

**Agenda Item 6.1**

**REPORT TO GOVERNANCE, FINANCE AND STAFFING SUB-COMMITTEE 5<sup>TH</sup> NOVEMBER 2020**

**SUBJECT: MANAGEMENT ACCOUNTS TO 30<sup>TH</sup> SEPTEMBER 2020**

**PREPARED BY: G. WATSON FINANCE MANAGER**

**Notes to Management Accounts:****OVERHEADS****1. Employee Costs - Budget £366,283 Actual £357,679 Difference £8,604**

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. Rent Rates and Insurance - Budget £17,640 Actual £9,392 Difference £8,248**

The budget had assumed that additional office accommodation costs would have been required, however no costs incurred in this area to date.

**3. Staff Recruitment costs and travel - Budget £1500, Actual £0 Difference £1,500**

No spend required in this area. Staffing structure remains unchanged throughout pandemic and no staff/committee travel costs claimed.

**4. Subscription Fees - Budget £4,550 Actual £17,643 Difference £13,093**

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

**5. Postage, Printing and Stationery - Budget £6,250 Actual £9,179 Difference £2,929**

Increased costs in this area relate to signage for office re COVID requirements (£1,000), purchase of PPE and sanitisation for the office (£800) and franking machine and postage charges incurred earlier than expected (£1,200).

**6. Sundry expenses- Budget £6,120 Actual £2,589 Difference £3,261**

Less expenses incurred as a result of reduced staff in office and document scanning exercise for year- end accounts has been completed but yet to be invoiced.

**7. Marketing and Tenant Participation Costs Budgeted £1,455 Actual £0 Difference £1,455**

No newsletters have been published so far this financial year.

**DIRECT COSTS****8. 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 will be rectify at year end.

**9. Reactive Repairs-Budget £55,620 Actual £39,246 Difference £16,194**

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

**10. A Void/Major reactive repairs- Budget £25,000 Actual £27,959 Difference £2,959**

Void costs are higher than budgeted largely as a result of spend relating to 1243 Argyle Street. At as 30/09/20 a total of 10 void properties were reported for the year.

**11. Major Repairs- Budget £33,280 Actual £1,657 Difference £31,623**

Program of works on hold as result of pandemic, limited spend in this area to date.

**12. Welfare Rights Service- Budget £12,500 Actual £6,991 Difference 5,509**

No costs received as yet for Q2. However welfare rights and money advice services have continued throughout pandemic.

**13. Consultancy Fees Budget £17,500 Actual £240 Difference £17,260**

As a result of pandemic the planned common environmental works program has yet to begin therefore no consultant costs incurred in this area.

**STATEMENT OF COMPREHENSIVE INCOME****14. Voids- Budget £-8,820, Actual £-10,489 Difference £-1,669**

Void loss is higher than expected at this point in the financial year. Housing Management continue to monitor effects of Pandemic on void loss.

**15. Management Fees- Budget £36,850 Actual £9,117 Difference £-27,733**

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 £9,117 reported is accurate.

**16. Service Costs- Budget £45,686 Actual £51,924 Difference £6,238**

Some costs relate to financial year 19/20 and have been included in this financial year, will be rectified at year end process.

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

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

**18. Surplus**

The Association is reporting a surplus of £121,469 as at 30th September 2020. This compares with a budgeted surplus of £46,560 a positive variance of £74,908.

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 30TH SEPT 2020**

	<b>BUDGET</b>	<b>ACTUAL</b>				
	<b>TO</b>	<b>TO</b>	<b>DIFF</b>	<b>DIFF</b>	<b>Note</b>	<b>20-21</b>
	<b>30.09.20</b>	<b>30.09.20</b>		<b>%</b>		
<b>Operating Costs</b>						
<b>Employee Costs</b>	366,283	357,679	8,604	2%	1	732,565
<b>Overheads</b>						
Rent Rates & Insurance	17,640	9,392	8,248	47%	2	25,200
Heating, Lighting, Cleaning	6,375	6,216	159	2%		12,750
Telephones	2,550	2,688	-138	-5%		5,100
Office Repairs & Supplies	2,550	2,521	29	1%		5,100
Recruitment Costs	1,000	0	1,000	0%	3	2,000
Travel	550	0	550	100%	3	1,100
Subscriptions	4,550	17,643	-13,093	-288%	4	18,200
Course & Conf Exp	5,365	4,687	678	13%		10,730
Audit Fees	3,712	2,732	980	0%		23,200
Postage, Stationery, Printing	6,250	9,179	-2,929	-47%	5	12,500
Computer Costs	22,040	21,016	1,024	5%		27,550
Bank Charges	3,575	3,050	525	15%		7,150
Depreciation on fixtures and fittings	8,852	8,852	0	0%		17,704
Depreciation Office Premises	4,751	4,751	-1	0%		9,501
Sundry Expenses	6,120	2,859	3,261	53%	6	12,750
Legal Expenses	1,500	1,103	397	26%		3,000
Marketing & Tenant Participation Costs	1,455	0	1,455	0%	7	5,820
	<hr/>	<hr/>	<hr/>			
	98,835	96,689	2,146			
<b>Total Admin Costs.</b>	<hr/>	<hr/>	<hr/>			<hr/>
	465,117	454,368	10,749			931,920

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 30TH SEPT 2020**

**Direct Costs**

Property Insurance	50,000	38,359	11,641	23%	8	50,000
Legal fees-Rents	2,550	1,099	1,451	57%		5,100
Council tax Vacant Flats	705	0	705	100%		615
Other Factoring Costs	398	854	-456	-115%		1,591
Legal fees - Factoring	2,033	0	2,033	100%		4,066
Factoring Write Offs	0	0	0	0%		300
Reactive Repairs	55,620	39,426	16,194	29%	9	123,600
Cyclical Repairs	91,060	83,535	7,525	8%		157,000
Void Reactive\Major Repairs	25,000	27,959	-2,959	-12%	10	50,000
Major Repairs	33,280	1,657	31,623	95%	11	128,000
Legal Fees - Gas Servicing	535	0	535	100%		1,070
Key Purchase	150	89	61	41%		300
Welfare Rights	12,500	6,991	5,509	44%	12	25,000
Consultancy fees	17,500	240	17,260	-100%	13	35,000
	<u>291,331</u>	<u>200,209</u>	<u>91,122</u>			
<b>Total Operating Costs</b>	756,449	654,577	101,872			581,642

**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF COMPREHENSIVE INCOME 30/09/2020**

	<b>BUDGET TO 30.09.20</b>	<b>ACTUAL TO 30.09.20</b>	<b>DIFFERENCE</b>	<b>% DIFF</b>	<b>NOTE</b>	<b>YEAR</b>
Rents Receivable	885,250	885,840	590	0%		1,770,500
Service Income	45,686	45,345	-341	-1%		91,373
Rent Overnewton St. Office	6,125	6,126	1	0%		12,250
	<u>937,062</u>	<u>937,311</u>	<u>249</u>			<u>1,874,123</u>
Voids -	-7,525	-10,046	-2,521	34%	14	-15,049
Voids - Services	-1,296	-443	853	-66%	14	-2,591
	<u>928,241</u>	<u>926,822</u>	<u>-1,419</u>			<u>1,856,483</u>
Amortisation of HAG	146,501	146,501	-1			293,001
Management Fees	36,850	9,117	-27,733	-75%	15	73,700
Admin fee - Major Repairs	931	1,165	234	25%		2,000
Admin fee - Processing Sales	1,861	710	-1,151	-62%		4,000
Admin fee - fire alarm Testing	698	0	-698	-100%		1,500
Maintenance Allowances	625	0	-625	0%		2,500
<b>Total Income</b>	<u>1,115,707</u>	<u>1,084,315</u>	<u>-31,393</u>			<u>2,233,184</u>
<b>Less: Operating Costs</b>	756,449	654,577	101,872	13%		1,513,562
Service Costs - General Lettings	45,686	51,924	-6,238	-14%	16	91,373
Bad Debts	12,500	0	12,500	100%	17	25,000
Depcn. HLB	241,146	241,146	0	0%		482,291
<b>Total Expenditure</b>	<u>1,055,781</u>	<u>947,647</u>	<u>108,134</u>			<u>2,112,226</u>
<b>Operating Surplus/Deficit</b>	59,926	136,668	76,741			120,958
Loss/Gain on Sale of Fixed Assets	0	0	0			0
Interest on investments	2,000	362	-1,638	0%		8,000
Interest payable	-15,367	-15,561	-195	1%		-30,733
<b>Surplus</b>	<u>46,560</u>	<u>121,469</u>	<u>74,908</u>		18	<u>98,225</u>

**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION AS AT 30/09/2020**

	2019/2020	to 30/09/20	Projected 2020/21
<b>TANGIBLE FIXED ASSETS</b>			
Housing properties	7,596,723	7,377,026	7,476,939
Other Fixed Assets	462,726	460,370	480,521
	<u>8,059,449</u>	<u>7,837,396</u>	<u>7,957,460</u>
<b>CURRENT ASSETS</b>			
Debtors	241,877	120,302	260,857
Cash at bank and in hand	2,211,587	2,197,203	1,746,196
	<u>2,453,464</u>	<u>2,317,505</u>	<u>2,007,053</u>
<b>CREDITORS</b>			
Amounts falling due within one year	1,262,655	1,002,389	1,054,620
<b>NET CURRENT ASSETS</b>	<u>1,190,809</u>	<u>1,315,116</u>	<u>952,433</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>9,250,258</u>	<u>9,152,512</u>	<u>8,909,893</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	6,018,605	5,846,565	5,675,673
SHAPS DB Liability	98,000	50,819	256,000
<b>NET ASSETS</b>	<u>3,133,653</u>	<u>3,255,128</u>	<u>2,978,220</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	122	122	126
Revenue reserves	3,133,531	3,255,006	2,978,093
	<u>3,133,653</u>	<u>3,255,128</u>	<u>2,978,219</u>



**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF CASH FLOW AS AT 30/09/2020**

	<b>2019/20</b>	<b>to 30.09.2020</b>	<b>2020/21</b>
Operating Surplus	146,289.0	136,668	120,957
Depcn & Amort	203,231.0	108,248	216,495
Inc/(Dec) in payables	134,332.0	-260,266	-207,169
(Inc)/Dec in receivables	(43,711.0)	121,575.0	-25,029
<b>Net Cash from Operating Activities</b>	<b>440,141</b>	<b>106,225</b>	<b>105,254</b>
Interest Received	13,338.0	362	8,000
Interest Paid	(42,474.0)	(15,561.0)	-30,733
Return on Investment	-29,136	-15,199	-22,733
Capital Expenditure & Financial Investment			
Construction or acquisition of Housing properties			
Improvement of Housing	(370,864.0)	(21,449.0)	-362,511
Construction or acquisition of other Non-Current Assets	(16,551.0)	(11,247.0)	-45,000
Sale of Social Housing Properties	0	0	0
Grants (Repaid) / Received	0	0	0
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>-387,415</b>	<b>-32,696</b>	<b>-407,511</b>
<b>NET CASH BEFORE FINANCING</b>	<b>23,590</b>	<b>58,330</b>	<b>-324,990</b>
Financing	0.0	0	0
Equity drawdown	0.0	0	0
Debt drawdown	0.0	0	0
Debt repayment	(320,544.0)	(72,720.0)	-140,406
Reserves Ajd re Auditors Journals	0.0	0.0	0
<b>NET CASH FROM FINANCING</b>	<b>-320,544</b>	<b>-72,720</b>	<b>-465,396</b>
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>-296,954</b>	<b>-14,390</b>	<b>-790,386</b>
Cash Balance			
Balance Brought Forward	2,508,547.0	2,211,593	2,211,593
Increase / (Decrease) in Net Cash	(296,954.0)	-14,390	-465,396
<b>CLOSING BALANCE</b>	<b>2,211,593</b>	<b>2,197,203</b>	<b>1,746,197</b>

**ADDITION NOTES:****TREASURY MANAGEMENT UPDATE AS AT 30/09/2020**

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 September 2020 Triodos was £0.95M.

Total capital repayments of £24,000 have been made in the year towards the loan balances as at 30 September 2020.

The Association paid loan interest of £15,561 in the year to date which was as budgeted. The Association has received income of £362.

**BANK BALANCES AS AT 30/09/2020**

Bank of Scotland Current Ac	269,292	
Bank of Scotland HOBS	681,316	0.01% per annum on account balance
Santander	218,243	0.45% 6 month term deposit fixed until 09/11/2020
Nationwide	507,751	0.60% 1 year term deposit fixed until 06/02/2021
Bank of Scotland	520,401	0.15% 6 month term deposit fixed until 09/11/2020
Petty Cash	200	
	<u>2,197,203</u>	

**DEBTOR ANALYSIS**

Factoring Arrears	19,466	Reconciled to Factoring Report as at 30/09/20
Rent Arrears	152,190	Reconciled to Housing Management Reports as at 30/09/20
Tenant Recharges	1,014	
Insurance Claims	11,844	
Parking Permits	3,850	
Overnewton Community Centre	15,555	
Provision for Bad Debts	-83,617	
	<u>120,302</u>	

**CREDITOR ANALYSIS (amounts due within one year)**

Purchase Ledger	91,291
Sundry Creditors	45,592
Rent Prepayments	80,614
Factoring Prepayments	91,327
Overnewton Resident Fund	
Furniture and Equipment	78,420
Overnewton Resident Fund	4,930
Glasgow City Council Right to Buy Refund	274,402
	<u>666,576</u>
Loans due within 1 year	48,412
Deferred Grant within 1 year	287,401
	<u><u>1,002,389</u></u>

**CREDITOR ANALYSIS (amounts due after one year)**

Triodos Loan	909,627	
Deferred Capital Grants	4,936,938	
SHAPS DB Liability	50,819	Reduced by total of deficit payments paid to SHAPS at 30/09/20
	<u>5,897,384</u>	