

Report to: Governance and Finance Sub Committee 22nd April 2021

Prepared by: Gary Watson, Finance Manager

Subject: Management Accounts to 31.03.21

A short narrative has been included with the Management Accounts, the report is a summary of the financial statements to 31.03.21.

STATEMENT OF COMPREHENSIVE INCOME

The Association is reporting a surplus of £329,723 as at the 31st March 2021, this is just under £130,000 higher than was expected. The Pandemic has impacted the Associations finances and the surplus reported is mainly due to the following:

- less reactive repair and cyclical costs,
- a reduced program of major repairs,
- reduced office overheads,
- a delay in suppliers/contractors invoices being received,
- offset by an increase in void loss and void repairs.

STATEMENT OF FINANCIAL POSITION

The Association has spent just over £87,000 on major components in the year. As a result of the pandemic, the program has been significantly reduced but several boilers, kitchens and bathrooms have been upgraded. Costs include £4,200 relating to an adapted property. Grant income can now be claimed from the Scottish Government for this adaptation.

Costs of just under £35,000 in relation to other fixed Assets has been incurred to the 31.03.21. The Association's staff have been issued with laptops to allow homeworking and furniture has been supplied where necessary.

Further expenditure has been incurred on computer equipment for the office including a new server and software. The Association recruited a consultant to oversee the tendering process for a new business system and some costs have been incurred in this area.

Cash balances have showed a steady increase throughout year and the Association can report a healthy balance of £2.29M at 31.03.21. A cash balance of £2.33M was projected to 31.03.21 based on the latest cash outturn in January 2021.

The Association has one remaining loan with the Triodos Bank, capital repayments continue as planned and the outstanding balance has reduced to £0.93M.

The Association continues to repay the pension deficit and a total of £95,000 will be paid to SHAPS at the end of the financial year. The total reserves at the end of March 2021 were £3.46m.

Governance and Finance Sub Committee 22nd April 2021- Management Accounts
31ST March 2021

Notes to Management Accounts:**OVERHEADS****1. Employee Costs - Budget £736,866 Actual £729,577 Difference £7,289**

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. Staff Recruitment Costs - Budget £2,000 Actual £0 Difference £2,000

No expenditure required in this area of the budget.

3. Postage, Printing and Stationery - Budget £14,500 Actual £16,850 Difference £-2,350

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).

4. Sundry expenses- Budget £12,750 Actual £6,916 Difference £5,834

Less expenses incurred as a result of reduced staff in office. In addition document scanning costs and staff safety clothing have been lower than was budgeted. The Association's Strategy day did not place this year.

5. Marketing and Tenant Participation -Budget £5,820 Actual £0 Difference £5,820

No newsletters have been published this financial year.

DIRECT COSTS**6. Property Insurance - Budget £50,000 Actual £38,127 Difference £11,873**

Less costs incurred in this area to date.

7. Legal Fees Housing and Factoring Budget £9,166 Actual £1,219 Difference £7,947

Less costs incurred in the area. Fewer court cases have been actioned as a result of the pandemic.

8. Reactive Repairs-Budget £106,600 Actual £79,874 Difference £26,726

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

9. Cyclical Repairs Budget £122,800 Actual £104,699 Difference £18,101

Less costs incurred in this area. The Gutter and Painting programs have been delayed. A total of £5,600 was spend on smoke Alarms with the program being completed next financial year.

10. A Void/Major reactive repairs- Budget £50,000 Actual £67,036 Difference £-17,036

Void costs are higher than budgeted largely as a result of spend relating to 1243 Argyle Street and 25 Old Dumbarton Road. As at 31/03/21 a total of 28 void properties were reported for the year.

11. Major Repairs- Budget £101,500 Actual £45,549 Difference £55,951

Program of works has been delayed as result of pandemic, limited spend in this area to date.

12. Welfare Rights Service- Budget £25,000 Actual £15,643 Difference £9,357

Final invoices for the year have yet to be received. Welfare rights and money advice services have continued throughout pandemic.

13. Consultancy Fees Budget £25,000 Actual £13,954 Difference £11,046

Less costs incurred in this area. Costs to date relate to consultancy costs for Steve Bromley to complete Process Mapping exercise, fees relating to the valuation of Commercial and Office Properties and Covid risk assessment by ACS Risk Control Ltd.

STATEMENT OF COMPREHENSIVE INCOME**14. Voids- Budget £-17,640 Actual £-22,493 Difference £-4,853**

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

15. Management Fees- Budget £73,700 Actual £46,691 Difference £-27,009

Less income has been received in Management fees. The Factoring bills were issued in November and a year end accrual will be processed for fees to 31 March 21.

16. Maintenance Allowance Aids and Adaptations/Other Allowances- Budget £2,500 Actual £1,632 Difference £-868

Only two adaptations were completed this year. Grant income of £500 was received from the Scottish Government for Cyber Security Accreditation.

17. Bad Debts – Budget £25,000 Actual £9,166 Difference £15,834

Bad debts have been written off in line with year-end processes. The actual amounts written off are lower than was anticipated.

18. Investment Income –Budget £8,000 Actual £5,153 Difference £-2,847

Interest rates are lower than was budgeted due to reduced rates on offer but cash balances have been higher than was expected.

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 31st Mar 2021

	BUDGET TO 31.03.21	ACTUAL TO 31.03.21	DIFF	DIFF %	Note	20-21
Operating Costs						
Employee Costs	736,866	729,577	7,289	1%	1	736,866
Overheads						
Rent Rates & Insurance	10,200	10,193	7	0%		10,200
Heating, Lighting, Cleaning	12,750	12,669	81	1%		12,750
Telephones	5,100	4,668	432	8%		5,100
Office Repairs & Supplies	5,100	3,630	1,470	29%		5,100
Recruitment Costs	2,000	0	2,000	100%	2	2,000
Travel	1,100	56	1,044	95%		1,100
Subscriptions	18,200	18,481	-281	-2%		18,200
Course & Conf Exp	10,730	9,412	1,318	12%		10,730
Audit Fees	23,200	23,872	-672	0%		23,200
Postage, Stationery, Printing	14,500	16,850	-2,350	-16%	3	14,500
Computer Costs	27,550	29,196	-1,646	-6%		27,550
Bank Charges	7,150	5,854	1,296	18%		7,150
Depreciation on fixtures and fittings	19,704	19,704	0	0%		19,704
Depreciation Office Premises	9,501	9,501	0	0%		9,501
Sundry Expenses	12,750	6,916	5,834	46%	4	12,750
Legal Expenses	3,000	3,467	-467	-16%		3,000
Marketing & Tenant Participation Costs	5,820	0	5,820	0%	5	5,820
	<u>188,356</u>	<u>174,469</u>	<u>13,887</u>			
Total Admin Costs.	<u>925,222</u>	<u>904,046</u>	<u>21,176</u>			<u>925,222</u>

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 31ST MAR 2021

Direct Costs

Property Insurance	50,000	38,127	11,873	24%	6	50,000
Legal fees-Rents	5,100	1,219	3,881	76%	7	5,100
Council tax Vacant Flats	615	807	-192	-31%		615
Other Factoring Costs	1,591	1,165	426	27%		1,591
Legal fees - Factoring	4,066	0	4,066	100%	7	4,066
Factoring Write Offs	300	361	-61	0%		300
Reactive Repairs	106,600	79,874	26,726	25%	8	106,600
Cyclical Repairs	122,800	104,699	18,101	15%	9	122,800
Void Reactive\Major Repairs	50,000	67,036	-17,036	-34%	10	50,000
Major Repairs	101,500	45,549	55,951	55%	11	101,500
Legal Fees - Gas Servicing	1,070	0	1,070	100%		1,070
Key Purchase	300	50	250	83%		300
Welfare Rights	25,000	15,653	9,347	37%	12	25,000
Consultancy fees	25,000	13,954	11,046	-100%	13	25,000
	<u>493,942</u>	<u>368,494</u>	<u>125,448</u>			
Total Operating Costs	1,419,164	1,272,540	146,624			493,942

YORKHILL HOUSING ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME 31/03/2021

	BUDGET TO 31.03.21	ACTUAL TO 31.03.21	DIFFERENCE	% DIFF		YEAR
Rents Receivable	1,770,500	1,772,248	1,748	0%		1,770,500
Service Income	91,373	90,423	-950	-1%		91,373
Rent Overnewton St. Office	12,250	12,252	2	0%		12,250
	<u>1,874,123</u>	<u>1,874,923</u>	<u>800</u>			<u>1,874,123</u>
Voids -	-15,049	-21,313	-6,264	42%	14	-15,049
Voids - Services	-2,591	-1,180	1,411	-54%	14	-2,591
	<u>1,856,483</u>	<u>1,852,430</u>	<u>-4,053</u>			<u>1,856,483</u>
Amortisation of HAG	287,400	287,400	0			287,400
Management Fees	73,700	46,691	-27,009	-37%	15	73,700
Admin fee - Major Repairs	2,000	2,518	518	26%	16	2,000
Admin fee - Processing Sales	4,000	3,150	-850	-21%	16	4,000
Admin fee - fire alarm Testing	1,500	403	-1,097	-73%	16	1,500
Maintenance/Other Allowances	2,500	1,632	-868	0%		2,500
Total Income	<u>2,227,583</u>	<u>2,194,224</u>	<u>-33,359</u>			<u>2,227,583</u>
Less: Operating Costs	1,419,164	1,272,540	146,624	10%		1,419,164
Service Costs - General Lettings	91,373	87,869	3,504	4%		91,373
Bad Debts	25,000	9,166	15,834	63%	17	25,000
Depcn. HLB	469,341	469,341	0	0%		469,341
Total Expenditure	<u>2,004,878</u>	<u>1,838,916</u>	<u>165,962</u>			<u>2,004,878</u>
Operating Surplus/Deficit	222,705	355,308	132,603			222,705
Loss/Gain on Sale of Fixed Assets	0	0	0			0
Interest on investments	8,000	5,153	-2,847	0%	18	8,000
Interest payable	-30,733	-30,738	-5	0%		-30,733
Surplus	<u>199,972</u>	<u>329,723</u>	<u>129,751</u>			<u>199,972</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF FINANCIAL POSITION AS AT 31/03/2021

	2019/2020	to 31/03/21	Projected 2020/21
TANGIBLE FIXED ASSETS			
Housing properties	7,596,723	7,214,655	7,232,282
Other Fixed Assets	462,726	468,344	483,520
	<u>8,059,449</u>	<u>7,682,999</u>	<u>7,715,802</u>
CURRENT ASSETS			
Debtors	241,877	161,111	267,488
Cash at bank and in hand	2,211,587	2,293,256	2,093,753
	<u>2,453,464</u>	<u>2,454,367</u>	<u>2,361,241</u>
CREDITORS			
Amounts falling due within one year	1,262,655	981,484	1,054,620
NET CURRENT ASSETS	<u>1,190,809</u>	<u>1,472,883</u>	<u>1,306,621</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>9,250,258</u>	<u>9,155,882</u>	<u>9,022,423</u>
CREDITORS			
Amounts falling due after more than one year	6,018,605	5,686,970	5,682,795
SHAPS DB Liability	98,000	5,538	6,000
NET ASSETS	<u>3,133,653</u>	<u>3,463,374</u>	<u>3,333,628</u>
CAPITAL AND RESERVES			
Called up share capital	122	115	126
Revenue reserves	3,133,531	3,463,259	3,333,502
	<u>3,133,653</u>	<u>3,463,374</u>	<u>3,333,628</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF CASH FLOW AS AT 31/03/2021

	2019/20	31.03.2021	2020/21
Operating Surplus	146,289.0	355,308	222,705
Depcn & Amort	203,231.0	211,146	211,146
Inc/(Dec) in payables	134,332.0	-281,171	-208,035
(Inc)/Dec in receivables	(43,711.0)	80,766.0	-25,611
Net Cash from Operating Activities	440,141	366,049	200,205
Interest Received	13,338.0	5,153	8,000
Interest Paid	(42,474.0)	(30,738.0)	-30,733
Return on Investment	-29,136	-25,585	-22,733
Capital Expenditure & Financial Investment			
Construction or acquisition of Housing properties			
Improvement of Housing	(370,864.0)	(87,273.0)	-104,904
Construction or acquisition of other Non-Current Assets	(16,551.0)	(34,823.0)	-50,000
Sale of Social Housing Properties	0	0	0
Grants (Repaid) / Received	0	0	0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	-387,415	-122,096	-154,904
NET CASH BEFORE FINANCING	23,590	218,368	22,568
Financing	0.0	-7	0
Equity drawdown	0.0	0	0
Debt drawdown	0.0	0	0
Debt repayment	(320,544.0)	(136,697.0)	-140,406
Reserves Ajd re Auditors Journals	0.0	0.0	0
NET CASH FROM FINANCING	-320,544	-136,704	-117,838
INCREASE / (DECREASE) IN NET CASH	-296,954	81,664	-95,270
Cash Balance			
Balance Brought Forward	2,508,547.0	2,211,593	2,211,593
Increase / (Decrease) in Net Cash	(296,954.0)	81,664	-117,838
CLOSING BALANCE	2,211,593	2,293,256	2,093,755

ADDITION NOTES:**TREASURY MANAGEMENT UPDATE AS AT 31/03/2021**

The Association has 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 31 March 2021 Triodos was £0.93M.

Total capital repayments of £48,400 have been made in the year towards the loan balances as at 31 March 2021.

The Association paid loan interest of £30,738 in the year and received investment income of £5,153.

BANK BALANCES AS AT 31/03/2021

Bank of Scotland Current Ac	210,644	
Bank of Scotland HOBS	831,277	0.01% per annum on account balance
Santander	218,743	0.03% 6 month term deposit fixed until 09/05/2021
Nationwide	511,592	0.30% 1 year term deposit fixed until 25/02/2022
Bank of Scotland	520,800	0.03% 6 month term deposit fixed until 10/05/2021
Petty Cash	200	
	<u>2,293,256</u>	

DEBTOR ANALYSIS

Factoring Arrears	23,245
Rent Arrears	161,656
Tenant Recharges	-99
Prepayments	30,283
Insurance Claims	12,296
Parking Permits	1,700
Overnewton Community Centre	15,645
Prov for Bad Debts	-83,615
	<u>161,111</u>

CREDITOR ANALYSIS (amounts due within one year)

Purchase Ledger	39,847
Sundry Creditors	82,602
Rent Prepayments	72,684
Factoring Prepayments	93,793
Overnewton Resident Fund Furniture and Equipment	78,419
Overnewton Resident Fund	5,439
Glasgow City Council Right to Buy Refund	274,401
	<hr/> 647,185
Loans due within 1 year	46,889
Deferred Grant within 1 year	287,400
	<hr/> 981,474
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CREDITOR ANALYSIS (amounts due after one year)

Triodos Loan	886,751
Deferred Capital Grants	4,800,219
SHAPS DB Liability	5,538
	<hr/> 5,692,508
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