

Yarlington Housing Group Trading Update for the period ended 30 September 2018

Yarlington Housing Group (YHG) issues its unaudited group trading update for the period ending 30 September 2018. All comparatives are to Yarlington Housing Group's audited group Financial Statements for the year ended 31 March 2018.

Financial and Operating Performance

Operating surplus for the 6 months to September 2018 is £11m, against £18m for the year to March 2018. Housing Properties (after adjusting for depreciation) have increased to £526m from £531m. Net debt has decreased from £237m to £230m.

Statement of Comprehensive Income		
	6 Months to Sep 2018	Year to Mar 2018
	£m	£m
Turnover	34	57
Cost of Sales	(6)	(3)
Operating Expenditure	(17)	(36)
Operating Surplus	11	18
Net Interest Payable	(3)	(7)
Gain on disposal of PPE	1	4
Surplus for the Period	9	15

Financial Indicators

	Sep 2018	Mar 2018
Operating Margin on Social Housing Lettings	39%	39%
Net Margin on Shared Ownership Sales	19%	28%
Net margin on Outright Sales	23%	0%

Void losses for our general needs and sheltered stock were 0.66% (March 2018: 0.52%). Rent arrears were 1.82% (March 2018: 1.76%). Void losses are within acceptable tolerances but we are reviewing our re-let and void maintenance processes to ensure efficiency and effectiveness. We continue to see good rental income performance despite the impact of our customers transitioning to Universal Credit which has caused others in the sector to experience higher levels of rent arrears.

Liquidity

YHG has liquidity of £106m, consisting of available undrawn facilities of £49m, and available cash of £57m.

Development

We completed 66 affordable units in the period (144 for the 12 months to March 2018). We have a contracted pipeline of 212 homes (March 2018: 111).

Yarlington Homes Ltd has completed the sale of 12 of the 19 plots on its site at Burnham-on-Sea, the remaining 7 plots are reserved and the sales are expected to be completed by the end of 2018. This site is expected to generate profits of £1m which will be used to increase our programme of social/affordable developments.

Board and Executive Team Changes

Chief Executive, Gary Orr, left the 12th October 2018 to become the CEO of Radian Group Ltd. Caroline Moore previously Executive Director of Finance, Governance and Risk has been appointed Managing Director in the interim and Kathryn Price has been appointed Interim Finance Director, Kathryn is an experienced FD, and has many years' experience of the housing sector.

Lindy Morgan, has agreed to continue as Chair for a further 12 months, Lindy was due to resign from the Board on the 12th September 2018 upon reaching 9 years service as a Non-Executive Director of YHG, our constitution allows for an extension beyond 9 years in exceptional circumstances.

William John Coutts resigned from the Board on the 12th September 2018 upon reaching 9 years service as a Non-Executive Director of YHG.

Yarlington Housing Group Credit Rating

YHG has a Moody's A3 (stable) credit rating. An A3 (stable) rating is assigned to Yarlington Treasury Services plc's £120,000,000 secured bonds due 2057. Of the Bond Issue, £60m secured bonds have been retained by Yarlington Treasury Services for future sale and £60m secured bonds have been allocated to Pension Insurance Corporation plc over a deferred profile.

END

For more information, please contact:

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Disclaimer

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