



PRESS STATEMENT – FOR IMMEDIATE USE

22 January 2010

NOVAS SCARMAN GROUP SET TO BREAK-EVEN

The six-month figures for the Novas Scarman Group, which have been reviewed by external auditors, show a significant improvement in overall financial performance with a surplus of £260k at September 2009. The Group expects to achieve a break-even position or a modest surplus by the end of the year.

The Group's six monthly management accounts and its cash flow forecast, provide very welcome assurance that the organisation is now operating at a break-even position, with a healthy cash flow forecast and with fixed assets worth near £17 million.

Interim Group Chief Executive Susie Parsons said today: ' I would like to pay tribute to the hard work and dedication of the Board of the Novas Scarman Group, chaired by Andrew Barnett and of the staff team, led by Maria Donoghue-Mills, my predecessor as Chief Executive. Together, they have brought about this really significant turn-around in the financial position of the organisation.'

Securing a break-even in the current financial year is a great achievement, given the deficit of £10.3 million shown in last year's accounts, which was largely attributable to the following specific, non-recurrent issues.

- Planned transfer to another housing association of Arlington House in London, with a contribution of £14 million of the Group's own funds towards refurbishment and of the Dean Street hostel, plus asset write-downs totalling £5.5 million.
- Significant operational, consolidation, restructuring and other historical costs associated with the merger of Novas, the Scarman Trust and PATH to form the Novas Scarman Group. These have now all been dealt with.
- Legal and professional costs relating to the Tenant Services Authority Statutory Inquiry, concluded in July 2009.
- Set-up costs for the development of the Contemporary Urban Centre in Liverpool, which opened in October 2008.

' Now that these one-off issues have been dealt with and financial management systems overhauled and tightened up, the Board and staff of Novas Scarman can focus on the primary task of delivering excellent support to some of the most disadvantaged people and communities in England and Wales' Susie Parsons added.

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