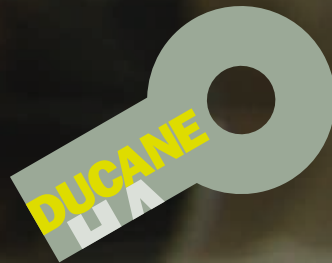
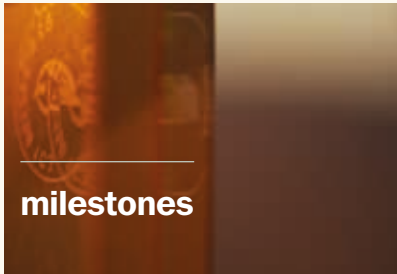


2012

Ducane HA **annual review**, accounts,
performance report and governance





Our greatest achievement this year came from our tenants survey, which showed **97%** satisfied with our service

Ducane is a small west London housing association. We provide good quality homes at rents below the market rate for postgraduate students and for people employed to provide essential public services.

Our size allows us to offer a very focused and personal service. Our office is just minutes away from our homes so tenants can easily contact us in person if they have a query or need a repair.

We have our own in-house maintenance team. This is important – even routine repairs are completed on the first call-out and within two hours.

Most of our tenants are postgraduate students visiting London to undertake high level research and studies.

They do not need to rent from us. Most could afford the higher cost of renting privately. That drives us to be better than the best that London's private landlords can offer.

Satisfaction

Our 97% tenant satisfaction rating is a terrific vote of confidence in the work of our maintenance and management teams and with the quality of our new and recently upgraded homes.

Other aspects of our service rated very positively included satisfaction with how we handled their last repair (100%), the most recent contact with Ducane (92.4%), value for money rent (91.6%) and the quality of our homes (95.6%).

Modernisation

We are just now coming to the conclusion of our biggest ever modernisation project, upgrading all five of the blocks of flats we first built in 1974 and making them look fantastic inside and out.

The work was needed to meet modern standards for rented housing, but it gave us a chance to really exceed government standards and it was an opportunity to build 44 new homes. It was a tough call for any housing association but we've done it, and done it well.

The £12m bill for the works was partly offset by selling off eight properties scattered further afield from our main stock - a deliberate move to focus our efforts on Du Cane Road.

New homes

We are maintaining the momentum, just now starting to build another three-storey building on a newly acquired site on Du Cane Road.

A grant from the GLA will help to pay for the 31 one and two bedroom flats for keyworkers. Three flats will be designed for people with a physical disability.

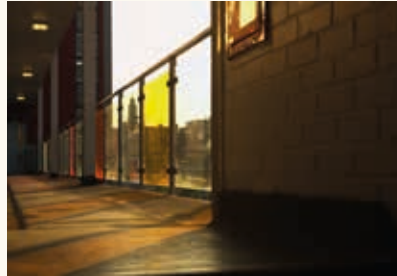
This new project uses up all the currently available land in this corner of London so in future we will want to collaborate with much bigger players to identify more small sites.

Research

As one of the few smaller associations in London still building new homes, development is an issue we feel strongly about.

Capacity for development was one focus of research for the g320 group of London's smaller housing associations by consultant Helen Cope last year. Helen's report, found that smaller associations are the only 'affordable' housing providers still building in some parts of London.

Developing homes carries some risks but boards must be willing to embrace that. And the risk can, in our view, be offset by smaller associations sharing resources and working on solutions for and between themselves.



An important reason why smaller associations should lead on their own housing development is the control it allows us over living space standards.

Since the Parker Morris Standards were dropped in 1981, room sizes in newly built homes have become markedly smaller.

We believe this to be short-sighted. Decent-sized homes allow for changing patterns of use, including working and studying at home, minimising disturbance from other domestic activity.

They also help to avoid the social, health and economic problems that arise when people live in cramped accommodation, even in heavily populated and high density neighbourhoods.

Affordability

We are unusual among housing associations in that our rents have always been pegged at 70 to 80% of market rents, the same level that is now a condition of social housing grant.

This reflects our client profile – people established in modestly paid public sector jobs or attracting reasonable levels of sponsorship for postgraduate studies.

That said, most public sector jobs have been subject to recent wage freezes and students from abroad are largely reliant on a fixed grant from government or sponsor.

To date, just one tenant (a key worker) has had to claim housing benefit to help pay the rent. But the rate at which private rents are rising in London is a concern for us. Our trade body – the National Housing Federation – predicts a 51% rise over the next 10 years.

Ducane's rents are regulated, with increases capped by the formula that applies to all housing associations. We need to cover costs and build up reserves but we are not in business to make a profit – we will keep a close eye on what our tenants can afford.

Governance

Good governance keeps checks and balances on our service standards and oversees our strategic direction.

Under the guidance of new chair Peter Redman the board has this past year analysed our position in the housing market, discussed risks and opportunities and extended our forward planning as a business to five years.

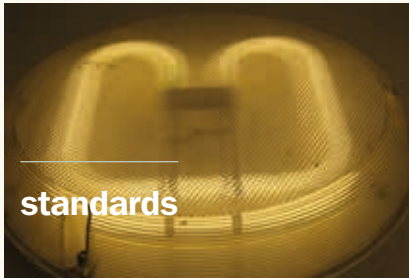
Over the next year our chief priorities will be raising our profile and growing in size, but without losing our independence, high standards or individuality.

Ducane's role is to serve people who are helping to make London a great place to live and a centre for academic excellence. We will not lose sight of that.

Into the future

Over the next five years we will:

- extend our **influence** by making a much wider audience aware of what we do, who we serve and the benefits this brings to Londoners and the UK economy
- play a leading role in the regeneration of **White City**, possibly including extending our management and repairs services to other local property owners
- team up with other non-profit housing providers, large and small, to achieve modest but **incremental growth** without compromising our service standards.



Total homes owned: 206



We provide rented, furnished flats for postgraduate students, mostly studying medicine, and for keyworkers providing essential public services in London.

81.3% of tenants are satisfied that we listen to their views and act on them (up from 71.2% in 2011)

96.7% are satisfied with their neighbourhood as a place to live (up from 94.1% in 2011)

98.4% said their last contact with us was achieved with no difficulty (up from 92.4% in 2011) and they found our staff helpful (96.5%) and friendly (91.5%)

84.9% were very satisfied with the way we handled reports of antisocial behaviour

Tenant satisfaction

We achieved our highest ever rating for **overall tenant satisfaction** this year, at **97%**.

Tenants are asked each year how satisfied they are with our services, our homes and the neighbourhood. Responses given over the past four years showed clearly the impact of an extensive refurbishment programme, dipping one year into the works to our lowest ever score of 83.1%.

Many of our tenants had to put up with major disruptions, including temporary home moves, building noise and dust and some reduced security. Once the works were completed there was a further six months during which our contractors were required to resolve post-contractual defects.

Tenant satisfaction is widely acknowledged as one of the most important indicators of service quality. Our score puts us in the lead among our peers in the g320 benchmarking group and puts us in the top league nationally.

To put this score in context, our tenants are exposed to few of the factors that can make life tough for many social housing tenants, but the pressure of academic studies and being far from home create their own stresses.

Client profile

Most of our tenants – around **65%** – are postgraduate students studying at Imperial College or the University of London. Most of them, **67%**, come from abroad – mainly Asia, Africa, Europe, China, and the Middle and Far East.

The other **35%** are key workers. They come from the UK and other parts of the European Union.

Rental income

Our rents are set at 70-80% of the market rent for similar homes locally. We supplement rental income with a small additional amount raised through a separate venture under our commercial arm, DCS Ltd.

The rent is spent on management, maintenance and business costs. Any remaining income is used to service repayments on loans or is set aside to pay for future investment in new homes.

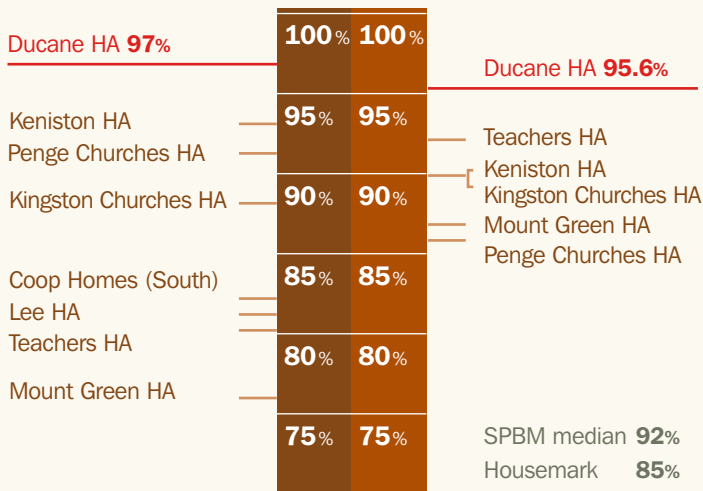
We collected 99.08% of all rent owed in 2012. Our rent arrears are the lowest in our g320 benchmarking group.

Year-round lettings

Our student tenants will typically stay for 12-36 months. We therefore have a high level of turnover for a housing association but the number of relets in 2012 (259) was exceptional, generated by a complex schedule of temporary moves required for our refurbishment programme.

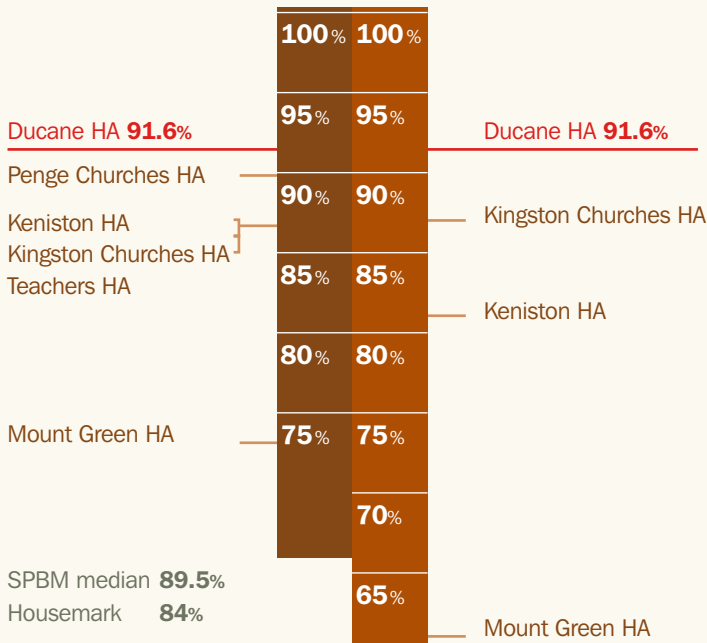
Tenant satisfaction with services

■ overall ■ quality of home



Tenant satisfaction with value for money

■ rent ■ service charge



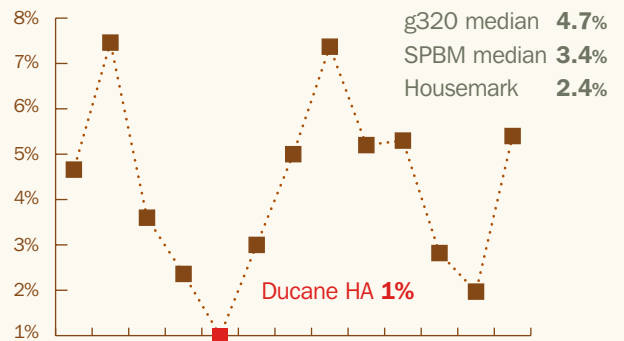
Benchmarking

As a member of the g320 group of London's smaller housing associations, we are able to compare our standards with those of associations offering similar services, with some crossover too in the clients we serve.

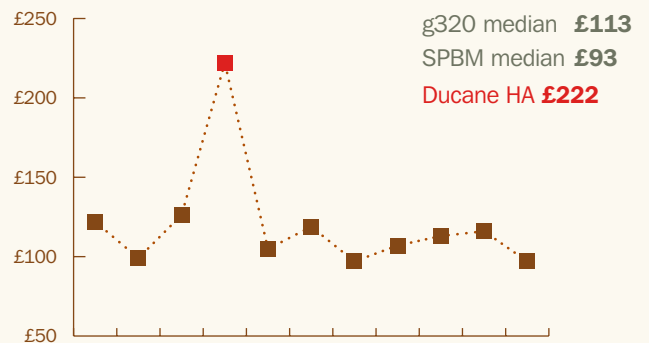
These statistics show how last year we compared on tenant satisfaction overall, with the quality of our homes and with value for money both for rents and service charges.

Though charging the highest rents our tenants felt we offered the best value for money and our rent arrears are notably lower than those of many of our peers.

* Data collected by Skills & Projects. Median figures are also given for all other housing providers monitored by Skills & Projects and by HouseMark, the sector's leading provider of performance improvement services.



Rent arrears at year end 2012



Average rent for two-bedroom flat



Keeping homes in good repair

All our homes now meet the decent homes standard and every property was inspected for gas safety in 2012.

The average energy efficiency rating for our properties is an extremely pleasing **84.55**.

This compares with the g320 median of 72.7, 71 for the wider group of housing providers monitored by Skills & Project and the HouseMark median of 69.6.

We are pleased to once again have full control of the repairs function. For the last two years responsibility for the repairs function has been split, with day to day repairs handled by our maintenance team and putting right defects in new and upgraded flats dealt with by our contractors.

This division led to some confusion, with our staff having to work extra hard to ensure all works were done promptly and to our expected high standard.

Speed of reactive repairs service

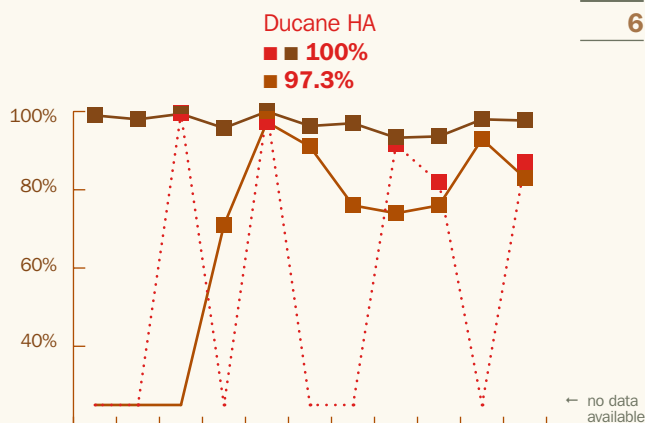
Type of repair	Ducane target time	Completed within target	Standard target time	HouseMark median	g320 median
Emergency	2 hours	100%	24 hours	99.41%	100%
Urgent	1 day	100%	5-7 days	98%	97%
Routine	2 days	96%	14-28 days	97.59%	96%

100% of tenants said they had no difficulty reporting their last repair (48.2% found it easy reporting a post-completion defect to our contractor)

100% said our repair work was done to a high standard (9.1% for the contractor)

100% said our maintenance worker treated their home with respect and cleaned up and any mess made

100% said the work was completed within an acceptable time.



Reactive repairs over 2012

- ... ■ ... Repair completed on first call out
- ■ — All repairs completed in target time
- ■ — Satisfaction with repairs service



governance

We have a board to be proud of. Our board members bring to their role experience, expertise and a keen interest in what we do and how well we do it. Two of our board members are Ducane tenants.

The board meets four times a year to review performance and policy and to discuss future strategy and tactics.

These meetings are supplemented by an annual away day and meetings of specialist subgroups that focus respectively on:

- governance
- property development and risk
- construction
- project management.

Board discussions are informed by an inclusive style that makes sure all members are fully engaged in analysis, debate and decision making.

We are currently recruiting new board members to replace three who are standing down following the recent adoption of a nine-year cap on board membership. The rule will bring to our board a steady source of fresh thinking and critique and new expertise.

Peter Redman, chair

Managing director at Traderisks and a housing specialist with extensive experience at a senior level including nine years as group chief executive of Notting Hill HT, chief executive of Leeds Federated HA and, more recently, as interim director of housing services at Southwark and chief executive of ALMO Lambeth Living. Joined 2011.

Rod Constanti, vice chair

Development consultant and former head of regional development at East Thames Housing Group. Leads on property development and risk. Joined 2005.

Simon Devitt

Freelance consultant advising on property management, development and affordable housing matters for clients including local authorities, registered housing providers and property developers. Joined 2012.

Michael Furman, tenant rep

Physicist/neuroscientist and honorary lecturer at Imperial College. Community organiser for the 1996 Olympics. Served 2012/13.

Mohammad Hoque, tenant rep

Post-doctorate research fellow studying earth sciences at UCL. Joined 2012.

Amit Kakkad, tenant rep

Postgraduate student studying operations management at London Business School. Amit has an engineering degree, has management experience and has completed academic studies in the USA and UK. Served 2010/12.

Shani Mashhood

IT Specialist: full lifecycle – strategy, infrastructure, development and business intelligence. PRINCE 2 practitioner certified. Leads on project management. Joined 2006.

Michael Roberts

Retired investment banker and lead member for finance. Joined 2005.

John Whatmore

Former local councillor and former chair of Octavia Hill HT. Consultant in leadership to the public and private sectors. Leads on effectiveness. Served 2003/13.

Eugenie White

Director of Hammersmith United Charities and Groundwork London. Extensive finance experience, including 20 years as a stockbroker and investment fund manager. Former Hammersmith councillor. Joined 2010.

accounts

These are the accounts for Ducane Housing Association and Ducane Commercial Services, audited by accountants Beaver and Struthers

DUCANE GROUP

2012 2011
£ £

DUCANE HA

2012 2011
£ £

INCOME AND EXPENDITURE FOR YEAR ENDED 31 DECEMBER 2012

Turnover	1,349,637	1,124,457	1,346,394	1,120,486
Operating costs	(833,694)	(744,525)	(830,451)	(740,554)
Operating surplus	515,943	379,932	515,943	379,932
Surplus on sale of fixed assets	-	712,294	-	712,294
Interest receivable and other income	4,744	28,802	4,744	28,802
Interest payable and similar charges	(154,386)	(119,600)	(154,386)	(119,600)
Surplus for the year on ordinary activities	<u>366,301</u>	<u>1,001,428</u>	<u>366,301</u>	<u>1,001,428</u>

BALANCE SHEET FOR YEAR ENDED 31 DECEMBER 2012

Housing properties – completed	19,863,717	11,391,879	19,863,717	11,391,879
Housing properties – under construction	231,156	5,234,067	231,156	5,234,067
Less: social housing and other grants	<u>6,336,867</u>	<u>5,205,367</u>	<u>6,336,867</u>	<u>5,205,367</u>
	13,758,006	11,420,579	13,758,006	11,420,579
Fixed assets				
Office premises	412,925	418,807	412,925	418,807
Other fixed assets	416,978	286,070	416,978	286,070
Investment in subsidiary	-	-	1	1
	<u>14,587,909</u>	<u>12,125,456</u>	<u>14,587,909</u>	<u>12,125,456</u>
Current assets				
Debtors: amounts receivable within one year	57,922	70,770	82,198	117,934
Cash at bank and in hand	<u>494,241</u>	<u>1,101,848</u>	<u>469,173</u>	<u>1,053,873</u>
	552,163	1,172,618	551,371	1,171,807
Less creditors				
Amounts falling due within one year	<u>1,428,310</u>	334,234	<u>1,427,486</u>	333,343
Net current assets	<u>(876,147)</u>	<u>838,384</u>	<u>(876,115)</u>	<u>838,464</u>
Total net assets	<u>13,711,762</u>	<u>12,963,840</u>	<u>13,711,762</u>	<u>12,963,840</u>
Creditors				
Amounts falling due after more than one year	(5,651,832)	(5,678,105)	(5,651,832)	(5,678,105)
Capital and reserves				
Called-up share capital	18	17	18	17
General reserves	<u>7,678,292</u>	<u>7,311,991</u>	<u>7,678,292</u>	<u>7,311,991</u>
	<u>13,711,762</u>	<u>12,963,840</u>	<u>13,711,762</u>	<u>12,963,840</u>