

Report to: Governance and Finance Sub Committee 26th January 2023

Prepared by: Gary Watson, Finance Manager

Subject: Management Accounts to 31.12.22

A short narrative has been included with the Management Accounts; the report is a summary of the financial statements to 31st December 2022.

STATEMENT OF COMPREHENSIVE INCOME

The Association is reporting a surplus of £173,913 as at 31st December 2022. The variance reported is mainly due to the following:

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

STATEMENT OF FINANCIAL POSITION

The Association has spent just over £145,000 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 £13,000 have been incurred on refurbishment costs for the server room, video conferencing equipment and consultancy for the new business system.

The Association received grant funding in December of £12,000 in relation to a Fuel Support Fund.

The Association can report a healthy cash balance of £2.18M as at 31st December 2022. A projected cash balance of £1.89M is estimated at Mar 23.

The Association has one remaining loan with the Triodos Bank, capital repayments continue as planned and the outstanding balance has reduced to £0.84M.

Further to the recent valuation update from SHAPS, the deficit payment plan ceased in September 2022. The Association has repaid £49,000 in the year.

The total reserves as at 31st December 2022 were £3.4M.

Notes to Management Accounts:**OVERHEADS****1. Employee Costs - Budget £570,859 Actual £558,092 Difference £12,767**

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

2. Course and Conference Fees – Budget £7,800 Actual £10,731 Difference £-2,931

More costs have been incurred in this area of the budget. Additional training was required within Property Services on working at heights regulation (£1,500). In addition some staff have started further education courses.

3. Audit Fees- Budget £11,480 Actual £2,082 Difference £9,398

Less costs have been received for internal audit work. External audit checks for the new system have yet to be completed resulting in positive variance.

4. Postage Stationery and Printing - Budget £10,650 Actual £14,959 Difference £4,309

Costs of letterheads are more than was budgeted.

5. Marketing and Tenant Participation Costs- Budget £3,831 Actual £0, Difference £3,831

The xmas newsletter was produced and delivered but the invoice has yet to be received.

DIRECT COSTS**6. Insurance Costs- Budget £54,000 Actual £51,412 Difference £2,588**

Insurance costs for the year received in May 22. Underspend of just over £2,500 and includes recharges to owners.

7. Reactive Repair Costs- Budget £83,850 Actual £119,544 Difference £-35,694

Due to an anomaly during migration of data to the new system some repair orders have been coded incorrectly. A full review is currently being undertaken to

8. Cyclical Repairs- Budget- £102,510 Actual £50,042 Difference £52,468

Less costs incurred in this area. Painting programs have been delayed resulting underspend in this area. No costs have been received from Glasgow City Council for Stair Lighting.

9. Welfare Rights Service- Budget £15,750 Actual £2,620 Difference £13,130

Less costs in this area. The Association stopped receiving Welfare Rights services from October 2021 but services will resume October/November 22 but no invoiced yet received. Money advice services have continued.

STATEMENT OF COMPREHENSIVE INCOME

10. Voids- Budget - £12,427 Actual £-15,388 Difference £-2,961

Void loss is higher than budgeted but similar pattern to previous quarters.

11. Management Fees- Budget £60,236 Actuals £49,478 Difference £-10,758

Less management fees have been charged to date but will be rectified at year end.

12. Maintenance Allowance- Budget £1,250 Actual £0 Difference £-1,250

No claims have been submitted as yet due backlog with Occupational Health assessments

13. Fuel Support Grant- Budget £0 Actual £12,000 Difference £12,000

The Association has received Grant funding in respect to Fuel Support Fund.

14. Service Charges- Budget £76,142 Actual £59,497 Difference £16,645

Costs in relation to stair cleaning have yet to be received resulting in underspend.

15. Bad debts – Budget £10,000 Actual £186 Difference £9,814

A small write off has been completed but budget area is showing positive variance.

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 31ST DECEMBER 2022

	BUDGET					
	TO	ACTUAL TO	DIFF	DIFF	Note	22-23
	31.12.22	31.12.22		%		
Operating Costs						
Employee Costs	570,859	558,092	12,767	2%	1	761,145
Overheads						
Rent Rates & Insurance	8,925	6,575	2,350	26%		10,500
Heating, Lighting, Cleaning	11,250	12,176	-926	-8%		15,000
Telephones	4,875	4,013	862	18%		6,500
Office Repairs & Supplies	3,900	1,626	2,274	58%		5,200
Recruitment Costs	1,500	1,296	204	0%		3,000
Travel	750	392	358	48%		1,000
Subscriptions	26,885	28,191	-1,306	-5%		28,300
Course & Conf Exp	7,800	10,731	-2,931	-38%	2	10,400
Audit Fees	11,480	2,082	9,398	0%	3	28,000
Postage, Stationery, Printing	10,650	14,959	-4,309	-40%	4	14,200
Computer Costs	61,155	62,477	-1,322	-2%		68,714
Bank Charges	5,700	4,058	1,642	29%		7,600
Depreciation on fixtures and fittings	25,360	25,360	0	0%		33,813
Depreciation Office Premises	4,545	4,545	0	0%		6,061
Sundry Expenses	8,254	7,118	1,136	14%		11,792
Legal Expenses	2,325	2,443	-118	-5%		3,100
Marketing & Tenant Participation Costs	3,831	0	3,831	0%	5	5,108
	<u>199,186</u>	<u>188,042</u>	<u>11,144</u>			
Total Admin Costs.	<u>770,044</u>	<u>746,134</u>	<u>23,910</u>			<u>1,019,433</u>

YORKHILL HOUSING ASSOCIATION LIMITED
MANAGEMENT ACCOUNTS 31ST DEC 2022

Direct Costs

Property Insurance	54,000	51,412	2,588	5%	6	54,000
Legal fees-Rents	1,500	1,849	-349	-23%		2,000
Council tax Vacant Flats	0	0	0	0%		0
Other Factoring Costs	0	0	0	0%		1,600
Legal fees - Factoring	600	636	-36	-6%		0
Factoring Write Offs	0	0	0	0%		300
Reactive Repairs	83,850	119,544	-35,694	-43%	7	129,000
Cyclical Repairs	102,510	50,042	52,468	51%	8	153,000
Void Reactive\Major Repairs	43,500	48,383	-4,883	-11%		58,000
Major Repairs	83,400	81,565	1,835	2%		139,000
Legal Fees - Gas Servicing	0	0	0	0%		0
Key Purchase	225	855	-630	-280%		300
Welfare Rights	15,750	2,620	13,130	83%	9	21,000
Consultancy fees	8,750	7,106	1,644	19%		17,500
	<u>394,085</u>	<u>364,012</u>	<u>30,073</u>			
Total Operating Costs	1,164,129	1,110,146	53,983			575,700

YORKHILL HOUSING ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME 31/12/2022

	BUDGET TO 31.12.22	ACTUAL TO 31.12.22	VARIANCE	VARIANCE %	NOTE	YEAR
Rents Receivable	1,385,835	1,391,692	5,857	0%		1,847,780
Service Income	76,142	72,452	-3,690	-5%		101,523
Rent Overnewton St. Office	9,644	9,375	-269	-3%		12,858
	<u>1,471,621</u>	<u>1,473,519</u>	<u>1,898</u>			<u>1,962,161</u>
Voids -	-11,780	-14,625	-2,845	24%	10	-15,706
Voids - Services	-647	-763	-116	18%	10	-863
	<u>1,459,194</u>	<u>1,458,131</u>	<u>-1,063</u>			<u>1,945,592</u>
Amortisation of HAG	213,994	213,994	0			285,325
Management Fees	60,236	49,478	-10,758	-18%	11	80,315
Admin fee - Major Repairs	1,950	513	-1,437	-74%		2,000
Admin fee - Processing Sales	3,900	3,251	-649	-17%		4,000
Admin fee - fire alarm Testing	1,061	1,417	356	34%		2,280
Admin fee - Insurance	2,500	4,169	1,669	67%		2,500
Maintenance Allowances	1,250	0	-1,250	-100%	12	2,500
Fuel Support Grant	0	12,000	12,000		13	0
Total Income	<u>1,744,085</u>	<u>1,742,953</u>	<u>-13,132</u>	<u>-1%</u>		<u>2,324,512</u>
Less: Operating Costs	<u>1,164,129</u>	<u>1,110,146</u>	<u>53,983</u>	<u>5%</u>		<u>1,595,133</u>
Service Costs - General Lettings	76,142	59,497	16,645	22%	14	101,523
Bad Debts	10,000	186	9,814		15	20,000
Depcn. HLB	379,923	379,923	0	0%		506,565
Total Expenditure	<u>1,630,195</u>	<u>1,549,752</u>	<u>80,443</u>			<u>2,223,221</u>
Operating Surplus/Deficit	<u>113,890</u>	<u>193,201</u>	<u>67,311</u>			<u>101,291</u>
Loss/Gain on Sale of Fixed Assets	0	0	0			5,600
Interest on investments	1,500	1,523	23	0%		3,000
Interest payable	-20,656	-20,811	-155	1%		-27,542
Surplus/Deficit	<u>94,734</u>	<u>173,913</u>	<u>67,179</u>			<u>82,349</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF FINANCIAL POSITION AS AT 31/12/2022

	2021/22	to 31/12/22	2022/23 BUDGET
TANGIBLE FIXED ASSETS			
Housing properties	6,913,807	6,679,009	7,047,860
Other Fixed Assets	423,919	407,631	439,046
	<u>7,337,726</u>	<u>7,086,640</u>	<u>7,486,906</u>
CURRENT ASSETS			
Debtors	254,664	173,628	255,160
Cash at bank and in hand	2,355,154	2,187,557	1,897,899
	<u>2,609,818</u>	<u>2,361,185</u>	<u>2,153,059</u>
CREDITORS			
Amounts falling due within one year	1,247,320	868,016	1,247,320
NET CURRENT ASSETS	<u>1,362,498</u>	<u>1,493,169</u>	<u>905,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>8,700,224</u>	<u>8,579,809</u>	<u>8,392,645</u>
CREDITORS			
Amounts falling due after more than one year	5,381,957	5,129,411	5,045,023
SHAPS DB Liability	53,000	12,322	0
NET ASSETS	<u>3,265,267</u>	<u>3,438,076</u>	<u>3,347,623</u>
CAPITAL AND RESERVES			
Called up share capital	106	104	103
Revenue reserves	3,265,161	3,437,972	3,347,520
	<u>3,265,267</u>	<u>3,438,076</u>	<u>3,347,623</u>

YORKHILL HOUSING ASSOCIATION
STATEMENT OF CASH FLOW AS AT 31/12/2022

	2021/22	to 30/12/22	2022/23 PROJECTED
Operating Surplus	122,745.0	193,201	101,292.1
Depcn & Amort	226,300.0	195,834	261,113.0
Inc/(Dec) in payables	99,364.0	-379,304	0.0
(Inc)/Dec in receivables	(23,735.0)	81,036.0	(495.7)
Net Cash from Operating Activities	424,674	90,767	361,909.4
Interest Received	2,473.0	1,523	3,000.0
Interest Paid	(36,166.0)	(20,811.0)	(27,542.0)
Return on Investment	-33,693	-19,288	(24,542.0)
Capital Expenditure & Financial Investment			
Construction or acquisition of Housing properties			
Improvement of Housing	(170,455.0)	(145,125.0)	(640,618.0)
Construction or acquisition of other Non-Current Assets	(43,448.0)	(13,617.0)	(55,000.0)
Sale of Social Housing Properties	0	0	0.0
Grants (Repaid) / Received	0	0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	-213,903	-158,742	(695,618.0)
NET CASH BEFORE FINANCING	177,078	-87,263	(358,250.6)
Financing	0.0		0.0
Equity drawdown	0.0	0	0.0
Debt drawdown	0.0	0	0.0
Debt repayment	(115,171.0)	(80,343.0)	(99,014.4)
Reserves re Auditors Journals		0.0	0.0
NET CASH FROM FINANCING	-115,171	-80,343	(457,265.0)
INCREASE / (DECREASE) IN NET CASH	61,907	-167,606	(815,515.6)
Cash Balance			
Balance Brought Forward	2,293,256.0	2,355,163	2,355,163.0
Increase / (Decrease) in Net Cash	61,907.0	-167,606	(457,265.0)
CLOSING BALANCE	2,355,163	2,187,557	1,897,898.0

ADDITIONAL NOTES:**TREASURY MANAGEMENT UPDATE AS AT 31/12/2022**

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 31 December 2022 Triodos was £845,104.

Total capital repayments of £38,550 have been made in the year towards the loan balances as at 31st December 2022.

The Association received interest of £1,522 in the year to date and paid interest of £20,811 on loan balance.

BANK BALANCES AS AT 31/12/2022

	£	
Bank of Scotland Current Account	300,419	
Bank of Scotland HOBS	631,619	0.30% per annum on account balance
Santander	221,054	2.15% on call 30 days until 10/01/2023
Nationwide	513,127	0.30% 1 year term deposit fixed until 23/02/2023
Bank of Scotland	521,138	0.5% 1 year term deposit fixed until 12/05/2023
Petty Cash	200	
	<u>2,187,557</u>	

DEBTOR ANALYSIS

Factoring Arrears	64,460
Rent Arrears	156,176
Prepayments	15,619
Tenant Recharges	8,216
Insurance Claims	6,987
Parking Permits	4,700
Overnewton Community Centre	21,101
Prov for Bad Debts	-103,631
	<u>173,628</u>

CREDITOR ANALYSIS (amounts due within one year)

Purchase Ledger	-35,235
Sundry Creditors	22,767
Rent Prepayments	84,177
Factoring Prepayments	83,757
Overnewton Resident Fund Furniture and Equipment	97,140
Overnewton Resident Fund	7,271
Glasgow City Council Right to Buy Refund	<u>274,401</u>
	534,278
Loans due within 1 year	48,413
Deferred Grant within 1 year	<u>285,325</u>
	<u><u>868,016</u></u>

CREDITOR ANALYSIS (amounts due after one year)

Triodos Loan	796,692
Deferred Capital Grants	4,332,719
SHAPS deficit	<u>12,322</u>
	<u><u>5,141,733</u></u>