LiveWest Trading Update for the 6 months ended 30 September 2019

LiveWest issues its unaudited group trading update for the 6 months ended 30 September 2019, with comparatives to the unaudited position for the 6 months ended 30 September 2018 and the audited financial statements for the 12 months ended 31 March 2019.

Financial and Operating Performance

Surplus for the 6 months to September 2019 is £25m (6 months ended September 2018: £27m). Surplus on Disposal of Properties for the year to March 2019 includes £6m relating to homes outside our core operating area. Housing Properties (net of depreciation) have increased to £2,024m from £1,950m at March 2019. As a result, net debt has increased to £824m from £788m.

Statement of Comprehensive Income			
	6 months	6 months	12 months
	Sep-19	Sep-18	Mar-19
	£m	£m	£m
Turnover	118	117	233
Operating Costs	(84)	(84)	(167)
Change in the value of investment properties	-	-	1
Surplus on Disposal of Properties	4	6	14
Operating Surplus	38	39	81
Net Interest Payable	(13)	(12)	(24)
Movement in Fair Value of Financial Instruments	-	-	(1)
Surplus for the period	25	27	56

Financial Indicators			
	Sep-19	Sep-18	Mar-19
Operating Margin on Social Housing Lettings	33%	34%	33%
Gross Profit Margin on Shared Ownership Sales	23%	30%	28%
Gross Profit Margin on Open Market Sales	17%	19%	23%

Sales of open market and shared ownership homes totalled 231 units for the 6 months ended 30 September 2019 (6 months ended September 2018: 212). As at 30 September 2019, we had 60 shared ownership stock units (March 2019: 125) and 22 open market stock units (March 2019: 2).

Sales margins reflect the scheme mix in the period. House price growth, although positive, is lower than in previous periods.

Customer satisfaction was 89.5% (31 March 2019: 90.5%). Void losses for our general needs and sheltered stock were 0.59% (March 2019: 0.50%). Rent arrears were 1.96% (March 2019: 1.83%).

Liquidity

LiveWest had liquidity at 30 September 2019 of £260m, consisting of available undrawn facilities of £254m, and available cash of £6m. LiveWest Treasury plc raised £200m from its EMTN programme on 3 October 2019.

Development

We completed 450 affordable units in the 6 months ended 30 September 2019 (6 months ended September 2018: 343). We have a contracted pipeline of 2,304 homes (March 2019: 1,835).

Board and Executive Team Changes

LiveWest Homes Ltd: there were no changes to the membership of the board. Following a planned consolidation, the Executive Team is now as follows: Paul Crawford, Melvyn Garrett, Russell Baldwinson, Suzanne Brown, Jill Farrar and Ian Fisher.

LiveWest Capital plc: Andrew Hart and Andrew Sloman were appointed to the board, with Linda Nash, Paul Crawford and Tony MacGregor resigning from the board.

LiveWest Rating

LiveWest Homes Ltd is rated A2 (stable) by Moody's (June 2019), and G1/V1 by the Regulator of Social Housing (July 2019).

END

For more information, please contact:

Andrew Hart, Director of Corporate Finance

01392 814444

https://www.livewest.co.uk/about-us/investor-relations/

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