



NOW HOUSING LIMITED BUSINESS PLAN

Contents

1. Introduction

- About our Business Plan
- Our Vision
- Strategic Objectives and Aims
- Housing need in Welwyn Hatfield
- Key Activities

2. Delivery

- Completed Projects
- Proposed Projects
- Potential Projects
- Growth beyond the Plan
- Funding and Viability

3. Operations

- Management of Properties
- Operational Support
- Acquisition Activity
- Development
- Rent Policy (Flex Product)

4. Financial Strategy

- Financial Controls & Budget
- 6 Year - Funding & Investment Need
- 50 Year Projections
- Council Returns
- Auditing
- Risk Management & Mitigation

Appendices

- a. Financial Forecasts

1. INTRODUCTION

Welcome to the updated Business Plan for Now Housing Limited.

1.1 About this Business Plan

This Business Plan sets out our vision, objectives and the activities we intend to engage in to implement the objectives, along with funding arrangement, forecast budgets and the relationship with between Now Housing and it's shareholder, Welwyn Hatfield Borough Council.

The Business Plan covers the operating period to 2020 to 2026 in detail, and provides an insight to objectives, priorities and financial projections beyond that date.

This Business Plan identifies a financially viable position based on the assumptions used to deliver homes in the borough of Welwyn and Hatfield which are truly affordable to local people.

1.2 Our Vision

Now Housing aspires to be an entrepreneurial housing provider, developing and delivering exemplary housing. Our vision is to play a dynamic role in increasing the provision of genuinely affordable housing in Welwyn Hatfield.

Our overarching objective is to contribute to Welwyn Hatfield Borough Council's aspirations to meet local housing demand by providing the right type of genuinely affordable housing to local residents who have lower priority on the Housing Needs Register or who are not currently eligible for social rented housing, but who are not able to afford to buy or rent in the private market. In this way Now Housing will complement the council's provision of social rented homes which it delivers through its Housing Revenue Account.

Now Housing will work with developers, registered providers, architects and other housing specialists to develop homes and help create communities that will thrive for many years to come.

1.3 Strategic Objectives and Aims

The aims of the Now Housing Limited, as set out in the Articles of Association are to:

- Provide good quality, well managed, mixed tenure homes which local people can afford to live in and which complement the council's existing and planned housing provision including specialist housing where required;
- Support the growing demand for a mix of housing tenures for residents in the borough of Welwyn Hatfield by providing intermediate, low cost home

ownership or open market homes and letting sub-market and market rented homes;

- Be a financially robust company, generating a profit to be used for the purpose of providing more affordable housing and delivering financial returns to the shareholder;
- Stimulate local housing regeneration and partnership working

Our target is to provide over 380 homes over the next 6 years and seek to continue to extend this and provide innovative solutions to support the council’s housing objectives more widely. This could include acquisitions from local developments, forward transactions of housing from other developers, purchases from existing homeowners and for the future joint venture partnerships.

The company will be financially robust, aiming to generate a small profit to be used for the purpose of providing more affordable housing and where possible deliver financial returns to the shareholder.

1.4 Housing need in Welwyn Hatfield

The council completed a Strategic Housing Market Assessment (SHMA) in 2019 and the objectively assessed need (OAN) for housing across all tenures has been updated over time to reflect the changing context for assessing housing needs. Analysis indicated a need for 16,000 new homes over the local plan period (up to 2032). The size of homes required between 2013 and 2032 (SHMA Update 2017) to accommodate projected household growth is set out in the table below^[1]:

1 bed	2 bed	3 bed	4+ beds
13%	22%	41%	23%

[1] This information, however is currently being re-assessed and may be subject to change

The revision identified that an even more significant level in housing growth is required within the borough since the assessment of 2014; particularly for older people, to respond to an ongoing increase in the ageing population as well as accommodating a predicted increase in younger new household formation. At the same time it continues to support an identified need, within that growth, for a supply of affordable housing.

The council received a report by Savills in 2019 that identified affordability and demand issues in Welwyn Hatfield. The report focused on household income and housing costs within the different towns and villages across the borough. The report identified that:

- Data from the borough’s housing needs register shows that 82% of total housing need is 1 or 2 beds. This is also in line with the English House Survey which shows that 77% of

private renters, spending >30% of their monthly income on rent, need a 1 or 2 bed home.

- The research showed that there is demand for affordable housing across the borough. However in Welwyn Garden City and Hatfield there are large affordability gaps affecting households in a narrow range of income bands. In Welwyn Garden City, the affordability gap affects approximately 2,000 households earning between £25,000 and £55,000. In Hatfield, around 2,100 households earning between £20,000 and £35,000 are constrained because they are unable to access either social rented or market priced homes.
- The report has recommended that in order to maximise the potential demand pool for an intermediate product, Now Housing should service the needs of the greatest number of households over the smallest number of income bands.

Therefore, to complement the work that the council is doing to increase the supply of social rented and family sized homes, Now Housing Limited will seek to address the need for sub market housing in around Hatfield and Welwyn Garden City, mainly focusing on one and two bedroom properties.

To help reduce the need for households to move home where there is a change in their income or life choice, Now Housing will work to develop a new Flex product which will be bespoke to Welwyn Hatfield and could have the potential to change the tenure of the home to meet the residents' needs, whilst they continue living there. **Flexrent** will be based on different price points for rental, starting at local housing allowance rates and progressing up towards market rent and **Flexbuy** will focus on a rent-to-buy product. Both of these products are in development.

For the purpose of this Business Plan, rental income is assumed at local housing allowance rates.

1.5 Key Activities

Now Housing will undertake the following activities:

- Progressing schemes on which it has taken an interest in the land, from planning consent through detailed and technical design to construction, occupation and into management;
- Actively exploring the market for acquisition opportunities from both the open sales market but also new housing developments within the area;
- Acquiring homes and land through purchase from the council, including General Fund and Housing Revenue Account assets
- Exploring and securing grants, resources and wider opportunities to increase the quantum of homes that are delivered, thereby enabling it to make a positive impact upon Welwyn Hatfield's housing supply.

- Engaging with partners and acting as a member of Joint Ventures or Limited Liability Partnerships, as required.
- Effectively managing its housing asset, ensuring a comprehensive schedule of planned maintenance
- Delivering management and repairs services to its tenants, to the highest possible standards and acting as an exemplar to other landlords in Welwyn Hatfield, inspiring improved standards across rented homes of all types within the borough
- Promoting and raising the brand profile of Now Housing to promote the benefits of quality, affordability and innovation in the delivery of homes to meet current and future housing need, with the aim of stimulating provision by private and registered landlords alike
- Representing the council in forums with other providers.

2. DELIVERY

This Business Plan is based on a delivery target of over 380 homes in its first six years. There will be various routes to achieving this target, including developing and acquiring homes. This plan complements the Housing Delivery Strategy in delivering the number of affordable homes within the Borough. All potential acquisitions and developments will have gone through the councils Housing Delivery Group where all options would have been considered for the sites suitability for discounted market rent to complement HRA affordable housing or instead of.

State Aid is an important factor to consider when setting up such a company. It must be demonstrated that the company is on an 'even keel' with other operators. For example, loan terms have to be comparable to the market, but also the ration of funding and equity input. Given that this company would be owning and operating sub-market rented accommodation the levels of loan financing could be at 100% given its nature and interest rates lower than market levels. Hence, the plan assumes a cost of borrowing to the company above the cost of borrowing to the council but below market rates.

The financial modelling is launched from 2020/21 and will focus on the initial set up, first acquisition and operational costs for Now Housing.

Further acquisitions of properties are planned to commence in 2021/22 and developments in 2022/23.

This section details the level of purchases that are in the pipeline, acquisitions assumed and potential developments.

2.1 Completed Projects

Now Housing has completed the acquisition of 12 1 Bedroom flat at Chequersfield in Welwyn Garden City and commenced letting these.

2.2 Proposed Projects

The following form the confirmed pipeline for Now Housing Limited.

	Studio	1 Bed	Total
Inspira House	36	18	54
Swallowfields	8	12	20

Having initially been identified as ideal for an intermediate rental solution, Inspira House in Welwyn Garden City is currently in the ownership of the council's Housing Revenue Account (HRA) and is being used as temporary accommodation whilst regeneration works are completed on the council's other TA sites. The plan will be to transfer the properties to Now Housing at an appropriate value once they become void so that they can become a **Flex** product. No SDLT has been modelled on the assumption that group relief will be achieved and an allowance for conveyancing costs has been allowed. It is anticipated that the acquisition will occur in financial year 2023.24.

Furthermore, Now Housing are in discussions with a developer for a site in Swallowfield of an office conversion to provide 8 studio and 12 1 bedroom flats with the potential to complete in 2021.22, which have been included within this plan.

2.3 Potential Projects

Now Housing will seek to grow from the 74 properties in its pipeline by seeking homes through both acquisition and development. These are detailed below:

2.3.1 Open Market Purchases

Year	Area	1 Bed	2 Bed	Total
2021/22	Hatfield	10	2	12
	Welwyn Garden City	6	6	12
2022/23	Hatfield	10	2	12
	Welwyn Garden City	6	6	12
2023/24	Hatfield	10	2	12
	Welwyn Garden City	6	6	12
2024/25	Hatfield	10	2	12
	Welwyn Garden City	6	6	12
2025/26	Hatfield	10	2	12
	Welwyn Garden City	6	6	12
Total		80	40	120

To achieve a high level of growth in property ownership the plan has assumed that Now Housing Limited will purchase from the open market. Primarily the target properties will be homes formerly owned by the council. This is because the price will be generally at the lower end of the market, the council is likely to own the freehold if the property is leasehold and the design and future investment needs are likely to fit within the council’s existing maintenance programmes. A clear set of criteria will be agreed, to ensure that purchases are suitable.

However, to ensure that the level of acquisitions assumed in the first six years of operation is achieved, the price-points assumed within the business plan are that properties acquired will not necessarily be ex-HRA properties, but other properties at the lower price-end of the market. When Now Housing seeks to purchase these properties, particularly ex-HRA ones, they will be subject to meeting our financial appraisal targets detailed later in this plan.

Now Housing will also be mindful of any possible negative impact that the acquisition activity has on the wider market and take any remedial action necessary to mitigate this risk.

The modelling assumes a maximum of mid-price purchase point for each property type within the assumptions for the financial plan which will allow for some initial improvements to the properties but also allowances for SDLT and conveyancing costs.

2.3.2 Purchases from Identified Developments

	Year	1 Bed	2 Bed	Total
Site 1	2022.23	5	5	10
Site 2	2022.23	3	3	6
Site 3	2023.24	3	3	6
Site 4	2023.24	11	11	22
Site 5	2023.24	25	25	50
Site 6	2024.25	10	10	20
Total		57	57	114

Now Housing could seek to purchase properties that will be marketed for sale from developers as early as planning approvals are gained.

The above table is from a range of sites that will be coming to market with an assumed number of purchases on each, dependant on the overall size of the development.

Assumptions have been made for market values within the plan and additional provision for SDLT and conveyancing.

2.3.3 Discounted Market Purchases

Year	Area	2 Bed	3 Bed	4 Bed	Total
2021.22	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2022.23	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2023.24	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2024.25	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2025.26	Hatfield	-	-	-	-
	Welwyn Garden City	-	-	-	-
Total		16	24	8	48

In line with the aspirations within the council's Older Person's Strategy, Now Housing will roll out a Discount Open Market Purchase scheme. The aim of the scheme is to identify older owner occupiers who are under occupying family sized accommodation and have expressed a wish to sell their home at an appropriate discount in exchange for an allocation of a sheltered housing flat. This approach fits with the council's strategic aims for reducing under occupation in the borough, thereby making the best use of housing stock.

The discount will be determined by scheme viability and each purchase will be negotiated; for the purposes of the model set out in this Business Plan, it has been assumed that a discount of 25% on market value will be achieved.

The acquired property will then be let as Flex product to a household in housing need.

Allowances have been made within the modelling for Stamp Duty and Land Tax (SDLT), as landlord, and conveyancing costs.

2.3.4 Development

The council will continue to actively seek new development opportunities as part of its Affordable Housing Programme and this will be done in partnership with Now Housing, so that tenure options for the new homes can be widened. The mainstay of the council's housing programme will continue to be social rented housing; however **Flex** products will be introduced into the range of homes delivered to meet unmet need within the borough. In this way Now Housing will complement the council's HRA delivery programme.

Currently there are two development opportunities specifically for Now Housing, as set out in the following table:

	Year	1 Bed	2 Bed	Total
Inspira House – Void Land	2023.24	3	-	3
Scheme in Welwyn Garden City	2022.23	6	6	12
Total		9	6	15

An appropriate range of development cost assumptions have been made and no land cost implications.

2.4 Growth beyond the Plan (6 Years)

Whilst this plan identifies the assumed acquisition and development of 386 units, the intention is that Now Housing Limited will continue to grow its portfolio in careful consideration to the council's Housing, Homelessness and Rough Sleeping Strategy, and Housing Delivery Strategy.

The options available will continue to be open market purchases, the potential for a greater number of acquisitions from development sites as a result of land release following the Local Plan adoption, but also an extension to the discounted market purchase scheme.

Furthermore, Now Housing Limited will seek to work with the council on sites that will become available for development in order to provide the **Flex** product where this is needed.

2.5 Funding and Viability

Now Housing Limited will be 100% loan financed through on-lending by the council. Lending will be based on rates that reflect the non-commercial nature of the business of letting properties at affordable levels. However, Now Housing is a company limited by shares and will not be a registered provider. The financing rates will ensure that both the council and Now Housing remain state aid compliant, which is explained in more detail in the risks section of this plan.

The funding facility for Now Housing Limited will be agreed on an annual basis through the business planning process after both Board and Council approval as part of the budget setting process. This will provide certainty in terms of the total amount that can be drawn down within a year in order to acquire and develop properties. Towards the beginning of the year the actual drawdown mechanism will be agreed as to how the loan facility is drawn over the year. The first loan facility has already been drawn down with a specific rate and repayment schedule agreed.

Now Housing will assess individual and site based appraisals for all acquisitions and developments before entering any agreements to move forward. This will be undertaken using proprietary appraisal software along using a pre-set of assumptions including:

- Assumed rent level for the property/area
- Management costs as per the latest contract
- Maintenance Costs based on the latest contract and repairs activity for similar properties

- A profile of expected life-cycle costs over a period of 50 years based on existing condition
- Ensuring that the appropriate initial net yield rate is achieved and that the finance attributable to the property/development is repaid within a pre-set period.

Development scheme cost assumptions will be benchmarked and informed by professional cost consultants, where required, scheme valuation assumptions will be externally sourced and supported by an independent RICS accredited valuation report when the scheme is ready for approval.

3. OPERATIONS

3.1 Management of Properties

Now Housing Limited have a management agreement with the council's landlord services that provide the following services:

- Management Service
- Re-let Service
- Maintenance Service

The annual fee payable to the council will be based on a net percentage of rent collected, deducted from monthly payments along with the cost of works, reconciled to landlord statement.

3.2 Operational Support

In addition to the landlord services the council provides additional support services to the company. These will include:

- Financial Services – for the production of annual accounts, up keep of the financial systems, management accounts and liaison with the external auditors.
- Legal Services – for any tenancy issues, conveyancing, acquisition transactions.
- Communications and Marketing
- Development Management Services
- Company Secretary – to provide the company secretary duties and board meeting facilitation.
- Directorate Support – to provide specialist support to Now Housing.
- Grounds Maintenance – to wholly owned blocks of flats

In addition to these services Now Housing will have an independent valuer for the purposes of the annual accounts.

3.3 Achieving the Business Plan targets through acquisition activity

The council currently has a development team which as part of their responsibilities is identifying the opportunities for both development and acquisition for the council's HRA. This will extend to Now Housing through a service level agreement.

The team currently networks with a range of organisations such as registered providers, developers that are active in the area, but also direct approaches with alternative propositions. Through the council's acquisitions programme it already has strong links to local estate agents.

Any acquisitions programme delivered through the company will need to complement the council's own programme.

With regards to developments that are not Now Housing's own, i.e. those that are progressing in the Borough and potentially within the Local Plan, the council's development team will open discussions with the developers for these sites to identify the potential for purchasing properties off-plan. It is likely that number of properties Now Housing would seek to purchase would be low in the overall proportion for each development. In all cases Now Housing would seek to achieve a lower than market values.

For discounted market purchases, the council already holds a list of homeowners in ex-HRA properties who are interested in this scheme. Therefore, there is potentially a pipeline already in place. The development team will work with the council's neighbourhood housing team to re-establish a marketing programme to extend this list.

Any potential acquisitions will be subject to stringent tests to ensure that they are financially viable and meet housing need.

In order for Now Housing to be agile and responsive to new opportunities which arise, many of which may have a short window, Now Housing will have an agreed annual loan facility based on the annual business plan. The agreement will allow for such opportunities and will effectively replace the provisions for acquisitions for open market purchases, for example. Defined procedures and processes will be agreed with the council to enable this to transpire, within the parameters of the council's treasury management strategy and taking into account the approved risk register. Updates on activity will be reported back to the shareholder as part of the quarterly reporting

3.4 Development

The council's development team will co-ordinate and manage the development schemes included within this plan as per the service level agreement between the council and Now Housing, and as part of the Housing Delivery Strategy for delivering more affordable homes, will continue to identify and work up sites that are both suitable and viable. The Housing Delivery Group will have considered the suitability of the site for discounted market rent before more detailed appraisal work is undertaken.

3.5 Rent Policy (***Flexrent***)

Now Housing will provide flexible tenure and rent levels to allow it to meet local housing need and to help promote sustainable communities and successful, thriving families. This will include ensuring that the lowest rent level reflects the Local Housing Allowance (LHA), so that households in receipt of Universal Credit/Housing Benefit top-up can afford their rent. Now Housing will have a rent policy which reflects this.

For the purposes of this business plan the basis for rental assumptions is the LHA rate with a median point used for bedsits which falls between a flat with shared facilities and a 1 bedroom property. The table below depicts the level of monthly rents assumed for different property sizes:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed
All properties	£552	£748	£923	£1,197	£1,396

The LHA is based on the 2020.21 South East Herts Broad Rental Market Analysis (BRMA) published on the Direct Gov website – provided by the Valuation Office Agency.

The LHA levels were revised in April 2020. Therefore, it is anticipated that these will again increase. However, we have assumed that these will not increase for April 2021 as a prudent assumption. For future increase this plan is cautious, with CPI increases of 2% per annum, which is less than the Government’s current social rent policy.

The actual application of the ***flexrent*** product will vary where potentially some rents might be set lower than those modelled, but this will be offset against those that will be higher when the affordability tests are applied.

Now Housing will adhere to procedures to ensure that the net rental income forecast does not fall below the agreed annual budget, as per the annual business planning process. This will ensure a balanced position when considering rent levels for each re-let.

4. FINANCIAL STRATEGY

4.1 Financial Controls & Budgets

The Board will approve a newly formed set of financial regulations devised specifically for Now Housing but in-line where possible with the council’s. These establish financial controls, authorities and delegations commensurate with the objectives of Now Housing ‘and the regulatory context within it operates.

Outline budgets will be developed based upon this Business Plan for the development, acquisition and overheads each year. This will identify the financing required as part of the annual loan facility agreement.

It is anticipated that early development schemes will require direct and indirect financial support from the council to facilitate the developments and to contain risks within

acceptable parameters. In determining the type of support to be provided legal and contractual requirements will be given full consideration.

The basis of financial viability for each site and acquisition will be agreed by the Board and delivery group prior to drawdown of funds, as part of the annual facility, and will be regularly monitored throughout the delivery period.

4.2 Funding and Investment Need

This section lays out the cash flows for Now Housing Limited and demonstrates the funding required:

£'000	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26
Net Rents	31	449	1,008	2,697	3,478	3,929
Less:						
Management	3	44	97	271	347	393
Maintenance	2	35	77	211	271	306
Overheads (Incl Set Up)	75	63	64	66	67	55
Net Operating Income	-50	307	769	2,149	2,793	3,176
Less:						
Acquisition/Development	2,452	11,504	15,889	37,900	13,794	5,792
Interest Charges	-	327	812	2,098	2,644	2,939
Corporation Tax	-	-	-	-	18	160
Funded by:						
Net Loan Finance	2,502	11,524	15,932	37,849	13,663	5,716

Note: Rounding of Values will cause minor balancing issues in this table

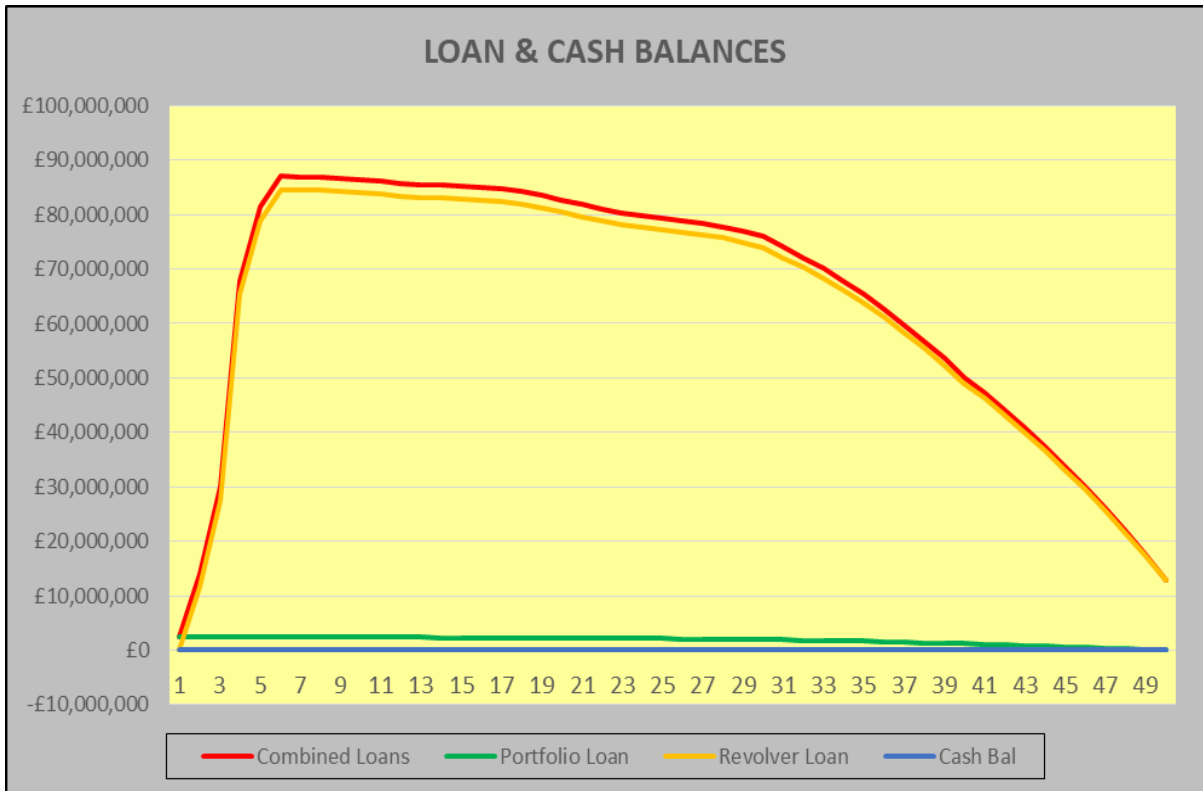
Over this period Now Housing will require **£87.2million** in net borrowing in order to acquire and develop 383 homes.

Whilst the cash balances will be neutral, Now Housing will not show an operating profit (excluding gains on revaluations) until 2023.24 at which point Corporation Tax will be due (and payable in the following year).

The accounting financial statements are presented in Appendix 2.

4.3 50 Year Projections

In order to demonstrate financial viability for Now Housing Limited, the graph below projects the loan profile over a 50-year period.

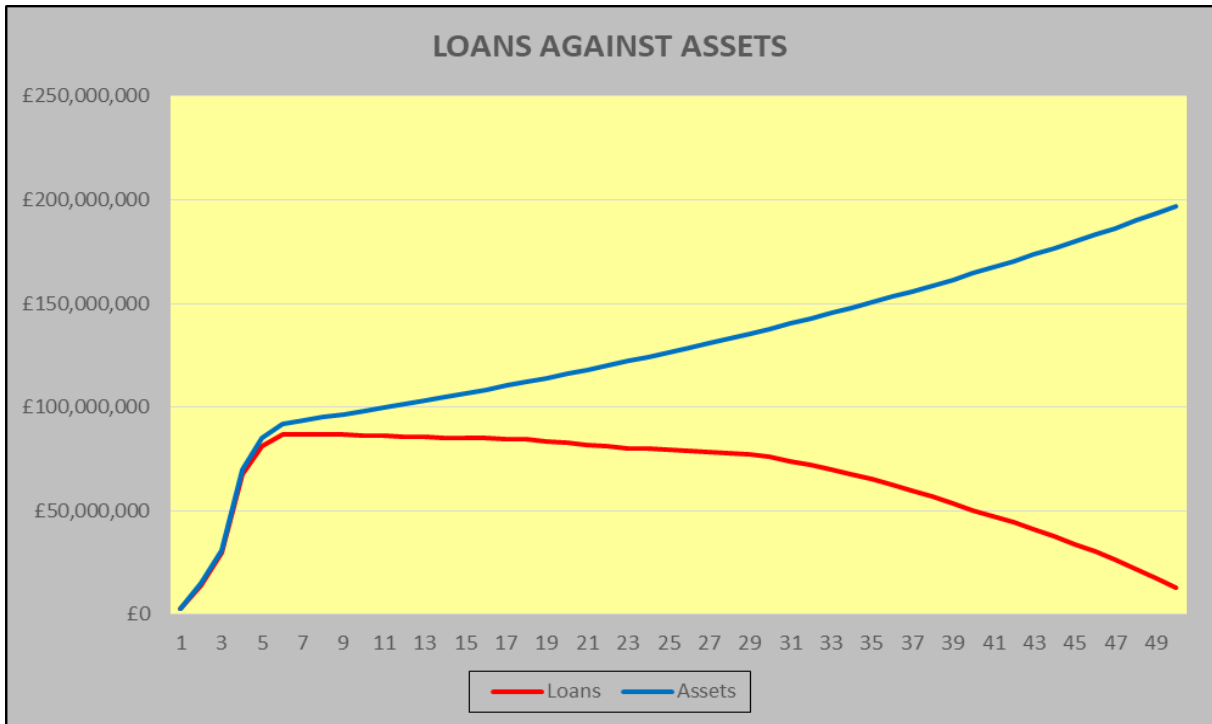


The above graph is based on the amount of surplus cash generated within Now Housing being utilised on loan repayments, effectively presenting the loan in a revolving position. It also shows the specific loan attributable to Chequersfield, classified as a portfolio loan.

According to the assumptions within the model, loan balances are forecast to be repaid within a c53-year period. Actual loan arrangements with varying repayment schedules will impact upon the profile above though it would be expected that these would be repaid within a 50-year timeframe from being drawdown.

No dividends are forecast to be paid to the shareholder during this period as surplus cash is utilised for debt repayment. Therefore, if dividend payments were to be made, this would impact upon the duration of the loan period.

A further viability test for Now Housing will be to compare its net asset value against the loan profile. This is demonstrated in the graph below:



Using house price inflation of CPI (2%) the net asset values quickly increase whilst the debt balances gradually increase. The net asset values shown allow for Corporation Tax due on the increase of asset value and is held as a liability on the balance sheet until the asset is sold or disposed of. The net asset values also reflects cash balances held by Now Housing.

The above two graphs present a viable position for Now Housing, based upon the assumptions within this business plan and those that sit behind it.

4.4 Auditing

The Board of Now Housing will appoint an external auditor for the sign-off of annual accounts and to provide ad-hoc advice. The auditors will be agreed in consultation with the council, which will provide continuity.

As part of its due diligence the council and Board of Now Housing will commission internal audits from time to time.

4.5 Risk Management and Mitigation

Now Housing maintains a risk register, in order to support it in monitoring and managing the risks associated with all business activities proposed within this Business Plan.

Now Housing has a risk management approach that aims to promote a 'risk aware' culture which encourages the identification and assessment of risks on a programme level, and then assigning ownership for mitigation. Regular risk reporting will operate, to include operational and strategic risk review meetings, aimed at setting out and monitoring the level of exposure on a programme level.

The risks register reflects the main risks that have been identified by the Board; these are risks which could hinder delivery of the proposed development programme or represent future financial risks to the council as funder and guarantor of any funding of the development programme (and thereafter the new housing stock under management). The risk register forms part of this Business Plan and as such will be approved by the shareholder and its representatives as part of the approval process for this Business Plan. As such, monitoring and progress reports to the shareholder will include an update on the risk register as part of its monitoring and review process.

Classification: Restricted

APPENDIX A – FINANCIAL PROJECTIONS

Income & Expenditure	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Income:															
Rent - Private Sector	£32,012	£460,074	£1,033,836	£2,765,714	£3,566,779	£4,030,179	£4,175,184	£4,258,688	£4,343,861	£4,430,739	£4,519,353	£4,609,740	£4,701,935	£4,795,974	£4,891,893
Rent - Shared Equity	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Service Charges	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Void Loss	£-640	£-9,201	£-20,677	£-55,314	£-71,336	£-80,604	£-83,504	£-85,174	£-86,877	£-88,615	£-90,387	£-92,195	£-94,039	£-95,919	£-97,838
Sale Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Income	£31,371	£450,873	£1,013,159	£2,710,400	£3,495,443	£3,949,575	£4,091,680	£4,173,514	£4,256,984	£4,342,124	£4,428,966	£4,517,546	£4,607,896	£4,700,054	£4,794,055
Expenditure:															
Direct Management Costs	£-2,499	£-34,872	£-77,246	£-211,036	£-271,075	£-306,056	£-317,107	£-323,450	£-329,919	£-336,517	£-343,247	£-350,112	£-357,115	£-364,257	£-371,542
Service Charge Costs	£-710	£-9,057	£-20,047	£-59,810	£-75,843	£-86,505	£-90,011	£-91,811	£-93,647	£-95,520	£-97,431	£-99,379	£-101,367	£-103,394	£-105,462
Other Rechargeable Costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Maintenance Costs	£-2,129	£-28,675	£-61,658	£-172,137	£-219,427	£-247,376	£-256,318	£-261,444	£-266,673	£-272,007	£-277,447	£-282,996	£-288,656	£-294,429	£-300,317
Life Cycle Costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£-16,575	£-90,167	£-172,444	£-439,731	£-536,736
Bad Debt Provision Write-Offs	£-160	£-2,300	£-5,169	£-13,829	£-17,834	£-20,151	£-20,876	£-21,293	£-21,719	£-22,154	£-22,597	£-23,049	£-23,510	£-23,980	£-24,459
Operations, Administration and Admin Costs	£-75,280	£-63,040	£-64,301	£-65,587	£-66,899	£-55,247	£-56,352	£-57,479	£-58,629	£-59,801	£-60,998	£-62,217	£-63,462	£-64,731	£-66,026
Cost of Sales	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Depreciation	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total Expenditure	£-80,778	£-137,944	£-228,421	£-522,398	£-651,077	£-715,335	£-740,664	£-755,478	£-770,587	£-785,999	£-818,294	£-907,920	£-1,006,552	£-1,290,522	£-1,404,542
Operating Surplus	£-49,407	£312,929	£784,738	£2,188,002	£2,844,366	£3,234,240	£3,351,016	£3,418,036	£3,486,397	£3,556,125	£3,610,673	£3,609,626	£3,601,344	£3,409,533	£3,389,513
Interest Receivable	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Interest Payable	£-97	£-326,598	£-812,316	£-2,098,187	£-2,643,735	£-2,939,170	£-3,036,423	£-3,032,906	£-3,032,258	£-3,025,816	£-3,017,168	£-3,006,777	£-2,996,414	£-2,985,971	£-2,981,818
Net Surplus After Interest	£-49,504	£-13,669	£-27,578	£89,816	£200,631	£295,070	£314,593	£385,130	£454,139	£530,309	£593,504	£602,849	£604,930	£423,562	£407,695
Increase in Fair Value of Investment Propertie	£247,649	£946,611	£293,172	£1,163,478	£1,877,499	£1,238,026	£1,861,954	£1,899,193	£1,937,177	£1,975,921	£2,015,439	£2,055,748	£2,096,863	£2,138,800	£2,181,576
Corporation Tax	£-47,053	£-179,856	£-55,703	£-239,538	£-517,154	£-469,731	£-610,464	£-630,274	£-650,479	£-671,089	£-688,961	£-696,421	£-702,659	£-674,183	£-678,507
Surplus (Deficit) for the Year	£151,092	£753,085	£209,891	£1,013,755	£1,560,976	£1,063,365	£1,566,083	£1,654,050	£1,740,837	£1,835,141	£1,919,982	£1,962,176	£1,999,134	£1,888,179	£1,910,765
Dividends Payable															
Reserves Summary	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Surpluses brought forward	£0	£151,092	£904,178	£1,114,068	£2,127,823	£3,688,799	£4,752,164	£6,318,247	£7,972,297	£9,713,134	£11,548,275	£13,468,257	£15,430,433	£17,429,566	£19,317,745
Dividends Paid	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Surplus/(Deficit) for the Year	£151,092	£753,085	£209,891	£1,013,755	£1,560,976	£1,063,365	£1,566,083	£1,654,050	£1,740,837	£1,835,141	£1,919,982	£1,962,176	£1,999,134	£1,888,179	£1,910,765
Surplus (Deficit) carried forward	£151,092	£904,178	£1,114,068	£2,127,823	£3,688,799	£4,752,164	£6,318,247	£7,972,297	£9,713,134	£11,548,275	£13,468,257	£15,430,433	£17,429,566	£19,317,745	£21,228,510

Classification: Restricted

Classification: Restricted

Balance Sheet	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Fixed Assets															
Properties	£2,700,000	£15,064,950	£29,266,605	£69,856,670	£86,067,683	£93,097,717	£94,959,671	£96,858,865	£98,796,042	£100,771,963	£102,787,402	£104,843,150	£106,940,013	£109,078,813	£111,260,390
Fixed Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Fixed Assets	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£2,700,000	£15,064,950	£29,266,605	£69,856,670	£86,067,683	£93,097,717	£94,959,671	£96,858,865	£98,796,042	£100,771,963	£102,787,402	£104,843,150	£106,940,013	£109,078,813	£111,260,390
Current Assets															
Properties Under Construction (Rented)	£0	£85,928	£2,066,145	£539,594	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Inventories (MS)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Debtors:															
Trade Debtors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Debtors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cash and Equivalents	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£0	£85,928	£2,066,145	£539,594	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Current Liabilities															
Payments Received on Account	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Trade Creditors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Amounts Owed to Group Undertakings	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Deferred Taxation for Revaluation	£-47,053	£-226,909	£-282,612	£-503,673	£-860,398	£-1,095,623	£-1,449,394	£-1,810,241	£-2,178,304	£-2,553,729	£-2,936,663	£-3,327,255	£-3,725,659	£-4,132,031	£-4,546,530
Taxation for Trading Activities	£0	£0	£0	£-18,478	£-160,429	£-234,506	£-256,693	£-269,427	£-282,415	£-295,664	£-306,028	£-305,829	£-304,255	£-267,811	£-264,008
	£-47,053	£-226,909	£-282,612	£-522,150	£-1,020,827	£-1,330,128	£-1,706,087	£-2,079,668	£-2,460,720	£-2,849,393	£-3,242,691	£-3,633,084	£-4,029,914	£-4,399,842	£-4,810,538
Total Assets less Current Liabilities	£2,652,947	£14,923,968	£31,050,138	£69,874,113	£85,046,856	£91,767,589	£93,253,584	£94,779,197	£96,335,322	£97,922,570	£99,544,712	£101,210,066	£102,910,099	£104,678,971	£106,449,852
Long-Term Liabilities															
Amounts owed to Group Undertakings	£-2,501,855	£-14,019,791	£-29,936,070	£-67,746,290	£-81,358,057	£-87,015,425	£-86,935,337	£-86,806,900	£-86,622,188	£-86,374,295	£-86,076,454	£-85,779,633	£-85,480,532	£-85,361,226	£-85,221,342
Deferred Grant	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
NET LIABILITIES	£151,092	£904,178	£1,114,068	£2,127,823	£3,688,799	£4,752,164	£6,318,247	£7,972,297	£9,713,134	£11,548,275	£13,468,257	£15,430,433	£17,429,566	£19,317,745	£21,228,510
Capital and Reserves															
Called up share capital (Land Inv)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Called up share capital (Cash Equity Inv)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Share Premium	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Revaluation Reserve	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Retained Earnings (Profit & Loss Acc)	£151,092	£904,178	£1,114,068	£2,127,823	£3,688,799	£4,752,164	£6,318,247	£7,972,297	£9,713,134	£11,548,275	£13,468,257	£15,430,433	£17,429,566	£19,317,745	£21,228,510
SHAREHOLDER FUNDS	£151,092	£904,178	£1,114,068	£2,127,823	£3,688,799	£4,752,164	£6,318,247	£7,972,297	£9,713,134	£11,548,275	£13,468,257	£15,430,433	£17,429,566	£19,317,745	£21,228,510

Classification: Restricted

Classification: Restricted

Cashflow Statement	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Net Cash Inflow from Operating Activities	-£49,407	£312,929	£784,738	£2,188,002	£2,844,366	£3,234,240	£3,351,016	£3,418,036	£3,486,397	£3,556,125	£3,610,673	£3,609,626	£3,601,344	£3,409,533	£3,389,513
Interest Received	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Interest Paid	-£97	-£326,598	-£812,316	-£2,098,187	-£2,643,735	-£2,939,170	-£3,036,423	-£3,032,906	-£3,032,258	-£3,025,816	-£3,017,168	-£3,006,777	-£2,996,414	-£2,985,971	-£2,981,818
Changes to Other Debtors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Changes to Creditors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Corporation Tax	£0	£0	£0	£0	-£18,478	-£160,429	-£234,506	-£256,693	-£269,427	-£282,415	-£295,664	-£306,028	-£305,829	-£304,255	-£267,811
Net Cash inflow(outflow) from above activities	-£49,504	-£13,669	-£27,578	£89,816	£182,153	£134,640	£80,088	£128,437	£184,712	£247,893	£297,841	£296,821	£299,101	£119,306	£139,884
Acquisition & Construction of Properties (PRS & MS)	-£2,452,351	-£11,504,267	-£15,888,701	-£37,900,036	-£13,793,920	-£5,792,008	£0	£0	£0	£0	£0	£0	£0	£0	£0
Major Repairs Capitalised	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sale Receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Equity / Grants Received	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Equity Repaid	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Net Cash inflow(outflow) from investing activities	-£2,452,351	-£11,504,267	-£15,888,701	-£37,900,036	-£13,793,920	-£5,792,008	£0	£0	£0	£0	£0	£0	£0	£0	£0
Net Cash inflow(outflow) before financing	-£2,501,855	-£11,517,936	-£15,916,279	-£37,810,220	-£13,611,767	-£5,657,368	£80,088	£128,437	£184,712	£247,893	£297,841	£296,821	£299,101	£119,306	£139,884
Loans Drawdown	£2,501,855	£11,529,576	£15,922,279	£37,820,685	£13,705,931	£5,797,128	£205,275	£210,793	£0	£0	£0	£0	£0	£0	£0
Loans Repaid	£0	-£11,641	-£6,000	-£10,465	-£94,164	-£139,760	-£285,362	-£339,229	-£184,712	-£247,893	-£297,841	-£296,821	-£299,101	-£119,306	-£139,884
Net Cash inflow(outflow) from financing	£2,501,855	£11,517,936	£15,916,279	£37,810,220	£13,611,767	£5,657,368	-£80,088	-£128,437	-£184,712	-£247,893	-£297,841	-£296,821	-£299,101	-£119,306	-£139,884
Dividends Paid	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Increase/(Decrease) in Cash	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Opening Cash Balance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
In-Year Movement	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Closing Cash Balance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0

Statement of Reconciliation of	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Net Cashflow from Operating Activities:	-£49,407	£312,929	£784,738	£2,188,002	£2,844,366	£3,234,240	£3,351,016	£3,418,036	£3,486,397	£3,556,125	£3,610,673	£3,609,626	£3,601,344	£3,409,533	£3,389,513
Operating Surplus	-£49,407	£312,929	£784,738	£2,188,002	£2,844,366	£3,234,240	£3,351,016	£3,418,036	£3,486,397	£3,556,125	£3,610,673	£3,609,626	£3,601,344	£3,409,533	£3,389,513
Adjustment for Allocation of Land Value	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Adjustment for Conversion of Inventory to Cost of Sale	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Depreciation Adjustment	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Net Cashflow from Operating Activities	-£49,407	£312,929	£784,738	£2,188,002	£2,844,366	£3,234,240	£3,351,016	£3,418,036	£3,486,397	£3,556,125	£3,610,673	£3,609,626	£3,601,344	£3,409,533	£3,389,513

Classification: Restricted