

Summary financial statements 2019/20



Statement of comprehensive income (SOCl) (£m)	2016	2017	2018	2019	2020
Turnover	350.5	315.7	339.6	450.2	364.4
Operating costs	(237.2)	(223.7)	(244.7)	(333.9)	(317.0)
Surplus on fixed asset disposals	45.0	63.8	63.8	51.5	111.3
Surplus on sale of investment property	(0.3)	0.2	2.4	2.2	3.3
Share of surplus of joint ventures	-	5.3	-	13.7	13.5
Operating surplus	158.0	161.3	161.1	183.7	175.5
Net financing costs (excluding the impact of derivatives)	(66.0)	(68.4)	(70.1)	(65.7)	(59.9)
Other income/cost	(0.3)	(0.2)	(0.6)	(0.3)	(0.4)
Surplus before break costs, impact of derivatives and tax ("Underlying surplus")	91.7	92.7	90.4	117.7	115.2
Margin on underlying surplus	26.2%	29.4%	26.6%	26.1%	31.6%
Break costs	-	-	(88.9)	(6.8)	-
Fair value adjustments	4.0	5.7	0.4	3.5	0.5
Surplus before impact of derivatives and tax	95.7	98.4	1.9	114.4	115.7
Margin on surplus before impact of derivatives and tax	27.3%	31.2%	0.6%	25.4%	31.8%
Impact of derivatives	(73.3)	(36.8)	26.2	(4.2)	(30.3)
Surplus for the year before tax	22.4	61.6	28.1	110.2	85.4

Our underlying surplus of £115.2m, which is consistent with 2018/19, demonstrates our strong financial delivery for the year and our sustained financial performance over the last five years.

Cash flow (£m)	2016	2017	2018	2019	2020
Cash flow from operating activities	65.1	104.6	177.7	262.2	350.7
Cash flow from investing activities	(49.4)	(116.1)	(153.4)	(55.3)	(148.7)
Cash flow from financing activities	(75.0)	(31.4)	11.6	(176.1)	(163.1)
Net change in cash and cash equivalents	(59.3)	(42.8)	36.0	30.7	38.9

Cash flow from operating activities of £350.7m (2018/19: £262.2m) increased from 2018/19 by £88.5m.

Surplus reconciliation - SOCl to management (£m)	March 2019	March 2020
Surplus before tax and impact of derivatives per SOCl	114.4	115.7
Add back adjusting items:		
Net fire safety works	16.8	20.2
Inventory impairment	-	9.5
Housing asset impairment and one-off items	-	8.3
COVID-19 increase in bad debt provision	-	7.7
Pension interest costs	0.3	0.4
Break costs	6.8	-
Fair value adjustments on investments and investment properties	(3.5)	(0.5)
Total adjusted surplus	134.8	161.3

The surplus calculated in our management reporting ("adjusted surplus") of £161.3m is 19.6% higher than last year and demonstrates our strong performance.

Statement of financial position (£m)	2016	2017	2018	2019	2020
Housing properties net of depreciation	2,764.3	2,895.4	2,954.4	2,948.4	3,042.9
Long-term assets	131.0	136.5	159.6	136.7	134.7
Total non-current assets	2,895.3	3,031.9	3,114.0	3,085.1	3,177.5
Net current assets	147.0	129.3	219.1	331.4	266.6
Total assets less current liabilities	3,042.3	3,161.2	3,333.1	3,416.5	3,444.1
Grant	(1,114.0)	(1,085.3)	(1,083.1)	(1,095.2)	(1,110.2)
Long-term loans	(1,267.2)	(1,307.4)	(1,593.1)	(1,576.2)	(1,491.8)
Other long-term creditors	(355.4)	(413.9)	(261.3)	(240.7)	(233.0)
Net assets	305.7	354.6	395.6	504.4	609.1
Reserves	305.7	354.6	395.6	504.4	609.1

Net assets and reserves strengthened a further 20.9% to £609.1m (2018/19: £504.4m). Our reserves have doubled over the past five years and we will use these to support reinvestment into our business and to meet the ambitions of our long term Strategic Plan.