

Report to: Governance and Finance Sub Committee 20th October 2022

Prepared by: Gary Watson, Finance Manager

Subject: Management Accounts to 30.09.22

A short narrative has been included with the Management Accounts; the report is a summary of the financial statements to 30.09.22.

STATEMENT OF COMPREHENSIVE INCOME

The Association is reporting a surplus of £25,122 as at 30th September 2022. The variance reported is mainly due to the following:

- less overhead costs,
- less cyclical and major repair costs,
- less costs in relation to Welfare Rights Service,
- offset by increase in reactive costs.

STATEMENT OF FINANCIAL POSITION

The Association has spent just over £109,000 on major components in the year. A program of works has been completed with several boilers, kitchens and bathrooms upgraded. In addition £9,000 has been incurred on a replacement door entry system.

Costs of just over £7,500 have been incurred on refurbishment costs for the server room, video conferencing equipment and consultancy for the new business system.

The Association can report a healthy cash balance of £2.1M as at 30th September 2022. A projected cash balance of £1.9M is estimated at Mar 23.

The Association has one remaining loan with the Triodos Bank, capital repayments continue as planned and the outstanding balance has reduced to £0.803M.

The Association continues to repay the pension deficit and a total of £49,000 has paid in the year to date. Further to the recent valuation update from SHAPS, the deficit payment plan will cease from September 2022.

The November budget review will be completed and presented to committee in due course.

The total reserves as at 30th September 2022 were £3.2M.

Notes to Management Accounts:**OVERHEADS****1. Employee Costs - Budget £415,352 Actual £378,404 Difference £36,948**

Less overtime and Property Maintenance staff costs. Employment Allowance grant of £5,000 has been accepted and was claimed in Q2.

2. Office Repairs and Supplies – Budget £2,600 Actual £1,306 Difference £1,294

Less costs have been incurred in this area of the budget.

3. Subscriptions- Budget £18,785 Actual £25,025 Difference £-6,240

Costs in relation to GWSF Subscription was incurred earlier than was budgeted and Data Protection costs have been included.

4. Audit Fees- Budget £9,240 Actual £0 Difference £0

No costs have been received yet for internal audit work although some audits have been completed. Work relating to external audit checks for new system have yet to be completed resulting in positive variance.

5. Postage Stationery and Printing - Budget £7,100 Actual £5,187 Difference £1,913

Less costs incurred in this area of the budget.

6. Sundry Expenses -Budget £5,660 Actual £3,944 Difference £1,716

Less costs incurred in respect of safety clothing and document scanning.

DIRECT COSTS**7. Insurance Costs- Budget £54,000 Actual £51,346 Difference £2,654**

Insurance costs for the year received in May 22. Underspend of just under £2,000 and includes recharges to owners.

8. Reactive Repair Costs- Budget £58,050 Actual £91,928 Difference £-33,878

Increased costs in this area of the budget but owner recharges will be completed in November factoring run.

9. Cyclical Repairs- Budget- £85,500 Actual £52,831 Difference £32,669

Less costs incurred in this area. Painting programs have been delayed resulting underspend in this area. Less costs for attic tanks and electrical works.

10. Void Reactive Repairs Budget £29,000 Actual £23,902 Difference £5,098

Less void repair work required so far this year.

11. Major Repairs – Budget £90,000 Actual £52,147 Difference £37,853

Less costs in this area in respect to insulation works and stoneworks. Costs include work on chimneys and EPC inspections. Detailed report will be provided by Property Services.

12. Welfare Rights Service- Budget £10,500 Actual £1,310 Difference £9,190

Less costs in this area. The Association stopped receiving Welfare Rights services from October 2021 but services will resume October/November 22. Money advice services have continued.

13. Consultancy Fees – Budget £8,750 Actual £2,955 Difference £5,795

Less costs incurred in this area.

STATEMENT OF COMPREHENSIVE INCOME**14. Service Charges- Budget £50,761 Actual £42,021 Difference £8,740**

Some costs in relation to services have yet to be received.

15. Bad debts – Budget £10,000 Actual £186 Difference £9,814

A small write off has been completed but budget area is showing positive variance.

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 30TH SEPTEMBER 2022

	BUDGET					
	TO	ACTUAL TO	DIFF	DIFF	Note	22-23
	30.09.22	30.09.22		%		
Operating Costs						
Employee Costs	415,352	378,404	36,948	9%	1	830,704
Overheads						
Rent Rates & Insurance	7,350	6,630	720	10%		10,500
Heating, Lighting, Cleaning	7,500	6,001	1,499	20%		15,000
Telephones	3,250	2,861	389	12%		6,500
Office Repairs & Supplies	2,600	1,306	1,294	50%	2	5,200
Recruitment Costs	1,500	1,439	61	0%		3,000
Travel	500	304	196	39%		1,000
Subscriptions	18,785	25,025	-6,240	-33%	3	22,100
Course & Conf Exp	5,200	6,359	-1,159	-22%		10,400
Audit Fees	9,240	0	9,240	0%	4	28,000
Postage, Stationery, Printing	7,100	5,187	1,913	27%	5	14,200
Computer Costs	53,597	55,231	-1,634	-3%		68,714
Bank Charges	3,800	2,572	1,228	32%		7,600
Depreciation on fixtures and fittings	16,907	16,907	0	0%		33,813
Depreciation Office Premises	3,030	3,030	0	0%		6,061
Sundry Expenses	5,660	3,944	1,716	30%	6	11,792
Legal Expenses	1,550	861	689	44%		3,100
Marketing & Tenant Participation Costs	1,277	0	1,277	0%		5,108
	148,846	137,657	11,189			
Total Admin Costs.	564,198	516,061	48,137			1,082,792

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 30TH SEPT 2022

Direct Costs

Property Insurance	54,000	51,346	2,654	5%	7	54,000
Legal fees-Rents	1,000	1,577	-577	-58%		2,000
Council tax Vacant Flats	300	0	300	100%		600
Other Factoring Costs	800	117	683	85%		1,600
Legal fees - Factoring	600	0	600	100%		1,200
Factoring Write Offs	0	0	0	0%		300
Reactive Repairs	58,050	91,928	-33,878	-58%	8	129,000
Cyclical Repairs	85,500	52,831	32,669	38%	9	171,000
Void Reactive\Major Repairs	29,000	23,902	5,098	18%	10	58,000
Major Repairs	90,000	52,147	37,853		11	225,000
Legal Fees - Gas Servicing	500	0	500	100%		1,000
Key Purchase	150	343	-193	-129%		300
Welfare Rights	10,500	1,310	9,190	88%	12	21,000
Consultancy fees	8,750	2,955	5,795	-100%	13	17,500
	<u>339,150</u>	<u>278,456</u>	<u>60,694</u>			
Total Operating Costs	903,348	794,517	108,831			682,500

YORKHILL HOUSING ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME 30/09/2022

	BUDGET TO 30.09.22	ACTUAL TO 30.09.22	VARIANCE	VARIANCE %	NOTE	YEAR
Rents Receivable	923,890	926,751	2,861	0%		1,847,780
Service Income	50,761	48,099	-2,662	-5%		101,523
Rent Overnewton St. Office	6,429	6,250	-179	-3%		12,858
	981,080	981,100	20			1,962,161
Voids -	-7,853	-7,981	-128	2%		-15,706
Voids - Services	-431	-590	-159	37%		-863
	972,796	972,529	-267			1,945,592
Amortisation of HAG	142,932	142,932	0			285,864
Management Fees	12,047	10,118	-1,929	-16%		80,315
Admin fee - Major Repairs	931	0	-931	-100%		2,000
Admin fee - Processing Sales	1,861	2,275	414	22%		4,000
Admin fee - fire alarm Testing	1,061	872	-189	-18%		2,280
Admin fee - Insurance	2,500	4,169	1,669	67%		2,500
Maintenance Allowances	625	0	-625			2,500
Total Income	1,134,753	1,132,895	-1,858	0%		2,325,051
Less: Operating Costs	903,348	794,517	108,831	12%		1,765,292
Service Costs - General Lettings	50,761	42,021	8,740	17%	14	101,523
Bad Debts	10,000	186	9,814		15	10,000
Depcn. HLB	257,685	257,685	0	0%		515,369
Total Expenditure	1,221,794	1,094,409	127,385			2,392,184
Operating Surplus/Deficit	-87,041	38,486	125,527			-67,133
Loss/Gain on Sale of Fixed Assets	0	0	0			0
Interest on investments	750	613	-137	0%		3,000
Interest payable	-13,771	-13,977	-206	1%		-27,542
Surplus/Deficit	-100,062	25,122	125,184			-91,675

YORKHILL HOUSING ASSOCIATION
STATEMENT OF FINANCIAL POSITION AS AT 30/09/2022

	2021/22	to 30/09/22	2022/23 BUDGET
TANGIBLE FIXED ASSETS			
Housing properties	6,913,807	6,765,234	7,174,667
Other Fixed Assets	423,919	411,492	432,306
	<u>7,337,726</u>	<u>7,176,726</u>	<u>7,606,973</u>
CURRENT ASSETS			
Debtors	254,664	127,783	265,712
Cash at bank and in hand	2,355,154	2,166,683	1,401,847
	<u>2,609,818</u>	<u>2,294,466</u>	<u>1,667,559</u>
<u>CREDITORS</u>			
Amounts falling due within one year	1,247,320	956,158	1,141,678
NET CURRENT ASSETS	<u>1,362,498</u>	<u>1,338,308</u>	<u>525,881</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>8,700,224</u>	<u>8,515,034</u>	<u>8,132,854</u>
CREDITORS			
Amounts falling due after more than one year	5,381,957	5,213,426	5,015,210
SHAPS DB Liability	53,000	12,322	166,466
NET ASSETS	<u>3,265,267</u>	<u>3,289,286</u>	<u>2,951,179</u>
CAPITAL AND RESERVES			
Called up share capital	106	105	103
Revenue reserves	3,265,161	3,289,181	2,951,076
	<u>3,265,267</u>	<u>3,289,286</u>	<u>2,951,179</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF CASH FLOW AS AT 30/09/2022

	2021/22	30/09/22	2022/23
			PROJECTED
Operating Surplus	122,745.0	38,486	(67,132.0)
Depcn & Amort	226,300.0	134,690	269,379.0
Inc/(Dec) in payables	99,364.0	-291,162	29,068.0
(Inc)/Dec in receivables	(23,735.0)	126,881.0	(6,460.0)
Net Cash from Operating Activities	424,674	8,895	224,855.0
Interest Received	2,473.0	613	3,000.0
Interest Paid	(36,166.0)	(13,977.0)	(27,542.0)
Return on Investment	-33,693	-13,364	(24,542.0)
Capital Expenditure & Financial Investment			
Construction or acquisition of Housing properties			
Improvement of Housing	(170,455.0)	(109,112.0)	(407,726.0)
Construction or acquisition of other Non-Current Assets	(43,448.0)	(7,510.0)	(55,000.0)
Sale of Social Housing Properties	0	0	0.0
Grants (Repaid) / Received	0	0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	-213,903	-116,622	(462,726.0)
NET CASH BEFORE FINANCING	177,078	-121,091	(262,413.0)
Financing	0.0		0.0
Equity drawdown	0.0	0	0.0
Debt drawdown	0.0	0	0.0
Debt repayment	(115,171.0)	(67,389.0)	(149,806.0)
Reserves Ajd re Auditors Journals		0.0	0.0
NET CASH FROM FINANCING	-115,171	-67,389	(412,219.0)
INCREASE / (DECREASE) IN NET CASH	61,907	-188,480	(674,632.0)
Cash Balance			
Balance Brought Forward	2,293,256.0	2,355,163	2,355,163.0
Increase / (Decrease) in Net Cash	61,907.0	-188,480	(412,219.0)
CLOSING BALANCE	2,355,163	2,166,683	1,942,944.0

ADDITIONAL NOTES:**TREASURY MANAGEMENT UPDATE AS AT 30/09/2022**

The Association has now one loan facility with the Triodos bank for £1.3M. The loan have been drawn down in full and a capital repayment schedule is in place. The amount outstanding as at 30 Sept 2022 Triodos was £858,057.

Total capital repayments of £25,600 have been made in the year towards the loan balances as at 30th September 2022.

The Association received interest of £613 in the year to date and paid interest of £13,977 on loan balance.

BANK BALANCES AS AT 30/09/2022

	£	
Bank of Scotland Current Account	380,454	
Bank of Scotland HOBS	531,408	0.05% per annum on account balance 1.65% on call 30 days until
Santander	220,356	01/11/2022
Nationwide	513,127	0.30% 1 year term deposit fixed until 23/02/2023
Bank of Scotland	521,138	0.5% 1 year term deposit fixed until 12/05/2023
Petty Cash	200	
	<u>2,166,683</u>	

DEBTOR ANALYSIS

Factoring Arrears	24,534
Rent Arrears	150,532
Prepayments	15,619
Tenant Recharges	7,902
Insurance Claims	11,300
Parking Permits	450
Overnewton Community Centre	21,077
Prov for Bad Debts	<u>-103,631</u>
	<u>127,783</u>

CREDITOR ANALYSIS (amounts due within one year)

Purchase Ledger	20,862
Sundry Creditors	40,470
Rent Prepayments	96,522
Factoring Prepayments	86,091
Overnewton Resident Fund Furniture and Equipment	97,140

Overnewton Resident Fund	6,935
Glasgow City Council Right to Buy Refund	274,401
	614,959
Loans due within 1 year	48,412
Deferred Grant within 1 year	285,325
	956,158

CREDITOR ANALYSIS (amounts due after one year)

Triodos Loan	809,645
Deferred Capital Grants	4,403,781
SHAPS deficit	12,322
	5,225,748