

Agenda Item 4.1

**REPORT TO GOVERNANCE, FINANCE AND STAFFING SUB-COMMITTEE 6TH
AUGUST 2020**

SUBJECT: MANAGEMENT ACCOUNTS TO 30TH JUNE 2020

PREPARED BY: G. WATSON FINANCE MANAGER

Notes to Management Accounts:**OVERHEADS****1. Employee Costs - Budget £183,141 Actual £168,174 Difference £14,967**

Less employee costs incurred due to employee national insurance contributions being less than was budgeted. In addition less overtime costs have been incurred and one staff member did not join the Pension Scheme as expected.

2. Subscriptions - Budget £3,640, Actual £13,556 Difference £-9,916

Some subscriptions have been accrued earlier than was expected but will be rectified throughout the year.

3. Course and Conference Fees - Budget £2,683 Actual £3,727 Difference £-1,045

Costs higher than was budgeted in this area.

4. Accountancy and Audit Fees - Budget £1,856 Actual £3,748 Difference £-1,892

Costs relating to SHAPS report were incurred earlier than was expected. Three year internal audit program continues in 20/21 with costs of £950 incurred so far this year.

5. Computer costs- Budget £16,530 Actual £15,163 Difference £1,367

Costs relating to IT support contract and payroll software for June 20 have yet to be received.

6. Sundry expenses- Budget £2,550 Actual £583 Difference £1,967

Less expenses incurred as a result of reduced staff in office and document scanning exercise for year-end yet to take place.

DIRECT COSTS**7. Property Insurance - Budget £50,000 Actual £38,974 Difference £11,026**

Less costs incurred in this area to date. Some costs were not accrued at year end but Auditor adjustment will rectify.

8. Reactive Repairs-Budget £24,720 Actual £4,220 Difference £20,500

Less costs incurred in this area as reactive repairs program is reduced as a result of pandemic.

9. A Void/Major reactive repairs- Budget £12,500 Actual £3,966 Difference £8,534

Less void properties were reported in the year to date, therefore costs of repairs are lower than was anticipated.

10. Major Repairs- Budget £14,080 Actual £0 Difference £14,080

Program of works on hold as result of pandemic, no spend in this area to date.

11. Welfare Rights Service- Budget £6,250 Actual £0 Difference £6,250

No costs received as yet for welfare rights or money advice services however services have continued throughout lockdown period.

STATEMENT OF COMPREHENSIVE INCOME**12. Management Fees- Budget £33,165 Actual £8,836 Difference £-24,329**

Budgeted Management Fees are overstated at this stage in the year but will be rectified during next invoice run in December. The actual figure of £8,826 reported is accurate.

13. Bad Debts – Budget £6,250 Actual £0 Difference £6,250

No bad debts have been written off in this financial year to date.

14. Surplus

The Association is reporting a surplus of £90,498 as at 30th June 2020. This compares with a budgeted surplus of £43,674 a positive variance of £46,825.

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 30TH JUNE
2020

	BUDGET TO 30.06.20	ACTUAL TO 30.06.20	DIFF	DIFF %	Note	20-21
<u>Operating Costs</u>						
Employee Costs	183,141	168,174	14967	8%	1	732,565
Overheads						
Rent Rates & Insurance	10,080	9,392	688	7%		25,200
Heating, Lighting, Cleaning	3,188	3,281	-94	-3%		12,750
Telephones	1,275	1,119	156	12%		5,100
Office Repairs & Supplies	1,275	0	1,275	100%		5,100
Recruitment Costs	0	0	0	0%		2,000
Travel	275	0	275	100%		1,100
Subscriptions	3,640	13,556	-9,916	-272%	2	18,200
Course & Conf Exp	2,683	3,727	-1,045	-39%	3	10,730
Audit Fees	1,856	3,748	-1,892	0%	4	23,200
Postage, Stationery, Printing	3,125	3,886	-761	-24%		12,500
Computer Costs	16,530	15,163	1,367	8%	5	27,550
Bank Charges	1,788	1,476	311	17%		7,150
Depreciation on fixtures and fittings	4,426	4,426	0	0%		17,704
Depreciation Office Premises	2,375	2,375	0	0%		9,501
Sundry Expenses	2,550	583	1,967	77%	6	12,750
Legal Expenses	750	821	-71	-9%		3,000
Marketing & Tenant Participation Costs	0	0	0	0%		5,820
	<u>55,815</u>	<u>63,553</u>	<u>-7,738</u>			
Total Admin Costs.	<u>238,956</u>	<u>231,727</u>	<u>7,229</u>			<u>931,920</u>

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 30TH JUNE 2020

Direct Costs

Property Insurance	50,000	38,974	11,026	22%	7	50,000
Legal fees-Rents	1,275	360	915	72%		5,100
Council tax Vacant Flats	154	0	154	100%		615
Other Factoring Costs	398	398	0	0%		1,591
Legal fees - Factoring	1,016	0	1,016	100%		4,066
Factoring Write Offs	0	0	0	0%		300
Reactive Repairs	24,720	4,220	20,500	83%	8	123,600
Cyclical Repairs	21,980	25,090	-3,110	-14%		157,000
Void Reactive\Major Repairs	12,500	3,966	8,534	68%	9	50,000
Major Repairs	14,080	0	14,080	100%	10	128,000
Legal Fees - Gas Servicing	268	0	268	100%		1,070
Key Purchase	75	0	75	100%		300
Welfare Rights	6,250	0	6,250	100%	11	25,000
Consultancy fees	0	240	-240	-100%		35,000
	<u>132,716</u>	<u>73,248</u>	<u>59,468</u>			
Total Operating Costs	371,672	304,975	66,697			581,642

YORKHILL HOUSING ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME 30/06/2020

	BUDGET TO 30.06.20	ACTUAL TO 30.06.20	DIFFERENCE	DIFFERENCE %	NOTE	2020/21
Rents Receivable	442,625	441,993	-632	0%		1,770,500
Service Income	22,843	22,610	-233	-1%		91,373
Rent Overnewton St. Office	3,063	3,063	1	0%		12,250
	<u>468,531</u>	<u>467,666</u>	<u>-865</u>			<u>1,874,123</u>
Voids -	-3,762	-4,416	-653	17%		-15,049
Voids - Services	-648	-68	580	-90%		-2,591
	<u>464,121</u>	<u>463,182</u>	<u>-938</u>			<u>1,856,483</u>
Amortisation of HAG	73,250	73,250	0			293,001
Management Fees	33,165	8,836	-24,329	-73%	12	73,700
Admin fee - Major Repairs	576	1,165	589	102%		2,000
Admin fee - Processing Sales	1,152	365	-787	-68%		4,000
Admin fee - fire alarm Testing	432	0	-432	-100%		1,500
Maintenance Allowances	0	0	0	0%		2,500
Total Income	<u>572,695</u>	<u>546,798</u>	<u>-25,896</u>			<u>2,233,184</u>
Less: Operating Costs	371,672	304,975	66,697	18%		1,513,562
Service Costs - General Lettings	22,843	23,285	-442	-2%		91,373
Bad Debts	6,250	0	6,250	100%	13	25,000
Depcn. HLB	120,573	120,573	0	0%		482,291
Total Expenditure	<u>521,338</u>	<u>448,833</u>	<u>72,505</u>			<u>2,112,226</u>
Operating Surplus/Deficit	51,357	97,965	46,608			120,958
Loss/Gain on Sale of Fixed Assets	0	0	0			0
Interest on investments	0	362	362	0%		8,000
Interest payable	-7,683	-7,829	-146	2%		-30,733
Surplus	<u>43,674</u>	<u>90,498</u>	<u>46,825</u>		14	<u>98,225</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF FINANCIAL POSITION AS AT 30/06/2020

	2019/2020	30/06/20	Projected 2020/21
TANGIBLE FIXED ASSETS			
Housing properties	7,596,723	7,480,237	7,476,939
Other Fixed Assets	462,726	461,243	480,521
	<u>8,059,449</u>	<u>7,941,480</u>	<u>7,957,460</u>
CURRENT ASSETS			
Debtors	265,014	198,758	260,857
Cash at bank and in hand	2,211,587	2,023,183	1,746,196
	<u>2,476,601</u>	<u>2,221,941</u>	<u>2,007,053</u>
CREDITORS			
Amounts falling due within one year	1,264,175	886,259	1,054,620
NET CURRENT ASSETS	<u>1,212,426</u>	<u>1,335,682</u>	<u>952,433</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>9,271,875</u>	<u>9,277,162</u>	<u>8,909,893</u>
CREDITORS			
Amounts falling due after more than one year	6,017,080	5,931,872	5,675,673
SHAPS DB Liability	98,000	98,000	256,000
NET ASSETS	<u>3,156,795</u>	<u>3,247,290</u>	<u>2,978,220</u>
CAPITAL AND RESERVES			
Called up share capital	122	122	126
Revenue reserves	3,156,673	3,247,168	2,978,093
	<u>3,156,795</u>	<u>3,247,290</u>	<u>2,978,219</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF CASH FLOW AS AT 30/06/2020

	2019/20	30.06.2020	2020/21
Operating Surplus	146,289.0	97,965	120,957
Depreciation & Amortisation	203,231.0	54,124	216,495
Inc/(Dec) in payables	134,332.0	-377,916	-207,169
(Inc)/Dec in receivables	(43,711.0)	66,256.0	-25,029
Net Cash from Operating Activities	440,141	-159,571	105,254
Interest Received	13,338.0	362	8,000
Interest Paid	(42,474.0)	(7,829.0)	-30,733
Return on Investment	-29,136	-7,467	-22,733
Capital Expenditure & Financial Investment			
Construction or acquisition of Housing properties			
Improvement of Housing	(370,864.0)	(4,087.0)	-362,511
Construction or acquisition of other Non-Current Assets	(16,551.0)	(5,318.0)	-45,000
Sale of Social Housing Properties	0	0	0
Grants (Repaid) / Received	0	0	0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	-387,415	-9,405	-407,511
NET CASH BEFORE FINANCING	23,590	-176,443	-324,990
Financing	0.0	0	0
Equity drawdown	0.0	0	0
Debt drawdown	0.0	0	0
Debt repayment	(320,544.0)	(11,967.0)	-140,406
Reserves A/d re Auditors Journals	0.0	0.0	0
NET CASH FROM FINANCING	-320,544	-11,967	-465,396
INCREASE / (DECREASE) IN NET CASH	-296,954	-188,410	-790,386
Cash Balance			
Balance Brought Forward	2,508,547.0	2,211,593	2,211,593
Increase / (Decrease) in Net Cash	(296,954.0)	-188,410	-465,396
CLOSING BALANCE	2,211,593	2,023,183	1,746,197

TREASURY MANAGEMENT UPDATE AS AT 30/06/2020

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 June 2020 Triodos was £0.97M.

Total capital repayments of £11,967 have been made in the year towards the loan balances as at 30 June 2020.

The Association paid loan interest of £7,829 in the year to date which was as budgeted. The Association has received interest payments of £362.

BANK BALANCES AS AT 30/06/2020

Bank of Scotland Current Ac	275,272	
Bank of Scotland HOBS	501,315	0.01% per annum on account balance
Santander	218,243	0.45% 6 month term deposit fixed until 09/11/20
Nationwide	507,751	0.60% 1 year term deposit fixed until 07/02/21
Bank of Scotland	520,402	0.15% 6 month term deposit fixed until 09/11/20
Petty Cash	200	
	<u>2,023,183</u>	

DEBTOR ANALYSIS

Factoring Arrears	55,643
Rent Arrears *	173,415
Tenant Recharges	1,365
Insurance Claims	12,872
Parking Permits	650
Overnewton Community Centre	15,291
Provision for Bad Debts	<u>-60,478</u>
	<u>198,758</u>

*Rent Arrears increased by 19% from 31.03.20

CREDITOR ANALYSIS (amounts due within one year)

Purchase Ledger	58,148
Sundry Creditors	7,708
Rent Prepayments	60,522
Factoring Prepayments	66,521
Overnewton Resident Fund	
Furniture and Equipment	78,419
Overnewton Resident Fund	4,727
Glasgow City Council Right to Buy Refund	274,402
	<u>550,447</u>
Loans due within 1 year	48,412
Deferred Grant within 1 year	287,400
	<u>886,259</u>

CREDITOR ANALYSIS (amounts due after one year)

Triodos Loan	921,683
Deferred Capital Grants	5,009,939
SHAPS deficit	98,000
	<u>6,029,622</u>

