

Landlord Name:	Oak Tree Housing Association Ltd
RSL Reg No.:	137
Report generated date:	21/05/2024 11:36:51

Approval

A1.1	Date approved	20/05/2024
A1.2	Approver	Kes Cameron
A1.3	Approver job title	Director of Finance
A1.9	General Comment	

STATEMENT OF COMPREHENSIVE INCOME						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	9,727.0	10,320.4	10,899.0	11,389.5	11,873.5	12,348.5
Service charges	175.5	183.6	192.6	199.4	205.9	212.0
Gross rents & service charges	9,902.5	10,504.0	11,091.6	11,588.9	12,079.4	12,560.5
Rent loss from voids	277.9	294.8	308.7	322.6	336.2	349.6
Net rent & service charges	9,624.6	10,209.2	10,782.9	11,266.3	11,743.2	12,210.9
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	2,367.9	2,364.9	2,366.1	2,366.1	2,366.1	2,366.1
Grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other grants	0.0	0.0	0.0	0.0	0.0	0.0
Other income	482.4	360.6	366.4	359.8	369.0	352.5
TURNOVER	12,474.9	12,934.7	13,515.4	13,992.2	14,478.3	14,929.5
Less:						
Housing depreciation	3,666.4	3,681.5	3,657.2	3,606.8	3,569.4	3,541.6
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	3,179.3	3,301.2	3,591.0	3,785.2	4,092.2	4,135.1
Service costs	246.3	262.4	274.8	287.2	299.4	311.4
Planned maintenance - direct costs	903.3	797.0	840.3	563.3	446.2	429.8
Re-active & voids maintenance - direct costs	2,060.3	2,124.7	2,268.7	2,387.7	2,489.1	2,588.7
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	74.3	105.0	110.7	115.7	120.5	125.3
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	540.1	434.5	444.1	453.6	463.0	472.2
Other costs	0.0	0.0	0.0	0.0	0.0	0.0
	7,003.6	7,024.8	7,529.6	7,592.7	7,910.4	8,062.5
Operating Costs	10,670.0	10,706.3	11,186.8	11,199.5	11,479.8	11,604.1
Gain/(Loss) on disposal of PPE	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	0.0	0.0	0.0	0.0	0.0	0.0
OPERATING SURPLUS/(DEFICIT)	1,804.9	2,228.4	2,328.6	2,792.7	2,998.5	3,325.4
Interest receivable and other income	96.6	194.3	164.0	77.9	78.9	79.2
Interest payable and similar charges	546.4	1,084.7	1,226.4	1,125.9	1,085.9	987.0
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	1,355.1	1,338.0	1,266.2	1,744.7	1,991.5	2,417.6
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	1,355.1	1,338.0	1,266.2	1,744.7	1,991.5	2,417.6
Actuarial (loss) / gain in respect of pension schemes	0.0	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,355.1	1,338.0	1,266.2	1,744.7	1,991.5	2,417.6

STATEMENT OF FINANCIAL POSITION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Current Assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	160,327.9	165,078.7	167,133.9	169,202.3	171,322.6	173,728.5
Less:						
Housing Depreciation	57,642.9	61,324.4	64,981.6	68,588.4	72,157.8	75,699.4
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	102,685.0	103,754.3	102,152.3	100,613.9	99,164.8	98,029.1
Non-Current Investments	2,051.4	1,994.0	2,357.8	2,276.1	2,175.5	2,077.4
Other Non Current Assets	92.5	92.5	92.5	92.5	92.5	92.5
TOTAL NON-CURRENT ASSETS	104,828.9	105,840.8	104,602.6	102,982.5	101,432.8	100,199.0
Current Assets						
Net rental receivables	254.5	195.4	199.7	204.1	208.5	212.8
Other receivables, stock & WIP	364.9	219.5	221.0	222.8	224.6	226.5
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	5,579.6	8,554.7	7,771.7	7,793.2	7,918.0	7,911.4
TOTAL CURRENT ASSETS	6,199.0	8,969.6	8,192.4	8,220.1	8,351.1	8,350.7
Payables : Amounts falling due within One Year						
Loans due within one year	962.5	927.4	985.6	1,058.8	1,300.5	1,375.9
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	1,890.5	1,681.6	1,691.2	1,700.9	1,710.7	1,720.6
TOTAL CURRENT LIABILITIES	2,853.0	2,609.0	2,676.8	2,759.7	3,011.2	3,096.5
NET CURRENT ASSETS/(LIABILITIES)	3,346.0	6,360.6	5,515.6	5,460.4	5,339.9	5,254.2
TOTAL ASSETS LESS CURRENT LIABILITIES	108,174.9	112,201.4	110,118.2	108,442.9	106,772.7	105,453.2
Payables : Amounts falling due After One Year						
Loans due after one year	16,313.7	21,086.3	20,100.7	19,041.9	17,741.4	16,365.5
Other long-term payables	474.0	474.0	474.0	474.0	474.0	474.0
Grants to be released	57,326.2	57,448.2	55,082.3	52,716.1	50,350.1	47,984.1
TOTAL LONG TERM LIABILITIES	74,113.9	79,008.5	75,657.0	72,232.0	68,565.5	64,823.6
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	0.0	0.0	0.0	0.0	0.0	0.0
NET ASSETS	34,061.0	33,192.9	34,461.2	36,210.9	38,207.2	40,629.6
Capital & Reserves						
Share capital	0.2	0.2	0.2	0.2	0.2	0.2
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	34,060.8	33,192.7	34,461.0	36,210.7	38,207.0	40,629.4
TOTAL CAPITAL & RESERVES	34,061.0	33,192.9	34,461.2	36,210.9	38,207.2	40,629.6
Intra Group Receivables - as included above	0.0	0.0	0.0	0.0	0.0	0.0
Intra Group Payables - as included above	0.0	0.0	0.0	0.0	0.0	0.0



STATEMENT OF CASHFLOWS						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cash from Operating Activities						
Operating Surplus/(Deficit)	1,804.9	2,228.4	2,328.6	2,792.7	2,998.5	3,325.4
Depreciation & Amortisation	3,745.1	3,753.1	3,760.9	3,741.4	3,715.1	3,697.3
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	11.8	9.5	12.0	14.6	14.8	15.0
(Increase) / Decrease in Receivables	(7.3)	(5.6)	(5.9)	(6.2)	(6.2)	(6.2)
(Increase) / Decrease in Stock & WIP	0.0	0.0	0.0	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash adjustments	(2,367.9)	(2,364.9)	(2,366.1)	(2,366.1)	(2,366.1)	(2,366.1)
NET CASH FROM OPERATING ACTIVITIES	3,186.6	3,620.5	3,729.5	4,176.4	4,356.1	4,665.4
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	96.6	194.3	164.0	77.9	78.9	79.2
Interest (Paid)	(546.4)	(1,084.7)	(1,226.4)	(1,125.9)	(1,085.9)	(987.0)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(449.8)	(890.4)	(1,062.4)	(1,048.0)	(1,007.0)	(907.8)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	0.0	(2,776.0)	0.0	0.0	0.0	0.0
Improvement of Housing	(2,037.0)	(1,701.3)	(2,055.3)	(2,068.4)	(2,120.3)	(2,405.9)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	(79.7)	(32.3)	(467.4)	(53.0)	(45.0)	(57.6)
Sale of Social Housing Properties	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	0.0	113.8	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(2,116.7)	(4,395.8)	(2,522.7)	(2,121.4)	(2,165.3)	(2,463.5)
NET CASH BEFORE FINANCING	620.1	(1,665.7)	144.4	1,007.0	1,183.8	1,294.1
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	0.0	5,700.0	0.0	0.0	11,200.0	0.0
Debt repayment	(1,113.9)	(1,059.2)	(927.4)	(985.5)	(12,259.0)	(1,300.7)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	(1,113.9)	4,640.8	(927.4)	(985.5)	(1,059.0)	(1,300.7)
INCREASE / (DECREASE) IN NET CASH	(493.8)	2,975.1	(783.0)	21.5	124.8	(6.6)
Cash Balance						
Balance Brought Forward	6,073.4	5,579.6	8,554.7	7,771.7	7,793.2	7,918.0
Increase / (Decrease) in Net Cash	(493.8)	2,975.1	(783.0)	21.5	124.8	(6.6)
CLOSING BALANCE	5,579.6	8,554.7	7,771.7	7,793.2	7,918.0	7,911.4

ADDITIONAL INFORMATION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Number of units added during year to:						
New Social Rent Properties added	0	0	15	0	0	0
New MMR Properties added	0	0	0	0	0	0
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Total number of new affordable housing units added during year	0	0	15	0	0	0
Units developed for sale:						
Number of units developed for sale to RSLs	0	0	0	0	0	0
Number of units developed for sale to non-RSLs	0	0	0	0	0	0
Development Assumption Indicator	Yes					
Number of units lost during year from:						
Sales including right to buy	0	0	0	0	0	0
Demolition	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Other	0	0	0	0	0	0
Number of units managed at end of period (exclude factored units)	1,961	1,961	1,976	1,976	1,976	1,976
Units owned:						
Social Rent Properties	1,873	1,873	1,888	1,888	1,888	1,888
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	88	88	88	88	88	88
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	1,961	1,961	1,976	1,976	1,976	1,976
Financed by:						
Scottish Housing Grants	0.0	0.0	113.8	0.0	0.0	0.0
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	0.0	0.0	2,662.0	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total cost of new units	0.0	0.0	2,775.8	0.0	0.0	0.0
Assumptions:						
General Inflation (%)	12.0	5.2	4.8	4.5	4.3	4.0
Rent increase - Margin above/below General Inflation (%)	(6.0)	0.9	0.0	0.0	0.0	0.0
Operating cost increase - Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint cost increase-Margin above/below General Inflation (%)	20.0	2.0	1.5	0.0	0.0	0.0
Actual / Assumed average salary increase (%)	5.3	6.0	5.0	5.0	5.0	4.5
Average cost of borrowing (%)	3.0	6.2	5.5	5.3	5.4	5.2
Employers Contributions for pensions (%)	12.5	12.5	12.5	12.5	12.5	12.5
Employers Contributions for pensions (£'000)	187.0	223.8	235.0	246.8	259.1	270.8
SHAPS Pensions deficit contributions (£'000)	0.0	0.0	100.0	100.0	100.0	100.0
Min. headroom cover on tightest interest cover covenant (£'000)	572.0	864.0	396.0	812.0	974.0	1,096.0
Minimum headroom cover on tightest gearing covenant (£'000)	62,888.0	59,589.0	61,628.0	63,737.0	65,950.0	68,553.0

Minimum headroom cover on tightest asset cover covenant (£'000)	1,270.0	1,270.0	1,270.0	1,270.0	1,270.0	1,270.0
Total staff costs (including NI & pension costs) (£'000)	1,938.3	2,099.0	2,204.0	2,314.2	2,429.9	2,539.2
Full time equivalent staff	41.9	42.9	42.9	42.9	42.9	42.9
EESH Revenue Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
EESH Capital Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Total capital & revenue expend on maint pre-1919 properties (£'000)	1,361.0	1,251.3	1,393.7	1,355.6	1,365.1	1,462.2
Total capital & revenue expend on maint all other properties (£'000)	3,771.4	3,503.5	3,902.4	3,795.6	3,822.3	4,094.0
Estimated decarbonisation cost indicator	No					
Estimated decarbonisation cost (£'000)	-					

TRENDS & COMPARATORS

RATIOS	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	National Median
	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	
Financial capacity									
Interest cover	1,256.2%	656.8%	600.878%	351.692%	317.474%	377.858%	408.417%	480.709%	425.2%
Gearing	33.3%	38.3%	34.340%	40.548%	38.636%	33.988%	29.115%	24.194%	44.8%
Efficiency									
Voids	1.8%	2.9%	2.806%	2.807%	2.783%	2.784%	2.783%	2.783%	0.8%
Arrears	1.5%	1.4%	2.644%	1.914%	1.852%	1.812%	1.775%	1.743%	1.9%
Bad debts	0.7%	0.5%	0.772%	1.028%	1.027%	1.027%	1.026%	1.026%	0.5%
Staff costs / turnover	16.7%	18.2%	15.538%	16.228%	16.307%	16.539%	16.783%	17.008%	21.0%
Turnover per unit	£5,929	£5,976	£6,361	£6,596	£6,840	£7,081	£7,327	£7,555	£5,571
Responsive repairs to planned maintenance	0.8	1.5	1.4	1.2	1.3	1.1	1.0	1.1	1.6
Liquidity									
Current ratio	0.9	1.2	2.2	3.4	3.1	3.0	2.8	2.7	1.9
Profitability									
Gross surplus / (deficit)	17.5%	16.6%	14.468%	17.228%	17.229%	19.959%	20.710%	22.274%	16.2%
Net surplus / (deficit)	14.9%	13.3%	10.863%	10.344%	9.369%	12.469%	13.755%	16.193%	11.1%
EBITDA / revenue	47.6%	42.5%	27.530%	32.537%	29.082%	30.954%	30.719%	29.881%	28.8%
Financing									
Debt Burden	1.4	1.6	1.4	1.7	1.6	1.4	1.3	1.2	1.7
Net debt per unit	£5,538	£6,360	£5,965	£6,863	£6,738	£6,228	£5,630	£4,975	£7,062
Debt per unit	£8,276	£9,456	£8,810	£11,226	£10,671	£10,172	£9,637	£8,978	£10,191
Diversification									
Income from non-rental activities	26.2%	24.6%	22.848%	21.071%	20.218%	19.482%	18.891%	18.210%	17.4%
INDICATORS									
Turnover	11,264.6	11,724.7	12,474.9	12,934.7	13,515.4	13,992.2	14,478.3	14,929.5	
Operating costs	5,538.0	6,384.8	7,003.6	7,024.8	7,529.6	7,592.7	7,910.4	8,062.5	
Net housing assets	104,074.7	104,314.4	102,685.0	103,754.3	102,152.3	100,613.9	99,164.8	98,029.1	
Cash & current investments	5,204.3	6,073.4	5,579.6	8,554.7	7,771.7	7,793.2	7,918.0	7,911.4	
Debt	15,731.7	18,552.0	17,276.2	22,013.7	21,086.3	20,100.7	19,041.9	17,741.4	
Net assets / capital & reserves	31,568.5	32,544.0	34,061.0	33,192.9	34,461.2	36,210.9	38,207.2	40,629.6	

Comments

Page	Field	Comment
SOCI	Other income	This is income from wider action, factoring, common housing register etc. For budget purposes we only include known income here, given each years income can differ depending on what funding applications are successful.
SOCI	Planned maintenance - direct costs	Cyclical maintenance costs can vary. Other direct costs for 23/24 and 24/25 include additional costs associated with the development site currently on hold, i.e. security costs. 25/26 includes a stock condition survey.
SOCI	Bad debts written off/(back)	The bad debt projection has been increased to 1% (from 0.75%) from 2024/25 onwards, for prudence.
SOCI	Other activity costs	We only include known project work in the projections but this can increase if funding applications are successful.
SOCI	Interest receivable and other income	Interest receivable peaks during 2024/25 when it is planned to fully draw down the RBS loan.
SOCI	Interest payable and similar charges	Fixes on three of our loans ended during March 2024, resulting in interest payable increasing significantly from 2024/25 onwards. The final fixed loan ends in March 2025 so interest increases again.
SOFP	Cash at bank and in hand	Cash peaks in 2024/25 as the RBS loan becomes fully drawn down.
SOCF	Increase / (Decrease) in Payables	Debtors were high at 31/03/2023 due to work being carried out for the Ukrainian Resettlement Scheme - grant funding accrued at the year end.
SOCF	(Increase) / Decrease in Receivables	Creditors were higher than usual at 31/03/2023 due to work being carried out for the Ukrainian Resettlement Scheme over the year end period.
SOCF	Interest Received	Interest received peaks in 2024/25 as cash increases as the RBS loan is drawn down. Long term rate projections have been prudent.
SOCF	Interest (Paid)	Fixes on 3 of our loans ended during March 2024, resulting in interest payable increasing significantly

Page	Field	Comment
		from 2024/25 onwards.
SOCF	Construction or acquisition of Housing properties	One development projected to complete during 2024/25.
SOCF	Construction or acquisition of Other Non-Current Assets	Projections include a £400k budget for a potential new housing management system during 2025/26.
SOCF	Grants (Repaid) / Received	One development to be finalised during 2024/25. Balance of HAG due.
SOCF	Debt drawdown	2024/25 projects we will fully draw down the RBS RCF loan. 2027/28 includes the RCF with RBS (£11.2M) being refinanced.
SOCF	Debt repayment	2027/28 includes the RCF with RBS (£11.2M) being refinanced.
Additional Information	New Social Rent Properties added	New build development, currently on hold and being re-tendered. Units are forecasted to be let from April 2025.
Additional Information	'Total cost of new units' / 'Total number of new affordable housing units added during year'	One large development completed during 2022/23. One further development currently on hold, being re-tendered, projected forecasted to be let from April 2025.
Additional Information	Scottish Housing Grants	HAG remaining on development
Additional Information	Private finance	RBS loan funding in place
Additional Information	SHAPS Pensions deficit contributions (£'000)	Added £100k back in from 2025/26 for prudence, we won't know if payments will restart until the September 2024 triannual actuarial valuation results are finalised.
Additional Information	Minimum headroom cover on tightest interest cover covenant (£'000)	2025/26 headroom is the lowest level, this is due to interest payable being at its highest following the final fixed loan ending. We are considering fixing some of our variable loans to minimise interest payable, which will help increase our headroom.
Additional Information	Full time Equivalent Staff Curr Year	There was a 6% pay increase for 2024/25 plus one additional post compared to 2023/24.
Additional	Estimated decarbonisation	We haven't included any figures in our financial plan

Page	Field	Comment
Information	cost	for EESSH2/SHNZS. However to ensure the management committee are aware of the targets we included a scenario within our stress testing to show the impact a spend per property would have. Work is ongoing on this area and once costs are confirmed.