



Statement – Rent Conversions

Statutory Accounts 2018 - Wording amendment regarding Strategic Report of the Board (Page 3)

The current wording, as shown in the paragraph below, explaining our asset management strategy is in error as it suggests that we have converted some assets to market rent. We have not in fact made any conversions. We are looking at whether this is an option for us in the future but we have not done this yet. We do hold 4 assets at market rent, these assets were originally held for sale but converted to rented properties in a previous year. Our only other “conversions” have been to affordable rent and also re-letting new tenancies at target rent.

Original Text

“We have prioritised the ‘Poor’ and ‘Marginal’ asset groups for review and are continually considering options to improve performance. One example of this, being an asset group with low NPV versus a High Open Market Value. Following an options appraisal against this asset group, we are converting these properties to Market Rent at the point they become void and several properties have since been converted at the point of a new tenancy. The financial impact of this approach is beneficial as the rental income per annum more than doubles. The projected Net Present Value of the asset group, assuming all properties were to be converted, increases from £2,329 to £47,569 over 30 years.”

Replace with Revised Text

“We have prioritised the ‘Poor’ and ‘Marginal’ asset groups for review and are continually considering options to improve performance. One example of this is an asset group with low NPV versus a High Open Market Value. Following an options appraisal against this asset group, we are considering options regarding these properties at the point they become void.”

John Inglesfield
Chair of Board

Stephen Aggett
Company Secretary