



# Half Year Accounts (unaudited) 2022/23



## RHP unaudited half year accounts:

We are pleased to present our results for the half year to 30 September 2022. We continue to deliver results that are within budgeted expectations whilst ensuring we look after our customers and employees against the backdrop of the ongoing challenging economic environment.

The half year to 30 September 2022 has seen challenging financial conditions for the sector and the UK economy as a whole. Despite this, our results have remained robust in the first half. Key highlights include delivering an overall surplus of £8.2m compared to our budget of £5.7m, and an operating surplus of £11.5m compared to £11.2m in the prior year.

The past 6 months have seen a significant increase in inflation that has put pressure on our costs. Most noticeably the price of utilities has risen sharply. These economic challenges also impact our supply chain with energy, labour and raw material prices all affected. This combined with supply problems has also led to delays in handovers on some of our developments. The impact of the delays is a lower than budgeted turnover and lower levels of sales. We have also seen a slow down in Right to Buy and Acquire disposals compared with the prior year. We have maintained a good control of our costs in the half to ensure that our surplus remains on track. Savings in a number of areas, most notably, maintenance and staff costs have been achieved. Our operating margin has fallen slightly compared to prior year which is the impact of lower levels of fixed asset sales.

### Our key financial (unaudited) half year highlights are as follows:

<b>Turnover</b> <b>£34.9m</b> (half year 2021: £32.1m)	<b>Operating costs</b> <b>£23.6m</b> (half year 2021: £22.2m)	<b>Operating surplus</b> (inc: asset sales) <b>£11.5m</b> (half year 2021: £11.2m)
<b>Operating margin</b> <b>33%</b> (half year 2021: 35%)	<b>Surplus after tax for period</b> <b>£8.2m</b> (half year 2021: £7.6m)	<b>Capital spend</b> <b>£13.4m</b> (half year 2021: £14.1m)

### Unaudited Statement of Comprehensive Income for half year to 30 September 2022

(£'000)	30.09.2022	30.09.2021	31.03.2022
Turnover	34,878	32,108	62,873
Operating costs and cost of sales	(23,567)	(22,165)	(49,313)
Gain on sale of fixed assets	209	1,262	2,580
<b>Operating surplus</b>	<b>11,520</b>	<b>11,205</b>	<b>16,140</b>
Net interest charge	(3,299)	(3,629)	(7,253)
Movements in fair value of investment properties	-	-	23
<b>Surplus for the year</b>	<b>8,221</b>	<b>7,576</b>	<b>8,910</b>
Actuarial gain on pensions	-	-	3,861
<b>Total comprehensive income</b>	<b>8,221</b>	<b>7,576</b>	<b>12,771</b>

## Unaudited Statement of Financial Position as at 30 September 2022

(£'000)	30.09.2022	30.09.2021	31.03.2022
Housing Properties at cost less depreciation	437,264	411,749	428,589
Investment properties, other tangible and intangible fixed assets	17,462	15,660	16,491
Net current assets	40,426	59,030	41,818
<b>Total assets less current liabilities</b>	<b>495,152</b>	<b>486,439</b>	<b>486,898</b>
Creditors: amounts due after 1 year	341,097	341,465	341,018
Provision for liabilities	94	94	94
Net pension liability	5,346	9,682	5,392
<b>Total net assets</b>	<b>148,615</b>	<b>135,198</b>	<b>140,394</b>

### Key metrics:

**A+**  
(Negative)  
**S&P Credit Rating**  
Affirmed June 2022

**G1/V1**  
**Regulatory  
Governance &  
Viability Rating**

**£45m**  
**Cash & cash  
equivalents**

**£122m**  
**Available  
credit facilities**

**£25m**  
**Retained  
bond held  
for sale**

## What to expect in the next six months:

We expect to see an increase in expenditure on stock investment in the next six months with more major works projects due to complete along with an upturn in repairs spend as we head into the Winter months. A full year spend of £23m on stock investment is being forecast which is an increase of £2m on the prior year.

Tight controls will remain in place on other operational expenditure to ensure we can deliver a strong operating surplus and an operating margin before surplus on disposals that is in line with the prior year.

We forecast to invest £42m in the year on new developments and deliver 93 new homes in the year. We also forecast to spend £3m on our IT programme to continue to improve our operating efficiency and the customer experience.

If you have any further questions please email [investor.relations@rhp.org.uk](mailto:investor.relations@rhp.org.uk).



