

# CHAIRMAN'S STATEMENT

## DEVELOPING IN LONDON: A STRONG PERFORMANCE

*'We are well positioned to continue the growth of Telford Homes thanks to the strength of our performance in the undersupplied non-prime London housing market and our increasing activity in the build to rent sector.'*

### Performance

Notwithstanding some uncertainty created by the outcome of the EU referendum, we have experienced robust demand for our homes from individual investors and owner-occupiers. Our ability to deliver forward sold homes to our customers on programme, together with a step change in our presence in the build to rent sector, saw Telford Homes achieving excellent results for the year to 31 March 2017. I am particularly pleased that we achieved a 99 per cent customer recommendation rate in 2016, a notable endorsement of our commitment to quality and service.

Since February 2016 we have exchanged contracts on four significant build to rent transactions with a range of investors, indicative of our growing reputation in the sector as a trusted delivery partner. Along with monitoring external influences on the Group, the development of our build to rent strategy has been one of the principal areas of focus for the Board this year. This sector complements our historic focus on individual sales to investors and owner-occupiers and is well aligned with our forward selling philosophy. The attractive return on capital and lower risk profile associated with build to rent

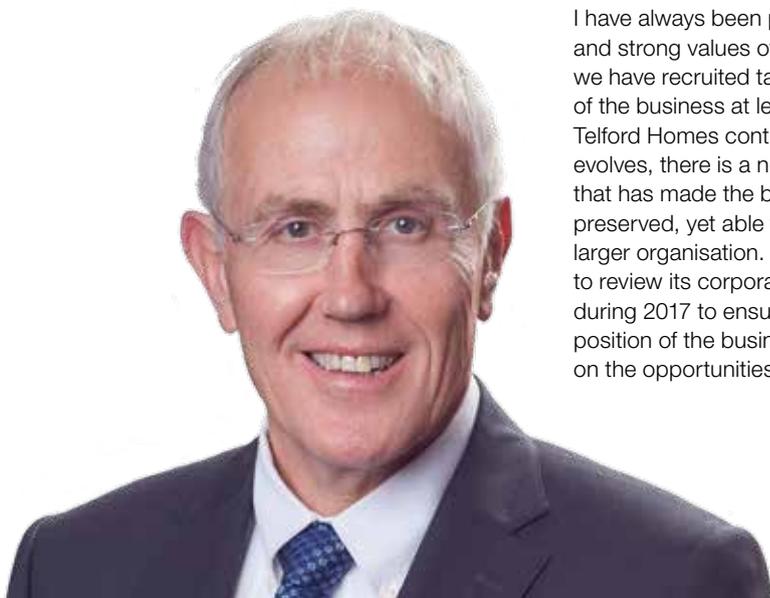
will facilitate accelerated growth for Telford Homes, although the Board remains mindful of ensuring the business grows in a controlled manner in order that our high standards of operational performance are upheld.

### Dividend

The Board is pleased to declare a final dividend of 8.5 pence per share, making a total of 15.7 pence per share for the year, an increase of just over 10 per cent compared with the previous year (2016: 14.2 pence). Our policy is to pay one third of earnings as dividends in each financial year. For the year to 31 March 2017 however, the Board has fulfilled its promise to increase the dividend payment above that level in order to offset the dilution in earnings resulting from the equity placing in late 2015. Therefore, the interim dividend together with the full year dividend equates to over 40 per cent of earnings for this financial year. The final dividend will be paid on 14 July 2017 to those shareholders on the register at the close of business on 16 June 2017. The ex-dividend date is therefore 15 June 2017.

### Culture and values

I have always been proud of the single team culture and strong values of Telford Homes. In the last year we have recruited talented people from outside of the business at levels not seen previously. As Telford Homes continues to grow and our strategy evolves, there is a need to ensure that the culture that has made the business so successful to date is preserved, yet able to adapt to the requirements of a larger organisation. For this reason, the Group plans to review its corporate vision, mission and values during 2017 to ensure these reflect the evolving position of the business and allow us to capitalise on the opportunities that lie ahead.



**Andrew Wiseman**  
Chairman

*'I am delighted to be able to look back on another excellent year, and, on behalf of the Board, I wish to thank all of our employees for their hard work in delivering these results.'*

In a year that has seen strong operational growth, our admirable health and safety record merits mention. Health and safety is the first item on the agenda at monthly Board meetings and our performance is testament to the sound policies and procedures in place, as well as the deep-rooted sense of responsibility that pervades the organisation.

Another core principle in our approach is the emphasis placed upon sustainability. Although this has been a consideration in the Group's way of operating for some years, following the appointment in 2016 of a Head of Sustainability, the philosophy has been formalised into our 'Building a Living Legacy' strategy. A number of core targets have been established within this strategy and we are committed to achieving these in the coming years.

## Outlook

I am delighted to be able to look back on another excellent year, and, on behalf of the Board, I wish to thank all our employees for their hard work in delivering these results. I am excited by the strength of our development pipeline and the promising opportunities that lie ahead for Telford Homes to play an increasing role in meeting the need for new homes in London.

**Andrew Wiseman**

**Chairman**

**30 May 2017**



## THE PAVILIONS N1

Computer generated image

- Residential development of 156 apartments
- Sold to L&Q for £66.75 million as a build to rent contract
- Under construction with completion due in 2018