

Agenda item 4.1

REPORT TO GOVERNANCE, FINANCE AND STAFFING SUB-COMMITTEE

01st NOVEMBER 2019

SUBJECT: MANAGEMENT ACCOUNTS TO 30TH SEPT 2019

PREPARED AND PRESENTED BY: G. WATSON FINANCE MANAGER

Notes to Management Accounts:

OVERHEADS

1. Employee Costs - Budget £340,421 Actual £332,532 Difference £7,889

Less employee costs incurred due to employee national insurance contributions being less than was budgeted. The Housing Services Manager commenced employment later than was expected resulting in a slight underspend.

2. Rent Rates and Insurance- Budget £7,480 Actual £8,613 Difference £-1,133

Insurance services were tendered in May 19. The revised costs incurred were slightly higher than was budgeted.

3. Heating Lighting and Cleaning-Budget £6,250 Actual £4,714 Difference £1,536

Costs in relation to electricity charges for the office have yet to be received.

4. Subscriptions- Budget £4,250 Actual £17,613 Difference £-13,363

Costs relating to subscriptions re affiliated bodies have been incurred earlier than was budgeted, this will be rectified by year end.

5. Course and Conference Fees Expenses- Budget £5,750 Actual £2,307 Difference £3,443

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

6. Audit and Accountancy Fees - Budget £3,200 Actual £2,079 Difference £1,121

The Internal audit program commenced later than was budgeted therefore less spend to date.

7. Marketing and Tenant Participation costs- Budget £1767, Actual £0 Difference £1,767

No newsletters have been produced for this financial year, therefore no spend in this area of the budget.

DIRECT COSTS

8. Property Insurance - Budget £63,000 Actual £45,235 Difference £17,765

Insurance services were tendered in May 19. The revised costs incurred were lower than was budgeted. Will be reviewed during budget review in November 19.

9. Reactive Maintenance Costs- Budget £54,000 Actual £67,881 Difference £-13,881

More costs have been incurred in this area of the budget. Will be reviewed during budget review process.

10. Cyclical Repairs - Budget 115,710 Actual £103,740 Difference £11,970

Less costs have been spent on the smoke alarm replacement program at this stage in the budget. All other costs are on budget.

11. Void/Major reactive repairs Budget £27,500 Actual £22,742 Difference £4,758

At as 30/09/19 a total of 27 void properties were reported for the year. Therefore costs of repairs are less than anticipated.

12. Major Repairs - Budget £55,900 Actual £39,122 Difference £16,778

Less costs have been incurred in relation to Stonework's however this reduction has been offset by additional costs for deafening insulation works and roof repairs. Overall this budget area is underspent at the end of the quarter 2. The budgeted figure reported at the Services Sub Committee is lower and will be rectified at Budget Review.

13. Consultancy/Professional fees- Budget £5,000 Actual £7,088 Difference £-2,088

More costs incurred in this budget area. Costs include fees re SHAPS disclosure report re Pension deficit liability and Residents Survey costs. Costs in relation to advice re internal audit tendering were not included in the budget.

STATEMENT OF COMPREHENSIVE INCOME

14. Voids- Budget £8,599 Actual £5,393 Difference £3,206

The actual void loss rate is 0.59% compared to budget rate of 1.00%.

15. Service Costs- Budget £44,150 Actual £46,952 Difference £-2,802

Some costs in relation to services are higher than was budgeted and will be highlighted in future Housing Management reports.

16. Bad Debts – Budget £12,500 Actual £0 Difference £12,500

No bad debts have been written off in this financial year to date, although a full review will be completed for Quarter 3.

17. Surplus

The Association is reporting a surplus of £177,515 as at 30th September 2019. This compares with a budgeted surplus of £126,826 a positive variance of £50,829.

MANAGEMENT ACCOUNTS 30TH SEPT 2019

	BUDGET TO 30.09.19	ACTUAL TO 30.09.19	DIFF	DIFF %	Note	Projected 19/20
Operating Costs						
Employee Costs	340,421	332,532	7,889	2%	1	680,842
Overheads						
Rent Rates & Insurance	7,480	8,613	-1,133	-15%	2	8,500
Heating, Lighting, Cleaning	6,250	4,714	1,536	25%	3	12,500
Telephones	2,500	2,111	389	16%		5,000
Office Repairs & Supplies	2,500	1,843	657	26%		5,000
Recruitment Costs	500	165	335	67%		1,000
Travel	500	491	9	2%		1,000
				-		
Subscriptions	4,250	17,613	-13,363	314%	4	17,000
Course & Conf Exp	5,750	2,307	3,443	60%	5	11,500
Audit Fees	3,200	2,079	1,121	35%	6	20,000
Postage, Stationery, Printing	5,750	5,885	-135	-2%		11,500
Computer Costs	20,960	19,977	983	5%		26,200
Bank Charges	3,500	3,940	-440	-13%		7,000
Depreciation on fixtures and fittings	0	0	0	0%		15,300
Depreciation Office Premises	0	0	0	0%		9,500
Sundry Expenses	6,000	6,501	-501	-8%		12,500
Legal Expenses	1,500	442	1,058	71%		3,000
Marketing & Tenant Participation Costs	1,767	0	1,767	100%	7	5,700
	<u>72,407</u>	<u>76,681</u>	<u>-4,274</u>			
Total Admin Costs.	<u>412,828</u>	<u>409,213</u>	<u>3,615</u>			<u>853,042</u>
Direct Costs						
Property Insurance	63,000	45,234	17,766	28%	8	63,000
Legal fees-Rents	2,500	0	2,500	100%		5,000
Council tax Vacant Flats	300	0	300	100%		600
Other Factoring Costs	780	0	780	100%		1,560
Legal fees - Factoring	1,948	2,053	-105	-5%		3,896
Factoring Write Offs	0	0	0	0%		300
Reactive Repairs	54,000	67,881	-13,881	-26%	9	120,000
Cyclical Repairs	115,710	103,740	11,970	10%	10	199,500
Void Reactive Repairs	17,500	22,362	-4,862	-28%	11	35,000
Void Major Repairs	10,000	380	9,620	96%	11	20,000
Major Repairs	55,900	39,121	16,779	30%	12	215,000
Legal Fees - Gas Servicing	535	240	295	55%		1,070
Key Purchase	150	196	-46	-31%		300
Welfare Rights	10,000	9,204	796	8%		20,000
				-		
Consultancy fees	5,000	7,088	-2,088	100%	13	10,000
	<u>337,323</u>	<u>297,499</u>	<u>39,824</u>			<u>695,226</u>
Total Operating Costs	<u>750,151</u>	<u>706,712</u>	<u>43,439</u>			<u>1,548,268</u>

Yorkhill Housing Association
Income & Expenditure Account as at
30/09/2019

	BUDGET TO 30.09.19	ACTUAL TO 30.09.19	DIFFERENCE	% DIFFERENCE		Projected 19/20
Rents Receivable	862,250	863,061	811	0%		1,724,500
Service Income	44,150	44,234	84	0%		88,300
Rent Overnewton St. Office	6,000	6,000	0	0%		12,000
	912,400	913,295	895			1,824,800
Voids -	-7,329	-5,496	1,833	-25%	14	-14,658
Voids - Services	-1,270	103	1,373	-108%	14	-2,540
	903,801	907,902	4,101			1,807,602
Amortisation of HAG	0	0	0			292,779
Management Fees	35,429	34,442	-987	-3%		70,857
Admin fee - Major Repairs	931	430	-501	-54%		2,000
Admin fee - Processing Sales	1,861	1,095	-766	-41%		4,000
Admin fee - fire alarm Testing	465	705	240	52%		1,000
Maintenance Allowances	0	0	0	0%		1,500
Total Income	942,487	944,574	2,087			2,179,738
Less: Operating Costs	750,151	706,712	43,439	6%		1,548,268
Service Costs - General Lettings	44,150	46,952	-2,802	-6%	15	88,300
Bad Debts	12,500	0	12,500	100%	16	25,000
Depcn. HLB	0	0	0	0%		496,654
Total Expenditure	806,801	753,664	53,137			2,158,222
Operating Surplus/Deficit	135,686	190,910	55,224			21,516
Loss/Gain on Sale of Fixed Assets	0	0	0			
Interest on investments	10,000	5,229	-4,771	-48%		20,000
Interest payable	-19,000	-18,624	376	-2%		-38,000
Surplus	126,686	177,515	50,829		17	3,516

YORKHILL HOUSING ASSOCIATION**STATEMENT OF FINANCIAL POSITION AS AT 30/09/2019**

	2018/2019	to 30/09/19	Projected 2019/20
TANGIBLE FIXED ASSETS			
Housing properties	7,696,030	7,834,424	7,618,162
Other Fixed Assets	466,635	466,636	475,139
	<u>8,162,665</u>	<u>8,301,060</u>	<u>8,093,301</u>
CURRENT ASSETS			
Debtors	221,303	146,759	202,475
Cash at bank and in hand	2,508,548	2,154,458	2,046,375
	<u>2,729,851</u>	<u>2,301,217</u>	<u>2,248,850</u>
CREDITORS			
Amounts falling due within one year	1,129,843	940,909	1,081,732
NET CURRENT ASSETS	<u>1,600,008</u>	<u>1,360,308</u>	<u>1,167,118</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>9,762,673</u>	<u>9,661,368</u>	<u>9,260,419</u>
CREDITORS			
Amounts falling due after more than one year	6,590,025	6,311,204	6,316,153
SHAPS DB Liability	348,000	348,000	0
NET ASSETS	<u>2,824,648</u>	<u>3,002,164</u>	<u>2,944,266</u>
CAPITAL AND RESERVES			
Called up share capital	126	127	130
Revenue reserves	2,824,522	3,002,037	2,944,136
	<u>2,824,648</u>	<u>3,002,164</u>	<u>2,944,266</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF CASH FLOW AS AT 30/09/2019

	2018/19	to 30.09.2019
Operating Surplus	261,256.0	190,910
Depcn & Amort	195,201.0	0
Inc/(Dec) in payables	93,524.0	(188,934.0)
(Inc)/Dec in receivables	(20,481.0)	74,544.0
Net Cash from Operating Activities	529,500	76,520
Interest Received	10,493.0	5,229
Interest Paid	(39,017.0)	(18,624.0)
Return on Investment	-28,524	-13,395
Capital Expenditure & Financial Investment		
Construction or acquisition of Housing properties		
Improvement of Housing	(181,713.0)	(138,393.0)
Construction or acquisition of other Non-Current Assets	(11,678.0)	0
Sale of Social Housing Properties	0	0
Grants (Repaid) / Received	7909	0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	-185,482	-138,393
NET CASH BEFORE FINANCING	315,494	(75,268.0)
Financing	0.0	0
Equity drawdown	0.0	0
Debt drawdown	0.0	0
Debt repayment	(154,082.0)	(278,821.0)
Reserves Ajd re Auditors Journals	0.0	0.0
NET CASH FROM FINANCING	-154,082	-278,821
INCREASE / (DECREASE) IN NET CASH	161,412	-354,089
Cash Balance		
Balance Brought Forward	2,347,135.0	2,508,547
Increase / (Decrease) in Net Cash	161,412.0	-354,089
CLOSING BALANCE	2,508,547	2,154,458

TREASURY MANAGEMENT UPDATE AS AT 30/09/2019

The Association redeemed the Nationwide loan facility of £0.450m on 02/09/19. The final loan balance was £270,210 and this payment was settled in full.

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 at 30/09/19 with Triodos was £1.005M.

Total capital repayments of £278,821 have been made in the year towards the loan balances as at 30/09/19.

The Association paid loan interest of £18,364 in the year to date which was as budgeted. Investment income of £5,229 which is less than was budgeted due to maturity dates of the investments.

BANK BALANCES AS AT 30/09/2019

Bank of Scotland Current Ac	319,470	
Bank of Scotland HOBS	600,828	0.20% per annum on account balance
Santander	215,755	1.15% 1 year term deposit fixed until 07/05/2020
Nationwide	503,720	0.80% 1 year term deposit fixed until 06/02/2020
Bank of Scotland	514,485	1.15% 1 year term deposit fixed until 08/05/2020
Petty Cash	200	
	<u>2,154,458</u>	

DEBTOR ANALYSIS

Factoring Arrears	24,044
Rent Arrears	128,691
Tenant Recharges	5,354
Insurance Claims	6,172
Prepayment and Accruals	30,040
Parking Permits	3,199
Overnewton Community Centre	9,737
Prov for Bad Debts	-60,478
	<u>146,759</u>

CREDITOR ANALYSIS (amounts due within one year)

Purchase Ledger	57,589
Sundry Creditors	40,215
Rent Prepayments	76,953
Factoring Prepayments	82,568
Overnewton Resident Fund Furniture and Equipment	69,723
Overnewton Resident Fund	3,696
Glasgow City Council Right to Buy Refund	<u>274,402</u>
	605,146
Loans due within 1 year	42,763
Deferred Grant within 1 year	<u>293,000</u>
	<u>940,909</u>

CREDITOR ANALYSIS (amounts due after one year)

Triodos Loan	963,014
Deferred Capital Grants	5,348,190
SHAPS deficit	<u>348,000</u>
	<u>6,659,204</u>

