,015	4,671,116
	<b>2,421,384</b>	5,661,465
Creditors: Amounts falling due in less than one year	(2,778,690)	(2,203,851)
<b>Net current assets</b>	<b>(357,306)</b>	3,457,614
<b>Total assets less current liabilities</b>	<b>103,621,062</b>	<b>100,975,545</b>
<b>Financed by:</b>		
<b>Creditors: Amounts falling due after more than one year</b>		
Disposal proceeds fund	-	247,807
Government grant – deferred income	53,633,555	54,005,326
Loans	30,848,071	29,075,527
Pension liabilities	203,000	243,000
	<b>84,684,626</b>	<b>83,571,660</b>
<b>Capital and reserves</b>		
Called-up non-equity share capital	136	136
Revenue reserves	18,755,774	17,223,223
Revaluation reserve	180,526	180,526
<b>Total</b>	<b>103,621,062</b>	<b>100,975,545</b>

## Executive team

### Aziz Rahim

Chief Executive

### Moosa Bhamjee

Director of Resources

## Solicitors

### Devonshires Solicitors

30 Finsbury Circus  
London  
EC2M 7DT

### Clarke Willmott LLP

1 Chancery Lane  
London  
WC2A 1LF

## Internal auditors

### Moore Stephens

150 Aldersgate Street  
London  
EC1A 4AB

## External auditors

### Nexia Smith & Williamson

25 Moorgate  
London  
EC2R 6AY

## Bankers

### HSBC Bank plc

312 Seven Sisters Road  
Finsbury Park  
London  
N4 2AW

### The Co-operative Bank plc

1 Balloon Street  
Manchester  
M60 4EP  
(Until December 2017)



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