



## **Belong Limited – Trading Statement**

13 October 2022

Belong is today issuing its consolidated trading update for the year to 31 March 2022

### **Commenting on the results, Chris Hughes, Chief Finance Officer, said:**

“In what has been yet another year dominated by Covid I am pleased to report, from a financial perspective, that the performance has been good. The organisation has generated a net income of £1.3m despite income continuing to be lost due to some services being closed until the last quarter of the year. We have ended the year with an overall occupancy within our villages of 94.3% which compares favourably to the sector. This includes all seven villages, with our latest villages in Newcastle-under-Lyme and Didsbury now reaching mature household occupancy levels.

Our commitment to quality services continues to be recognised through consistently high public review scores. All our regulated services are rated overall by CQC as ‘Good’ or ‘Outstanding’. There are 43% of our regulated services rated as ‘Outstanding’ compared to a national average of 4%. We also retained our Investors in People ‘Gold’ accreditation during the past year.

Belong Chester which is a wholly owned freehold site opened on 18 July 2022. This village includes 72 household rooms, 23 apartments and a 25 place nursery, operated by Ready Generations, which we aim to fully integrate within the care village.

Construction at Belong Birkdale has recommenced. Belong Birkdale, which is a predominantly leased site, is expected to open in early 2024.

Enabling works at Belong Wirral, which is to be a virtual freehold with a peppercorn ground rent on completion, have been completed. Work is on-going with our preferred contractor under a Pre-Contract Services Agreement to develop the final tender for building works.

### **Key Points**

#### Performance

- Belong continues to expand its operations in line with its strategic business plan.
- Belong operated seven established villages by the end of the financial year, with Belong Newcastle-under-Lyme and Belong Didsbury reaching mature occupancy levels by March 2023.
- In addition, at the end of the financial year Belong was developing three further villages in Chester (opened July 2022), Birkdale and Wirral.
- All our regulated services are rated ‘Good’ or ‘Outstanding’.

#### Awards

- Belong was awarded the ‘Best Care Provision’ at the Health Investor Senior Housing Awards and the ‘Creative Arts’ award at the 3<sup>rd</sup> Sector Care Awards.
- Individual villages and team members were recognised in several regional/national awards.

## Financials

<b>Average Occupancy</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	Actual	Actual	Actual
Belong Established Villages	97.8%	92.1%	94.8%
Belong New <sup>1</sup> Villages	66.4%	69.4%	88.3%

<b>Household Fees</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	Actual	Actual	Actual
Belong Established Villages	£1,083	£1,145	£1,186
Belong New <sup>1</sup> Villages	£1,125	£1,164	£1,210

<b>Turnover</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	Actual	Actual	Actual
Belong Established Villages	£23.6m	£23.3m	£25.0m
Belong New <sup>1</sup> Villages	£6.5m	£7.1m	£9.6m
<b>Total</b>	<b>£30.1m</b>	<b>£30.4 m</b>	<b>£34.6m</b>

<b>EBITDAR<sup>2</sup></b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	Actual	Actual	Actual
Belong Established Villages	£7.1m	£6.3m	£6.6m
Belong New <sup>1</sup> Villages	£1.3m	£1.3m	£2.5m
Central Overhead	(£2.7m)	(£2.8m)	(£3.1m)
<b>Total</b>	<b>£5.7m</b>	<b>£4.8m</b>	<b>£6.0m</b>

We intend to arrange an investor update over the next two months when there will be opportunity to discuss the progress on the platform in more detail.

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<sup>1</sup> New villages are Belong Newcastle-under-Lyme and Belong Morris Feinmann and both reached mature occupancy by the end of the financial year 2022/23.

<sup>2</sup> Excludes Local Government Pension Scheme deficit payments of £0.7m.