



## **Belong Limited – Trading Statement**

9 August 2023

Belong is today issuing its consolidated trading update for the year to 31 March 2023

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

“I am pleased to report that the organisation had a positive £1.3m EBITDA for the year. This was down on the £4.4m returned in the previous year, reflecting the impact of higher costs on the business as well as the impact of the opening of Belong Chester. We expect the situation to improve over the financial year ending March 2024.

Belong Newcastle under Lyme and Belong Didsbury both reached mature occupancy during the year and are now classified as Established Villages. Household occupancy across the established villages improved over the year and we have ended the year with an overall household occupancy within these seven established villages of 94.9%, increased from 92.9% last year which continues to compare favourably to the sector. Community income streams continued to improve slowly post pandemic and have shown further progress in 2023/24.

Local Government Pension Scheme liabilities reduced significantly over the year. We have removed the risk associated with the Greater Manchester Pension Fund in the year and are currently reviewing our position with the Cheshire Pension Fund.

Our commitment to quality services continues to be recognised through consistently high public review scores. Over 90%<sup>1</sup> of all our regulated services are rated overall by CQC as ‘Good’ or ‘Outstanding’. 43%<sup>1</sup> of our regulated services are rated as ‘Outstanding’ compared to a national average of 4%. We were disappointed to receive a ‘requires improvement’ rating in Belong Warrington, we have been working through an improvement plan and now await reinspection from the CQC. We also continue to hold a ‘Gold’ Investors in People accreditation.

Belong Chester which is a wholly owned freehold site opened on 18 July 2022. This village includes 72 household rooms across six households, 23 apartments and a 25-place pre-school nursery, operated by Ready Generations. At the end of March 2023, the village had three households open with 27 residents residing in those households, 22 of the 23 apartments were also occupied at the end of March 2023. This performance is in line with our business plan which anticipates a build up to mature household occupancy within 3 years of opening.

Construction at Belong Birkdale continues. Belong Birkdale, which is a predominantly leased site, is expected to open in late 2024.

### **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, Belong Chester continues to fill post opening and Birkdale continues to be developed.

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<sup>1</sup> Excludes Belong Chester which is yet to have undertaken its first CQC inspection.

## Awards

- Belong was awarded the 'Palliative Care Award' at the Great British Care Awards 2022 and the 'Above and Beyond Team of the Year' at the Stars of Social Care Awards 2023.
- Individual villages and team members were recognised in several regional/national awards.

## Financials

<b>Average Occupancy</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	Actual	Actual	Actual
Belong Established Villages	92.1%	94.8%	94.9%
Belong New <sup>2</sup> Villages	69.4%	88.3%	n/a
Belong Chester Village	n/a	n/a	16.8%

<b>Household Fees</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	Actual	Actual	Actual
Belong Established Villages	£1,145	£1,186	£1,289
Belong New <sup>2</sup> Villages	£1,164	£1,210	n/a
Belong Chester Village	n/a	n/a	£1,251

<b>Turnover</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	Actual	Actual	Actual
Belong Established Villages	£24.6m	£25.2m	£38.0m
Belong New <sup>2</sup> Villages	£7.1m	£9.6m	n/a
Belong Chester Village	n/a	n/a	£0.9m
<b>Total</b>	<b>£31.7m</b>	<b>£34.8m</b>	<b>£38.9m</b>

<b>EBITDA</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	Actual	Actual	Actual
Belong Established Villages	£6.1m	£6.3m	£7.3m
Belong New <sup>2</sup> Villages	£1.3m	£2.5m	n/a
Belong Chester Village	n/a	n/a	(£0.9m)
Central Overhead	(£2.9m)	(£3.4m)	(£4.0m)
Rent	(£1.0m)	(£1.0m)	(£1.1m)
<b>Total</b>	<b>£3.5m</b>	<b>£4.4m</b>	<b>£1.3m</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>2</sup> New villages are Belong Newcastle-under-Lyme and Belong Morris Feinmann. These two villages are included within the Established Villages for 2022/23.