

**Report to:** Management Committee 10<sup>th</sup> August 2023

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

**Subject:** Management Accounts to 30.06.23

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A short narrative has been included with the Management Accounts, the report is a summary of the financial statements to 30th June 2023.

### **STATEMENT OF COMPREHENSIVE INCOME**

The Association is reporting a deficit of £55,110, at 30th June 2023. The variance reported is mainly due to the following:

- increased costs due to ongoing legal dispute,
- increased global price costs for Insurance,
- no rental income received for acquired properties,
- no grant income received for works costs for acquisition properties.

### **STATEMENT OF FINANCIAL POSITION**

A program of works has been completed with several boilers, kitchens and bathrooms upgraded to the value of £99,500 including some costs relating to the acquired properties.

Costs of £5,100 have been incurred on replacement desktop PC's within the office.

The Association can report a cash balance of £1.87M as at 30th June 2023. Cash balances will be reviewed to take account of the expected capital program payments due and the appropriate investment strategy will be selected.

Debtors are higher than anticipated, a large accrual of £225,000 was required to account for Factoring invoice run that was not generated until late July.

The Association has one remaining loan with the Triodos Bank, capital repayments continue as planned and the outstanding balance has reduced to £0.88M.

The total reserves as at 30th June 2023 were £3.0M.

Management Accounts Q1 -Management Committee 10<sup>th</sup> August 2023

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## **BUDGET REVIEW**

A budget review is planned for November when up to date costs will be reviewed with regards to the capital investment program, acquired properties and resulting reduced rental income.

### **Notes to Management Accounts:**

#### **OVERHEADS**

**1. Rent Rates and Insurance - Budget £4,620 Actual £14,172 Difference £-9,552**

Increased global insurance costs has resulted in overspend in this area.

**2. Course and Conferences Fees – Budget £3,025 Actual £4,517 Difference £-1,492**

More courses have been undertaken including staff training on roof anchors (£1,000) and governance conference (£500).

**3. Audit Fees – Budget £5,775, Actual £3,552 Difference £2,223**

Less costs incurred on internal audit at this stage in the budget but includes costs of (£2,000) in relation to independent review relating to legal dispute.

**4. Postage, Stationery and Printing - Budget £3,025 Actual £4,742 Difference £-1,717**

Costs are higher than was budgeted at this stage.

**5. Legal Fees- Budget £550 Actual £1,591 Difference £-1,041**

Increased costs relate to legal work re code of conduct case.

#### **DIRECT COSTS**

**6. Insurance Costs- Budget £60,000 Actual £72,073 Difference £-12,073**

Insurance costs for the year received in May 23. Premiums are higher than budgeted due to global price increases in the sector.

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**7. Legal Fees Rents- Budget £825 Actual £3,231 Difference £-2,406**

Costs are higher than was budgeted as a result of ongoing legal case re Housing Allocation.

**8. Cyclical Repairs- Budget- £51,810 Actual £33,806 Difference £18,004**

Some program of works are due to be completed. Full details will be provided by Property Services.

**9. Major Repairs- Budget £36,300 Actual £12,478 Difference £23,822**

Less costs in the area. Full details will be provided by Property Services.

**STATEMENT OF COMPREHENSIVE INCOME****10. Rent Receivable - Budget - £498,779 Actual £488,376 Difference £-10,403**

The budget assumed that rental income would be received in quarter one for seven acquired properties. No income was received with only 6 acquired. The first of the three properties have now been allocated and income will be received in Quarter 2. No voids loss has been reported for these properties.

**11. Maintenance Allowances Budget £78,328 Actual 0 Difference £-78,328**

The budget assumed that work relating to all the acquisition properties would have been complete in quarter one and all related grant income received. No grant claim has been submitted as yet and will be processed on completion of all works.

**12. Service Charges – Budget £28,451 Actual £23,890 Difference £4,561**

Some bills have still to be processed for quarter 1.

**13. Interest Received- Budget £0 Actual £1,123 Difference £1,283.**

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More income has been received than was budgeted.

**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 30TH JUNE 2023**

	<b>BUDGET TO 30.06.23</b>	<b>ACTUAL TO 30.06.23</b>	<b>DIFF</b>	<b>DIFF %</b>	<b>Note</b>	<b>23-24</b>
<b>Operating Costs</b>						
<b>Employee Costs</b>	198,676	193,716	4,960	2%		794,704
<b>Overheads</b>						
Rent Rates & Insurance	4,620	14,172	-9,552	-207%	1	11,550
Heating, Lighting, Cleaning	4,125	4,926	-801	-19%		16,500
Telephones	1,925	2,214	-289	-15%		7,700
Office Repairs & Supplies	1,100	2,535	-1,435	-130%		4,400
Recruitment Costs	0	0	0	0%		2,200
Travel	250	144	106	42%		1,000
Subscriptions	23,799	22,215	1,584	7%		29,748
Course & Conf Exp	3,025	4,517	-1,492	-49%	2	12,100
Audit Fees	5,775	3,552	2,223	0%	3	23,100
Postage, Stationery, Printing	3,025	4,742	-1,717	-57%	4	12,100
Computer Costs	37,440	36,515	925	2%		55,880
Bank Charges	1,925	1,927	-2	0%		7,700
Depreciation on fixtures and fittings	7,508	7,508	0	0%		30,033
Depreciation Office Premises	1,650	1,650	0	0%		6,600
Sundry Expenses	1,980	1,662	318	16%		9,900
Legal Expenses	550	1,591	-1,041	-189%	5	2,200
Marketing & Tenant Participation Costs	0	262	-262	0%		5,500
	<u>98,696</u>	<u>110,132</u>	<u>-11,436</u>			
<b>Total Admin Costs.</b>	<u>297,372</u>	<u>303,848</u>	<u>-6,476</u>			<u>1,032,915</u>

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**YORKHILL HOUSING ASSOCIATION LIMITED**  
**MANAGEMENT ACCOUNTS 30TH JUNE 2023**

**Direct Costs**

Property Insurance	60,000	72,073	-12,073	-20%	6	60,000
Legal fees-Rents	825	3,231	-2,406	-292%	7	3,300
Council tax Vacant Flats	150	0	150	0%		600
Other Factoring Costs	400	1,170	-770	0%		1,600
Legal fees - Factoring	300	0	300	100%		1,200
Factoring Write Offs	0	0	0	0%		300
Reactive Repairs	29,600	27,852	1,748	6%		148,000
Cyclical Repairs	51,810	33,806	18,004	35%	8	157,000
Void Reactive\Major Repairs	19,375	21,863	-2,488	-13%		77,500
Major Repairs	36,300	12,478	23,822	66%	9	181,500
Legal Fees - Gas Servicing	250		250	0%		1,000
Key Purchase	75	0	75	100%		300
Welfare Rights	5,750	1,055	4,695	82%		23,000
Consultancy fees	0	4,735	-4,735	0%		10,000
	<u>204,835</u>	<u>178,263</u>	<u>26,572</u>			
<b>Total Operating Costs</b>	502,207	482,111	20,096			665,300

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**YORKHILL HOUSING ASSOCIATION****STATEMENT OF COMPREHENSIVE INCOME 30/06/2023**

	<b>BUDGET TO 30.06.23</b>	<b>ACTUAL TO 30.06.23</b>	<b>VARIANCE</b>	<b>VARIANCE %</b>	<b>NOTE</b>	<b>YEAR</b>
Rents Receivable	498,779	488,376	-10,403	-2%	10	1,995,115
Service Income	28,451	28,328	-123	0%		113,802
Rent Overnewton St. Office	3,313	3,313	1	0%		13,250
	530,542	520,017	-10,525			2,122,167
Voids -	-4,988	-763	4,225	-85%	10	-19,951
Voids - Services	-285	0	285	-100%		-1,138
	525,269	519,254	-6,015			2,101,078
Amortisation of HAG	78,081	78,081	0			312,325
Management Fees	8,513	11,179	2,666	31%		85,134
Admin fee - Major Repairs	610	10	-600	-98%		2,120
Admin fee - Processing Sales	1,221	86	-1,135	-93%		4,240
Admin fee - fire alarm Testing	696	998	302	43%		2,417
Admin fee - Insurance	0	0	0	0%		2,650
Maintenance Allowances	78,328	0	-78,328	-100%	11	92,150
						0
<b>Total Income</b>	<b>692,718</b>	<b>609,608</b>	<b>-83,110</b>	<b>-12%</b>		<b>2,602,114</b>
<b>Less: Operating Costs</b>	<b>502,207</b>	<b>482,111</b>	<b>20,096</b>	<b>4%</b>		<b>1,698,215</b>
Service Costs - General Lettings	28,451	23,890	4,561	16%	12	113,802
Bad Debts	0	21	-21			20,000
Depcn. HLB	153,354	153,354	0	0%		613,418
<b>Total Expenditure</b>	<b>684,012</b>	<b>659,376</b>	<b>24,636</b>			<b>2,445,435</b>
<b>Operating Surplus/Deficit</b>	<b>8,706</b>	<b>-49,768</b>	<b>-58,474</b>			<b>156,679</b>
Loss/Gain onSale of FixedAssets	0	0	0			0
Interest on investments	0	1,283	1,283	0%	13	20,000
Interest payable	-6,465	-6,625	-160	2%		-25,860
<b>Surplus/Deficit</b>	<b>2,241</b>	<b>-55,110</b>	<b>-57,351</b>			<b>150,819</b>

Management Accounts Q1 -Management Committee 10<sup>th</sup> August 2023

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**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION AS AT 30/06/2023**

	<b>2022/23</b>	<b>30/06/23</b>	<b>2023/24 BUDGET</b>
<b>TANGIBLE FIXED ASSETS</b>			
Housing properties	7,777,020	7,714,165	8,406,109
Other Fixed Assets	410,303	406,244	413,414
	<u>8,187,323</u>	<u>8,120,409</u>	<u>8,819,523</u>
<b>CURRENT ASSETS</b>			
Debtors	583,059	330,213	258,067
Cash at bank and in hand	1,828,464	1,849,717	1,688,629
	<u>2,411,523</u>	<u>2,179,930</u>	<u>1,946,696</u>
<b>CREDITORS</b>			
Amounts falling due within one year	1,172,489	1,022,181	1,298,907
<b>NET CURRENT ASSETS</b>	<u>1,239,034</u>	<u>1,157,749</u>	<u>647,789</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>9,426,357</u>	<u>9,278,158</u>	<u>9,467,312</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	6,143,798	6,050,709	6,019,872
SHAPS DB Liability	128,000	128,000	0
<b>NET ASSETS</b>	<u>3,154,559</u>	<u>3,099,449</u>	<u>3,447,441</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	105	105	98
Revenue reserves	3,154,454	3,099,344	3,447,343
	<u>3,154,559</u>	<u>3,099,449</u>	<u>3,447,441</u>

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**YORKHILL HOUSING ASSOCIATION**  
**STATEMENT OF CASH FLOW AS AT 30/06/2023**

	<b>2022/23</b>	<b>30/06/23</b>	<b>2023/24 PROJECTED</b>
Operating Surplus	41,294.0	-49,768	156,679.0
Depcn & Amort	237,154.0	84,431	337,725.0
Inc/(Dec) in payables	(74,831.0)	-150,308	51,587.0
(Inc)/Dec in receivables	(328,395.0)	252,846.0	(2,906.0)
<b>Net Cash from Operating Activities</b>	<b>-124,778</b>	<b>137,201</b>	<b>543,085.0</b>
Interest Received	8,540.0	1,283	20,000.0
Interest Paid	(27,542.0)	(6,625.0)	(25,860.0)
<b>Return on Investment</b>	<b>-19,002</b>	<b>-5,342</b>	<b>(5,860.0)</b>
<b>Capital Expenditure &amp; Financial Investment</b>			
Construction or acquisition of Housing properties			
Improvement of Housing	(1,371,734.0)	(90,499.0)	(1,110,208.0)
Construction or acquisition of other Non-Current Assets	(18,108.0)	(5,099.0)	(11,000.0)
Sale of Social Housing Properties	0	0	0.0
Grants (Repaid) / Received	0	0	0.0
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>-1,389,842</b>	<b>-95,598</b>	<b>(1,121,208.0)</b>
<b>NET CASH BEFORE FINANCING</b>	<b>-1,533,622</b>	<b>36,261</b>	<b>(583,983.0)</b>
Financing	1,134,295.0		0.0
Equity drawdown	0.0	0	0.0
Debt drawdown	0.0	0	0.0
Debt repayment	(127,372.0)	(15,008.0)	(53,286.0)
Reserves Ajd re Auditors Journals		0.0	0.0
<b>NET CASH FROM FINANCING</b>	<b>1,006,923</b>	<b>-15,008</b>	<b>(637,269.0)</b>
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>-526,699</b>	<b>21,253</b>	<b>(1,221,252.0)</b>
Cash Balance			
Balance Brought Forward	2,355,163.0	1,828,464	2,325,899.0
Increase / (Decrease) in Net Cash	(526,699.0)	21,253	(637,269.0)
<b>CLOSING BALANCE</b>	<b>1,828,464</b>	<b>1,849,717</b>	<b>1,688,630.0</b>

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**ADDITIONAL NOTES:****TREASURY MANAGEMENT UPDATE AS AT 30/06/2023**

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 30 June 2023 Triodos was £818,884.

Total capital repayments of £13,000 have been made in the year towards the loan balances as at 30th June 2023.

The Association received interest of £1,283 in the year to date and paid interest of £6,625 on loan balance.

**BANK BALANCES AS AT 30/06/2023**

	£	
Bank of Scotland Current Account	352,550	
Bank of Scotland HOBS	981,688	0.50% per annum on account balance
Nationwide	515,279	1.5% per annum on balance
Petty Cash	200	
	<u>1,849,717</u>	

**DEBTOR ANALYSIS**

Factoring Arrears	15,112
Rent Arrears	130,077
Prepayments	260,393
Tenant Recharges	250
Insurance Claims	19,279
Parking Permits	3,150
Overnewton Community Centre	5,583
Prov for Bad Debts	<u>-103,631</u>
	<u>330,213</u>

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

Purchase Ledger	7,125
Sundry Creditors	54,812
Rent Prepayments	112,651
Factoring Prepayments	111,000
Overnewton Resident Fund Furniture and Equipment	101,799
Overnewton Resident Fund	8,896
Glasgow City Council Right to Buy Refund	274,401
	<hr/> 670,684
Loans due within 1 year	48,412
Deferred Grant within 1 year	303,085
	<hr/> 1,022,181 <hr/>

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

Triodos Loan	770,473
Deferred Capital Grants	5,280,237
SHAPS deficit	128,000
	<hr/> 6,178,710 <hr/>

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