

whg CONSOLIDATED AND UNAUDITED QUARTERLY REPORT TO 31 DECEMBER 2017 (2017/2018)

Financial performance

Income and expenditure	2017/18 Q3
Turnover (£m)	78.4
Operating Surplus (£m)	30.9
Operating Margin	39.4%
Surplus /(Deficit) before tax and remeasurements (£m)	29.1
Total Margin	37.2%
Net financing costs (£m)	8.3

At 31 December 2017 the Group is reporting a healthy surplus of £29.1m and an operating margin of 39.4%. Our interest cover covenant is 2.89 with headroom of £25.1m. The net debt per unit at £13,347 has headroom of £232m.

Total assets less current liabilities are £549m, including cash and investments of £140m. Our net asset position is £68m, £4m higher than budget.

Operational Performance

Indicator	Target	Average performance to Q3
Current Rent arrears	2.7%	1.99%
Former tenant arrears (%)	1.0%	0.84%
Void Rent Loss (%)	0.6%	0.74%
Appointments made and kept	97	95
Customer Satisfaction with Repairs (%)	84.00%	84.78%

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Percentage of Customers that would recommend whg (%)	83%	83%
Compliance with Gas Regulations (%)	100%	100%
New Homes completed	506	437
Customers improved employment prospects	747	988
First point of contact resolution (%)	80%	87.75%

Challenging targets were set by the whg board for the 2017/18 year. For the third quarter of the year positive results have been achieved. Over a number of areas whg has outperformed the target set, particularly around rent collection (although void loss is slightly higher than target).

Development

Development works are behind budget. Year to date expenditure totalled £36m against a target of £46m, and the year end forecast is that £64m will have been spent (£5m below budget). However, handovers are in-line with the budget at 437 for the year to date with £1m of new rents generated this financial year.

Shared Ownership Sales

Sales for the year to date are £1.4m ahead of budget. whg has sold more homes than budgeted at higher market values and for a greater first tranche %, thereby achieving better margins on sales. However, the year end forecast is in-line with budget due to a prudent view of the market for the next three months.

Liquidity

whg's liquidity position is very strong, with £140m in cash and undrawn RCF of £31m immediately available as at 31 December 2017. There are also significant levels of unallocated and ready to charge security in place, which could give access to a further estimated £120m of new funding when required.

Contact Details

For further information please contact Adam Wagner (Director of Finance) on 01922 426846.

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