

**Report to:** Governance and Finance Sub Committee 18<sup>TH</sup> August 2022

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

**Subject:** Management Accounts to 30.06.22

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A short narrative has been included with the Management Accounts; the report is a summary of the financial statements to 30.06.22.

### **STATEMENT OF COMPREHENSIVE INCOME**

The Association is reporting a deficit of £21,249 at 30<sup>th</sup> June 2022. The variance reported is mainly due to the following:

- less overhead costs,
- less cyclical and major repair costs,
- less costs in relation to Welfare Rights Service,
- offset by increase in void costs.

### **STATEMENT OF FINANCIAL POSITION**

The Association has spent just over £65,000 on major components in the year. A program of works has been completed with several boilers, kitchens and bathrooms upgraded. In addition, £9,000 has been incurred on a replacement door entry system

Costs of just over £4,000 have been incurred on refurbishment of the server room and fixture and fittings for the office.

The Association can report a healthy balance of £2.09M as at 30<sup>th</sup> June 2022.

The Association has one remaining loan with the Triodos Bank, capital repayments continue as planned and the outstanding balance has reduced to £0.870M.

The Association continues to repay the pension deficit and a total of £24,310 has paid in the year to date. Further to the recent valuation update from SHAPS, the deficit payment plan will cease from September 2022. The budget will be review and adjusted in November 22.

The total reserves at 30<sup>th</sup> June 2022 were £3.2M.

**Notes to Management Accounts:****OVERHEADS****1. Employee Costs - Budget £207,676 Actual £205,526 Difference £2,150**

Less overtime and Property Maintenance staff costs. Employment Allowance grant of £5,000 has been accepted and will be claimed in Quarter 2.

**2. Rent, Rates and Insurance – Budget £4,200 Actual £6,584 Difference £-2,384**

Insurance costs in relation to Management Liability higher than was budgeted.

**3. Telephones – Budget £1,625 Actual £194 Difference £1,431**

Invoices for Telephones have yet to be processed therefore less spend in this area of the budget.

**4. Subscriptions- Budget £17,680 Actual £19,974 Difference £-2,294**

Costs in relation to GWSF Subscription was incurred earlier than was budgeted.

**5. Audit Fees- Budget £7,000 Actual £0 Difference £7,000**

No internal audit work has been completed as yet.

**6. Computer Maintenance Costs- Budget £17,680 Actual £19,974 Difference £-2,294**

Costs for Kypera licenses were higher than was budgeted.

**DIRECT COSTS****7. Insurance costs- Budget £54,000 Actual £52,062 Difference £1,938**

Insurance costs for the year received in May 22. Underspend of just under £2,000 and includes recharges to owners.

**8. Reactive Repairs – Budget £25,800 Actual £39,920 Difference £-14,120**

More costs charged to this area of the budget further to Factoring Invoice un in May 22.

**9. Cyclical Repairs Budget- £56,430 Actual £5,852 Difference £50,578**

Less costs incurred in this area. Painting programs have been delayed resulting underspend in this area (£8,000). No costs in relation to attic tanks (£5,000) and Periodic Electrical Inspections less than budget (£7,000). Accrued invoice costs of (£24,000) for attic tanks were not processed due to delay in processing contractors pack. This variance will be corrected in Quarter 2.

**10. Void Reactive Repairs Budget £14,500 Actual £9,382 Difference £5,118**

Less void repair work required so far this year.

**11. Major Repairs – Budget £45,000 Actual £28,410 Difference £5,118**

Less costs in this area. Works include costs for chimneys and EPC inspections.

**12. Welfare Rights Service- Budget £5,250 Actual £0 Difference £5,250**

No 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 but costs yet to be received.

**STATEMENT OF COMPREHENSIVE INCOME**

**13. Voids- Budget £-4,142 Actual £-5,423 Difference £-5,747**

Void loss in higher than expected this financial year. Similar trend noted in 21/22.

**14. Admin Fees Insurance £2,500 Actual £4,189 Difference £1,689**

Additional income received in this area.

**15. Service Costs Budget- £25,381 Actual £22,612 Difference £2,769**

Service Costs are lower than was budgeted at this stage. Some invoices have yet to be received for quarter 1.

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 30TH JUNE 2022**

	<b>BUDGET TO 30.06.22</b>	<b>ACTUAL TO 30.06.22</b>	<b>DIFF</b>	<b>DIFF %</b>	<b>Note</b>	<b>22-23</b>
<b>Operating Costs</b>						
<b>Employee Costs</b>	207,676	205,526	2,150	1%	1	830,704
<b>Overheads</b>						
Rent Rates & Insurance	4,200	6,584	-2,384	-57%	2	10,500
Heating, Lighting, Cleaning	3,750	1,218	2,532	68%		15,000
Telephones	1,625	194	1,431	88%	3	6,500
Office Repairs & Supplies	1,300	332	968	74%		5,200
Recruitment Costs	0	867	-867	0%		3,000
Travel	250	94	156	62%		1,000
Subscriptions	17,680	19,974	-2,294	-13%	4	22,100
Course & Conf Exp	2,600	2,618	-18	-1%		10,400
Audit Fees	7,000	0	7,000	0%	5	28,000
Postage, Stationery, Printing	3,550	456	3,094	87%		14,200
Computer Costs	46,038	49,837	-3,799	-8%	6	68,714
Bank Charges	1,900	386	1,514	80%		7,600
Depreciation on fixtures and fittings	8,453	8,453	0	0%		33,813
Depreciation Office Premises	1,515	1,515	0	0%		6,061
Sundry Expenses	2,358	884	1,474	63%		11,792
Legal Expenses	775	481	294	38%		3,100
Marketing & Tenant Participation Costs	0	0	0	0%	7	5,108
	<u>102,995</u>	<u>93,893</u>	<u>9,102</u>			
<b>Total Admin Costs.</b>	<u>310,671</u>	<u>299,419</u>	<u>11,252</u>			<u>1,082,792</u>

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 30TH JUNE 2022**

**Direct Costs**

Property Insurance	54,000	52,062	1,938	4%		54,000
Legal fees-Rents	500	673	-173	-35%		2,000
Council tax Vacant Flats	150	0	150	100%		600
Other Factoring Costs	400	42	358	90%		1,600
Legal fees - Factoring	300	0	300	100%		1,200
Factoring Write Offs	0	0	0	0%		300
Reactive Repairs	25,800	39,920	-14,120	-55%	8	129,000
Cyclical Repairs	56,430	5,852	50,578	90%	9	171,000
Void Reactive\Major Repairs	14,500	9,382	5,118	35%	10	58,000
Major Repairs	45,000	28,410	16,590		11	225,000
Legal Fees - Gas Servicing	250	0	250	100%		1,000
Key Purchase	75	464	-389	-519%		300
Welfare Rights	5,250	0	5,250	100%	12	21,000
Consultancy fees	0	2,466	-2,466	-100%		17,500
	<u>202,655</u>	<u>139,271</u>	<u>63,384</u>			
<b>Total Operating Costs</b>	513,326	438,690	74,636			682,500

**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF COMPREHENSIVE INCOME 30/06/2022**

	<b>BUDGET TO 30.06.22</b>	<b>ACTUAL TO 30.06.22</b>	<b>VARIANCE</b>	<b>VARIANCE %</b>	<b>NOTE</b>	<b>YEAR</b>
Rents Receivable	461,945	463,847	1,902	0%		1,847,780
Service Income	25,381	24,182	-1,199	-5%		101,523
Rent Overnewton St. Office	3,215	3,125	-90	-3%		12,858
	<u>490,540</u>	<u>491,154</u>	<u>614</u>			<u>1,962,161</u>
Voids -	-3,927	-5,029	-1,102	28%	13	-15,706
Voids - Services	-216	-394	-178	83%	13	-863
	<u>486,398</u>	<u>485,731</u>	<u>-667</u>			<u>1,945,592</u>
Amortisation of HAG	71,466	71,466	0			285,864
Management Fees	8,031	9,581	1,550	19%		80,315
Admin fee - Major Repairs	576	0	-576	-100%		2,000
Admin fee - Processing Sales	1,152	1,045	-107	-9%		4,000
Admin fee - fire alarm Testing	656	871	215	33%		2,280
Admin fee - Insurance	2,500	4,189	1,689	68%	14	2,500
Maintenance Allowances	0	0	0			2,500
<b>Total Income</b>	<u>570,779</u>	<u>572,883</u>	<u>2,104</u>			<u>2,325,051</u>
<b>Less: Operating Costs</b>	513,326	438,690	74,636	15%		1,765,292
Service Costs - General Lettings	25,381	22,612	2,769	11%	15	101,523
Bad Debts	0	0	0			10,000
Depcn. HLB	128,842	128,842	0	0%		515,369
<b>Total Expenditure</b>	<u>667,549</u>	<u>590,144</u>	<u>77,405</u>			<u>2,392,184</u>
<b>Operating Surplus/Deficit</b>	-96,770	-17,261	79,509			-67,133
Loss/Gain on Sale of Fixed Assets	0	0	0			0
Interest on investments	0	52	52	0%		3,000
Interest payable	-6,885	-7,040	-155	2%		-27,542
<b>Surplus/Deficit</b>	<u>-103,655</u>	<u>-24,249</u>	<u>79,406</u>			<u>-91,675</u>

**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION AS AT 30/06/2022**

	2021/22	to 30/06/22	2022/23 BUDGET
<b>TANGIBLE FIXED ASSETS</b>			
Housing properties	6,913,807	6,850,590	7,174,667
Other Fixed Assets	423,919	418,032	432,306
	<u>7,337,726</u>	<u>7,268,622</u>	<u>7,606,973</u>
<b>CURRENT ASSETS</b>			
Debtors	254,664	220,934	265,712
Cash at bank and in hand	2,355,154	2,089,993	1,401,847
	<u>2,609,818</u>	<u>2,310,927</u>	<u>1,667,559</u>
<b><u>CREDITORS</u></b>			
Amounts falling due within one year	1,247,320	1,005,017	1,141,678
<b>NET CURRENT ASSETS</b>	<u>1,362,498</u>	<u>1,305,910</u>	<u>525,881</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>8,700,224</u>	<u>8,574,532</u>	<u>8,132,854</u>
<b><u>CREDITORS</u></b>			
Amounts falling due after more than one year	5,381,957	5,297,743	5,015,210
SHAPS DB Liability	53,000	36,872	166,466
<b>NET ASSETS</b>	<u>3,265,267</u>	<u>3,239,917</u>	<u>2,951,177</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	106	103	103
Revenue reserves	3,265,161	3,239,814	2,951,076
	<u>3,265,267</u>	<u>3,239,917</u>	<u>2,951,179</u>

**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF CASH FLOW AS AT 30/06/2022**

	<b>2021/22</b>	<b>to 30.06.2022</b>	<b>2022/23 PROJECTED</b>
Operating Surplus	122,745.0	-17,261	(17,297.0)
Depcn & Amort	226,300.0	67,344	281,195.0
Inc/(Dec) in payables	99,364.0	-242,303	57,990.0
(Inc)/Dec in receivables	(23,735.0)	33,730.0	(6,330.0)
<b>Net Cash from Operating Activities</b>	<b>424,674</b>	<b>-158,490</b>	<b>315,558.0</b>
Interest Received	2,473.0	52	2,200.0
Interest Paid	(36,166.0)	(7,040.0)	(29,177.0)
Return on Investment	-33,693	-6,988	(26,977.0)
Capital Expenditure & Financial Investment			
Construction or acquisition of Housing properties			
Improvement of Housing	(170,455.0)	(65,625.0)	(643,606.0)
Construction or acquisition of other Non-Current Assets	(43,448.0)	(4,081.0)	(90,000.0)
Sale of Social Housing Properties	0	0	0.0
Grants (Repaid) / Received	0	2	0.0
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>-213,903</b>	<b>-69,704</b>	<b>(733,606.0)</b>
<b>NET CASH BEFORE FINANCING</b>	<b>177,078</b>	<b>-235,182</b>	<b>(445,025.0)</b>
Financing	0.0	0	0.0
Equity drawdown	0.0	0	0.0
Debt drawdown	0.0	0	0.0
Debt repayment	(115,171.0)	(29,988.0)	(145,311.0)
Reserves Ajd re Auditors Journals		0.0	0.0
<b>NET CASH FROM FINANCING</b>	<b>-115,171</b>	<b>-29,988</b>	<b>(590,336.0)</b>
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>61,907</b>	<b>-265,170</b>	<b>(1,035,361.0)</b>
Cash Balance			
Balance Brought Forward	2,293,256.0	2,355,163	2,355,163.0
Increase / (Decrease) in Net Cash	61,907.0	-265,170	(590,336.0)
<b>CLOSING BALANCE</b>	<b>2,355,163</b>	<b>2,089,993</b>	<b>1,764,827.0</b>



**ADDITION NOTES:****TREASURY MANAGEMENT UPDATE AS AT 30/06/2022**

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 at 30 June 2022 Triodos was £870,909.

Total capital repayments of £12,748 have been made in the year towards the loan balances as at 30 June 2022.

The Association received interest of £52 in the year to date and paid interest of £7,040 on loan balance.

**BANK BALANCES AS AT 30/06/2022**

	£	
Bank of Scotland Current Account	303,827	
Bank of Scotland HOBS	531,363	0.05% per annum on account balance
Santander	219,839	0.55% on call 30 days until 19/07/2022
Nationwide	513,137	0.30% 1 year term deposit fixed until 23/02/2023
Bank of Scotland	521,127	0.5% 1 year term deposit fixed until 12/05/2023
Petty Cash	200	
	<u>2,089,493</u>	

**DEBTOR ANALYSIS**

Factoring Arrears	92,515
Rent Arrears	177,281
Prepayments	15,619
Tenant Recharges	5,162
Insurance Claims	11,651
Parking Permits	1,650

Overnewton Community Centre	20,687
Prov for Bad Debts	-103,631
	<u>220,934</u>

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

Purchase Ledger	126,910
Sundry Creditors	14,927
Rent Prepayments	73,446
Factoring Prepayments	77,824
Overnewton Resident Fund Furniture and Equipment	97,140
Overnewton Resident Fund	6,630
Glasgow City Council Right to Buy Refund	274,402
	<u>671,279</u>
Loans due within 1 year	48,413
Deferred Grant within 1 year	285,325
	<u>1,005,017</u>

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

Triodos Loan	822,496
Deferred Capital Grants	4,475,247
SHAPS deficit	36,872
	<u>5,334,615</u>