

NATIONAL HOUSING  
FEDERATION LIMITED  
FINANCIAL STATEMENTS

For the Year ended

31 March 2018

Company no. 0302132

NATIONAL HOUSING FEDERATION  
For the year ended 31 March 2018

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Company registration number: 0302132

Registered office: Lion Court  
25 Procter Street  
London  
WC1V 6NY

Bankers: Lloyds  
Kings Cross Branch  
344 Grays Inn Road  
London  
WC1X 8BX

Banking services also provided by:

Bank of Scotland  
2<sup>nd</sup> Floor, James's Gate  
14-165 Cockspur Street  
London  
SW1Y 5BL

Auditor: Mazars LLP  
Registered Auditor  
Chartered Accountants  
45 Church Street  
Birmingham  
B3 2RT

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**KEY FIGURES – GROUP FIVE YEAR SUMMARY**

	2017/18 £k	2016/17 £k	2015/16 £k	2014/15 £k	2013/14 £k
Turnover	14,852	15,122	16,653	15,464	
Underlying turnover	13,285	13,976	13,893	14,540	14,130
Change %	-4.9%	n/c	-4.4%	2.9%	-1.8%
Profit after tax (see page 7)	3,011	2,192	751	1,280	
Underlying surplus (see page 7)	444	456	382	293	347
<b>Net assets</b>	<b>11,764</b>	<b>8,753</b>	<b>6,561</b>	<b>5,810</b>	
<b>Net assets pre FRS 102</b>				<b>11,675</b>	<b>10,458</b>
<b>Net cash at year end</b>	<b>1,070</b>	<b>3,015</b>	<b>2,712</b>	<b>2,643</b>	<b>3,375</b>

The Financial Statements for 2015/16 were prepared for the first time under Financial Reporting Statement 102 (FRS 102) and comparative figures for 2014/15 were restated.

Underlying turnover excludes unrealised property revaluation gains on the let part of our main office, Lion Court in Holborn, which is treated as investment property and included under FRS 102 in turnover.

Surplus is the profit after tax on ordinary activities transferred to reserves. Underlying surplus excludes exceptional / one off items, unrealised property revaluation gains on investment property and pension deficit liability movements. It includes the impact of annual pension recovery payments.

Net Assets under FRS 102 reflect pension deficit liabilities and unrealised property revaluation gains on investment property.

All figures reported under FRS 102 reflect full provision for deferred tax.

Further details are provided in the Financial Review section of the Strategic Report and in the Financial Statements and Notes.

Further information on the Federation's financial performance is provided in our separate Annual Financial Review available on our website [www.housing.org.uk](http://www.housing.org.uk) which also provides extensive information about the Federation's activities generally.

## CHAIR'S STATEMENT

This time last year there was a feeling of great uncertainty following the general election and shock from the tragic Grenfell Tower fire. The Brexit process continues to generate a potentially unstable political environment. The ramifications of Grenfell are now somewhat clearer, although still likely to impact on all of us for a long time.

Against this background, it is encouraging that the commitment to solving the housing crisis has been maintained, and even strengthened, across the political spectrum. The Federation was very pleased to play a major role in securing a new social rent settlement of CPI plus 1% for five years from April 2020, replacing four years of 1% reductions. Allied to additional, and more flexible, government funding being made available via Homes England, our members should have additional financial resources to help achieve the massive boost required to housing supply.

We were successful in helping get reversed some of the more negative proposals for welfare reform, particularly not applying the LHA cap to the social housing sector. We continue to push for a comprehensive solution for the funding of supported housing.

As regards the response to Grenfell, the Federation has worked closely with our members, Government and other stakeholders. The Federation represented the sector on the Government's Industry Response Group, and has provided evidence to the Public Inquiry and Hackitt Review of Building regulations and Fire Safety.

It is clear there will be a much stronger focus on what tenants can expect not just as regards safety provision, but also in terms of community support generally. Government is looking at mechanisms to ensure tenants' voices are heard and we have responded with two major initiatives of our own, Our Offer to Tenants and our Great Places Commission, both again working closely with our members.

Our relationships with members are growing ever stronger. In our latest member survey, members satisfied or very satisfied with the Federation grew to over 80%. It was encouraging to see real progress in the extent to which members think the Federation understands their businesses and their key issues.

In 2017/18, the Federation made an underlying surplus of £444k compared to £456k in the previous year. We have continued on a sustained basis to maintain a sound financial position, consistently delivering modest financial surpluses in line with our Reserves Policy, whilst delivering significant, real reductions in the price of membership.

I continue to be very well supported by a high performing Board and hugely effective Federation staff. I thank them all including Cath Purdy who retires from the Board this year.

I particularly though want to say thank you on behalf of the Federation to David Orr, who is leaving after 13 years as Chief Executive. During David's tenure, the Federation has gone from strength to strength. He will be a hard act to follow, but I am very pleased to welcome Kate Henderson as our new Chief Executive.



**Baroness Diana Warwick**

## CHIEF EXECUTIVE'S REVIEW

During the past year, the Federation has continued to be successful on many fronts.

Some of our political successes such as the new social rent settlement, along with the hugely encouraging picture regarding our member satisfaction feedback, are highlighted in the Chair's Statement and elsewhere.

In early 2017, the Federation underwent a major organisational restructure establishing the 'Federation of the Future' and it is encouraging that we have achieved these successes with our new flexible working practices and technology.

Our member services directorate has successfully brought together a previously disparate range of member support activities such as our events portfolio. We now have a clear plan to make even better use of technology, by deepening and personalising our relationships with members. I am particularly excited by our Futures initiative that is seeing the Federation work closely with members to develop solutions to the key social issues affecting the communities at the heart of our members' activities.

All this whilst the Federation continues to be an efficient, effective and well governed body for its members, providing even better value for money from a lower fees and costs base. Whilst we are a Not for Profit organisation, reinvesting any modest surpluses in providing services to members, we recognise the need to have a commercial approach in the way we go about our operations.

The sector is seeing more structural change than ever before with new entrants such as 'for-profit' providers becoming involved in social housing. In principle, we welcome changes that can contribute to the very necessary increase in supply of good quality, affordable housing. The strategies adopted by Federation members to address these changes continue to evolve, but I am confident that they are founded on the long established social purpose that has sustained housing associations for many years.

Personally I am particularly pleased to have been involved in new initiatives to address homelessness and rough sleeping, including representing housing associations on the Government's Homelessness Taskforce and being a member of the government-backed Rough Sleeping Advisory Panel.

As always, I am grateful for the support of our Board and particularly our Chair, Baroness Diana Warwick. Coming up to leaving the Federation after 13 years as Chief executive, I know it would have been much more difficult, if not impossible, to achieve what we've achieved without the support of Diana, her predecessor Matthew Taylor, my other Board colleagues and our members. It would definitely have been impossible without the incredibly talented and committed staff the Federation has been fortunate to have over that time.

I have hugely enjoyed my time as Chief Executive of the Federation and have been privileged to have the opportunity. I wish my successor Kate Henderson and the Federation every success.



**David Orr CBE**