

**Report to:** Governance and Finance Sub Committee 21<sup>st</sup> April 2022

**Prepared by:** Gary Watson, Finance Manager

**Subject:** Management Accounts to 31.03.22

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A short narrative has been included with the Management Accounts; the report is a summary of the financial statements to 31.03.22.

### **STATEMENT OF COMPREHENSIVE INCOME**

The Association is reporting a surplus of £124,739 at 31<sup>st</sup> March 2022. The revised budget had assumed a deficit of £37,027. The increased surplus reported is mainly due to the following:

- less overhead costs,
- less reactive repair and cyclical costs,
- Insurance costs less than was budgeted,
- Invoices for Service Costs still to be received for Q4,
- less costs in relation to Welfare Rights Service,
- offset by increase in void costs.

### **STATEMENT OF FINANCIAL POSITION**

The Association has spent just under £151,000 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. Seven STG3 bathroom adaptations have been completed in the year and claims totalling £28,000 for works costs have been paid by the Scottish Government.

Costs of just over £28,000 in relation to other fixed Assets have been incurred. The Association's has invested in cloud computing technology, replacement laptops and preliminary implementation work has begun to migrate data to new business system.

The Association can report a healthy balance of £2.35M at 31<sup>ST</sup> March 2022.

The Association has one remaining loan with the Triodos Bank, capital repayments continue as planned and the outstanding balance has reduced to £0.883M.

The Association continues to repay the pension deficit and a total of £95,337 was paid to SHAPS in the year. The total reserves at 31<sup>st</sup> March 2022 were £3.1M.

The final accounts for 21/22 will be prepared for the external audit in June 2022 with all accruals and year-end adjustments included.

**Notes to Management Accounts:****OVERHEADS****1. Rent, rates and Insurance - Budget £10,200 Actual £8,111 Difference £2,089**

Insurance costs have been less than was budgeted.

**2. Office Repairs and Supplies – Budget £5,100 Actual £3,284 Difference £1,816**

Less costs incurred in this area of the budget.

**3. Postage and Stationery – Budget £13,000 Actual £17,361 Difference £-4,361**

Increased costs in this area relate to letterheads and postal charges.

**4. Computer Maintenance Costs- Budget £32,650 Actual £36,383 Difference £-3,733**

Increased costs relate to monthly services for new cloud back up and MO 365 upgrades.

**5. Legal Costs General- Budget £3,050 Actual £864 Difference £2,186**

Limited spend in this area is reported. Legal advice only required re Environmental Information request.

**6. Marketing and Tenant Participation Costs £5,900 Actual £307 Difference £5,593**

No newsletters were produced this year, however a calendar was sent to tenants in December 21.

**DIRECT COSTS****7. Property Insurance - Budget £55,000 Actual £43,538 Difference £11,462**

The budget was increased this year to reflect an expected increase in insurance costs however less costs incurred in this area.

**8. Legal Fees/Factoring Legal Costs-Budget £5,066 Actual £1,590 Difference £3,476**

Less costs incurred in this area.

**9. Reactive Repairs-Budget £123,00 Actual £85,537 Difference £37,463**

Less costs incurred in this area as reactive repairs program is reduced as a result of pandemic. Accruals will be completed for year end. Property services have contacted all contractors to request all year end invoices are submitted.

**10. Cyclical Repairs Budget- £180,043 Actual £129,988 Difference £50,055**

Less costs incurred in this area. The smoke alarm program is due to be completed this financial year at a cost of £36,000. Costs of £13,000 incurred on detectors, property Services will report on final costs. Painting programs have been delayed resulting in underspend in this area.

**11. Void Repairs Budget- £55,000 Actual £75,325 Difference £-20,325**

Increased costs in this area. Voids are higher than was expected with large expenditure in quarter 4. Property services will report.

**12. Major Repairs – Budget 180,400 Actual £122,132 Difference £58,268**

Less costs incurred on stoneworks and general works. Final costs will be accrued for year end accounts.

**13. Welfare Rights Service- Budget £20,000 Actual £14,355 Difference £5,645**

Less costs in this area. The Association has not been receiving Welfare Rights services since October 2021. However money advice services from Drumchapel Money Advice have continued as planned.

**STATEMENT OF COMPREHENSIVE INCOME****14. Voids- Budget £-15,907 Actual £-21,644 Difference £-5,747**

Void loss in higher than expected this financial year. Similar trend noted in previous quarters in 21/22. Year end adjustment for unlettable voids will be included for final accounts.

**15. Management Fees- Budget £76,200 Actual £47,240 Difference £-28,960**

The Factoring bills were issued in November 21. The remaining income from November 21 to March 22 will be accrued at year end.

**16. Other Income Budget -£0 Actual £6,071 Difference £6,071**

The association received a payment from our Insurance company in respect of the fire at 31 Old Dumbarton Road in December 2020. The payment included loss of rental income and rent for Decant accommodation.

**17. Service Costs Budget- £97,431 Actual £80,037 Difference £17,394**

Service Costs are lower than was budgeted at this stage. Some invoices have yet to be received for final quarter including Close Cleaning contract.

**18. Bad Debts- Budget £10,000 Actual £12,610 Difference £-2,610**

Bad debts more than was expected. Approved by committee in March 22 and processed by Housing Management.

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 31ST MAR 2022**

	<b>BUDGET TO 31.03.22</b>	<b>ACTUAL TO 31.03.22</b>	<b>DIFF</b>	<b>DIFF %</b>	<b>Note</b>	<b>21-22</b>
<b>Operating Costs</b>						
<b>Employee Costs</b>	775,189	764,943	10,246	1%		775,189
<b>Overheads</b>						
Rent Rates & Insurance	10,200	8,111	2,089	20%	1	10,200
Heating, Lighting, Cleaning	14,400	12,794	1,606	11%		14,400
Telephones	5,200	4,834	366	7%		5,200
Office Repairs & Supplies	5,100	3,284	1,816	36%	2	5,100
Recruitment Costs	2,000	810	1,190	0%		2,000
Travel	1,100	75	1,025	93%		1,100
Subscriptions	49,939	47,714	2,225	4%		49,939
Course & Conf Exp	13,000	14,874	-1,874	-14%		13,000
Audit Fees	24,200	23,773	427	0%		24,200
Postage, Stationery, Printing	13,000	17,361	-4,361	-34%	3	13,000
Computer Costs	32,650	36,383	-3,733	-11%	4	32,650
Bank Charges	6,250	4,665	1,585	25%		6,250
Depreciation on fixtures and fittings	35,400	35,400	0	0%		35,400
Depreciation Office Premises	6,061	6,061	0	0%		6,061
Sundry Expenses	11,594	9,292	2,302	20%		11,594
Legal Expenses	3,050	864	2,186	72%	5	3,050
Marketing & Tenant Participation Costs	5,900	307	5,593	95%	6	5,900
	<u>239,044</u>	<u>226,602</u>	<u>12,442</u>			
<b>Total Admin Costs.</b>	<u>1,014,233</u>	<u>991,545</u>	<u>22,688</u>			<u>1,014,233</u>

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 31ST MAR 2022**

**Note 21-22**

**Direct Costs**

Property Insurance	55,000	43,538	11,462	21%	7	55,000
Legal fees-Rents	1,000	0	1,000	100%	8	1,000
Council tax Vacant Flats	615	0	615	100%		615
Other Factoring Costs	1,591	904	687	43%		1,591
Legal fees - Factoring	4,066	1,590	2,476	61%	8	4,066
Factoring Write Offs	300	0	300	0%		300
Reactive Repairs	123,000	85,537	37,463	30%	9	123,000
Cyclical Repairs	180,043	129,988	50,055	28%	10	180,043
Void Reactive\Major Repairs	55,000	75,325	-20,325	-37%	11	55,000
Major Repairs	180,400	122,132	58,268	32%	12	180,400
Legal Fees - Gas Servicing	1,070	0	1,070	100%		1,070
Key Purchase	300	103	197	66%		300
Welfare Rights	20,000	14,355	5,645	28%	13	20,000
Consultancy fees	15,000	9,962	5,038	34%		15,000
	<u>637,385</u>	<u>483,434</u>	<u>153,951</u>			
<b>Total Operating Costs</b>	1,651,618	1,474,979	176,639			637,385

**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF COMPREHENSIVE INCOME 31/03/2022**

	BUDGET TO 31.03.22	ACTUAL TO 31.03.22	VARIANCE	VARIANCE %	NOTE	YEAR
Rents Receivable	1,773,937	1,773,419	-518	0%		1,773,937
Service Income	97,431	97,691	260	0%		97,431
Rent Overnewton St. Office	12,340	12,340	0	0%		12,340
	<u>1,883,707</u>	<u>1,883,450</u>	<u>-257</u>			<u>1,883,708</u>
Voids -	-15,078	-19,745	-4,667	31%	14	-15,078
Voids - Services	-828	-1,919	-1,091	132%	14	-828
	<u>1,867,801</u>	<u>1,861,786</u>	<u>-6,015</u>			<u>1,867,802</u>
Amortisation of HAG	285,864	285,864	0			285,864
Management Fees	76,200	47,240	-28,960	-38%	15	76,200
Admin fee - Major Repairs	2,000	3,942	1,942	97%		2,000
Admin fee - Processing Sales	4,000	4,475	475	12%		4,000
Admin fee - fire alarm Testing	2,280	887	-1,393	-61%		2,280
Admin fee - Insurance	2,500	0	-2,500	-100%		2,500
Maintenance Allowances	2,500	2,835	335			2,500
Other Income	0	6,071	6,071		16	0
<b>Total Income</b>	<u>2,243,145</u>	<u>2,213,100</u>	<u>-30,045</u>			<u>2,243,146</u>
Less: <b>Operating Costs</b>	1,651,618	1,474,979	176,639	11%		1,651,618
Service Costs - General Lettings	97,431	80,037	17,394	18%	17	97,431
Bad Debts	10,000	12,610	-2,610		18	10,000
Depcn. HLB	494,147	494,147	0	0%		494,147
	<u>2,253,196</u>	<u>2,061,773</u>	<u>191,423</u>			<u>2,253,196</u>
<b>Operating Surplus/Deficit</b>	-10,051	151,327	161,378			-10,050
Loss/Gain on Sale of Fixed Assets	0	0	0			0
Interest on investments	2,200	2,578	378	0%		2,200
Interest payable	-29,177	-29,166	11	0%		-29,177
<b>Surplus/Deficit</b>	<u>-37,027</u>	<u>124,739</u>	<u>161,767</u>			<u>-37,027</u>

**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION AS AT 31/03/2022**

	<b>2020/21</b>	<b>31/03/22</b>	<b>2021/22 BUDGET</b>
<b>TANGIBLE FIXED ASSETS</b>			
Housing properties	7,220,876	6,877,689	7,132,480
Other Fixed Assets	408,640	395,464	457,180
	<u>7,629,516</u>	<u>7,273,153</u>	<u>7,589,660</u>
<b>CURRENT ASSETS</b>			
Debtors	250,944	186,094	259,252
Cash at bank and in hand	2,293,256	2,352,248	1,821,082
	<u>2,544,200</u>	<u>2,538,342</u>	<u>2,080,334</u>
<b>CREDITORS</b>			
Amounts falling due within one year	1,148,131	1,063,681	1,112,610
<b>NET CURRENT ASSETS</b>	<u>1,396,069</u>	<u>1,474,661</u>	<u>967,724</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>9,025,585</u>	<u>8,747,814</u>	<u>8,557,384</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	5,688,521	5,381,021	5,352,683
SHAPS DB Liability	360,000	264,993	264,663
<b>NET ASSETS</b>	<u>2,977,064</u>	<u>3,101,800</u>	<u>2,940,037</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	115	106	110
Revenue reserves	2,976,949	3,101,694	2,939,927
	<u>2,977,064</u>	<u>3,101,800</u>	<u>2,940,037</u>



**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF CASH FLOW AS AT 31/03/2022**

	<b>2020/21</b>	<b>31.03.2022</b>	<b>2021/22</b>
Operating Surplus	292,125.0	151,327	(10,050.5)
Depcn & Amort	199,695.0	249,744	249,743.0
Inc/(Dec) in payables	(114,529.0)	-84,450	(35,521.0)
(Inc)/Dec in receivables	(9,067.0)	64,850.0	(8,307.7)
<b>Net Cash from Operating Activities</b>	<b>368,224</b>	<b>381,471</b>	<b>195,863.8</b>
Interest Received	5,683.0	2,578	2,200.0
Interest Paid	(30,738.0)	(29,166.0)	(29,177.0)
Return on Investment	-25,055	-26,588	(26,977.0)
Capital Expenditure & Financial Investment			
Construction or acquisition of Housing properties			
Improvement of Housing	(89,836.0)	(150,960.0)	(405,751.3)
Construction or acquisition of other Non-Current Assets	(36,448.0)	(28,285.0)	(90,000.0)
Sale of Social Housing Properties	0	0	0.0
Grants (Repaid) / Received	0	0	0.0
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>-126,284</b>	<b>-179,245</b>	<b>(495,751.3)</b>
<b>NET CASH BEFORE FINANCING</b>	<b>216,885</b>	<b>175,638</b>	<b>(326,864.5)</b>
Financing	0.0	0	0.0
Equity drawdown	0.0	-9	0.0
Debt drawdown	0.0	0	0.0
Debt repayment	(135,222.0)	(116,637.0)	(145,311.0)
Reserves Ajd re Auditors Journals		0.0	0.0
<b>NET CASH FROM FINANCING</b>	<b>-135,222</b>	<b>-116,646</b>	<b>(472,175.5)</b>
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>81,663</b>	<b>58,992</b>	<b>(799,040.0)</b>
Cash Balance			
Balance Brought Forward	2,211,593.0	2,293,256	2,293,256.0
Increase / (Decrease) in Net Cash	81,663.0	58,992	(472,175.5)
<b>CLOSING BALANCE</b>	<b>2,293,256</b>	<b>2,352,248</b>	<b>1,821,080.5</b>

**ADDITION NOTES:****TREASURY MANAGEMENT UPDATE AS AT 31/03/2022**

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 of 31 March 2022 Triodos was £883,656.

Total capital repayments of £49,974 have been made in the year towards the loan balances as at 31 March 2022.

The Association has received interest of £2,578 in the year.

**BANK BALANCES AS AT 31/03/2022**

	£	<b><u>Notes</u></b>
Bank of Scotland Current Account	417,624	
Bank of Scotland HOBS	681,346	0.01% per annum on account balance
Santander	219,073	0.35% 1-year term deposit fixed until 14/06/2022
Nationwide	513,127	0.30% 1-year term deposit fixed until 23/02/2023
Bank of Scotland	520,878	0.05% 1-year term deposit fixed until 12/05/2022
Petty Cash	200	
	<u>2,352,248</u>	

**DEBTOR ANALYSIS**

Factoring Arrears	17,929
Rent Arrears	154,368
Prepayments and Accruals	41,648
Tenant Recharges	12,433
Insurance Claims	20,885
Parking Permits	2,750
Overnewton Community Centre	19,696
Prov for Bad Debts	-83,615
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	186,094
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**CREDITOR ANALYSIS (amounts due within one year)**

Purchase Ledger	93,381
Sundry Creditors	100,671
Rent Prepayments	77,000
Factoring Prepayments	90,000
Overnewton Resident Fund	
Furniture and Equipment	87,551
Overnewton Resident Fund	6,400
Glasgow City Council Right to Buy Refund	
	274,402
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	729,405
Loans due within 1 year	48,412
Deferred Grant within 1 year	285,864
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	1,063,681
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**CREDITOR ANALYSIS (amounts due after one year)**

Triodos Loan	835,244
Deferred Capital Grants	4,545,776
SHAPS deficit	264,994
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	5,646,014
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