

Landlord Name:	Oak Tree Housing Association Ltd
RSL Reg No.:	137
Report generated date:	13/09/2023 15:17:37

**Approval**

A1.1	Date approved	13/09/2023
A1.2	Approver	Kes Cameron
A1.3	Approver job title	Finance Director

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	11,724.7	11,270.7
Operating costs	(9,897.6)	(9,281.1)
Gain/(loss) on disposal of property, plant and equipment	119.7	(19.6)
Exceptional items	0.0	0.0
<b>Operating surplus/(deficit)</b>	<b>1,946.8</b>	<b>1,970.0</b>
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	31.1	26.6
Interest payable	(366.0)	(218.3)
Other financing (costs)/income	(50.4)	(86.5)
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	0.0	(10.0)
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
<b>Total</b>	<b>(385.3)</b>	<b>(288.2)</b>
<b>Surplus/(deficit) before tax</b>	<b>1,561.5</b>	<b>1,681.8</b>
Tax (payable)/recoverable	0.0	0.0
<b>Surplus/(deficit) for the year</b>	<b>1,561.5</b>	<b>1,681.8</b>
Actuarial (loss)/gain in respect of pension schemes	(586.0)	1,061.0
Change in fair value of hedged financial instruments	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>975.5</b>	<b>2,742.8</b>

STATEMENT OF CHANGES IN EQUITY

	Share capital	Revenue reserve Restricted fund	Revenue reserve Unrestricted fund	Restricted reserve	Revaluation reserve
	£'000	£'000	£'000	£'000	£'000
<b>Balance at end of the previous year</b>	0.2	(52.0)	31,620.3	0.0	0.0
Opening balance adjustments	0.0	0.0	0.0	0.0	0.0
Issue of shares	0.0	0.0	0.0	0.0	0.0
Cancellation of shares	0.0	0.0	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	0.0	(586.0)	1,561.5	0.0	0.0
Transfer from revaluation reserve to revenue reserve	0.0	164.0	(164.0)	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0	0.0	0.0
<b>Balance at end of the current year</b>	0.2	(474.0)	33,017.8	0.0	0.0

	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest
	£'000	£'000	£'000
<b>Balance at end of the previous year</b>	31,568.5	0.0	31,568.5
Opening balance adjustments	0.0	0.0	0.0
Issue of shares	0.0	0.0	0.0
Cancellation of shares	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	975.5	0.0	975.5
Transfer from revaluation reserve to revenue reserve	0.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0
<b>Balance at end of the current year</b>	32,544.0	0.0	32,544.0

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
<b>Non-current assets</b>		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	104,314.4	104,074.7
Negative goodwill	0.0	0.0
<b>Net housing assets</b>	<b>104,314.4</b>	<b>104,074.7</b>
Non-current investments	92.5	92.5
Other plant, property and equipment	2,050.4	2,114.6
Investments in joint ventures and associates	0.0	0.0
<b>Total non-current assets</b>	<b>106,457.3</b>	<b>106,281.8</b>
Receivables due after more than one year	0.0	0.0
<b>Current assets</b>		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	612.1	1,101.0
Cash and cash equivalents	6,073.4	5,204.3
<b>Total current assets</b>	<b>6,685.5</b>	<b>6,305.3</b>
Payables: amounts falling due within one year	(3,154.9)	(4,522.7)
<b>Deferred income: amounts falling due within one year</b>		
Scottish housing grants (SHG)	(2,216.5)	(2,209.5)
Other grants	0.0	(8.7)
<b>Total deferred income: amounts falling due within one year</b>	<b>(2,216.5)</b>	<b>(2,218.2)</b>
<b>Net current assets/(liabilities)</b>	<b>1,314.1</b>	<b>(435.6)</b>
<b>Total assets less current liabilities</b>	<b>107,771.4</b>	<b>105,846.2</b>
Payables: amounts falling due after more than one year	(17,275.8)	(14,478.4)
Provisions	0.0	0.0
Pension asset/(liability)	(474.0)	(52.0)
<b>Deferred income: amounts falling due after more than one year</b>		
Scottish housing grants (SHG)	(57,215.7)	(59,485.4)
Other grants	(261.9)	(261.9)
<b>Total deferred income: amounts falling due after more than one year</b>	<b>(57,477.6)</b>	<b>(59,747.3)</b>
<b>Total long term liabilities</b>	<b>(75,227.4)</b>	<b>(74,277.7)</b>
<b>Net assets</b>	<b>32,544.0</b>	<b>31,568.5</b>
<b>Capital and reserves</b>		
Share capital	0.2	0.2
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	32,543.8	31,568.3
<b>Total reserves</b>	<b>32,544.0</b>	<b>31,568.5</b>

STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>	2,559.3	2,728.0
<b>Tax (paid)/refunded</b>	0.0	0.0
<b><u>Cash flow from investing activities</u></b>		
Acquisition and construction of properties	(3,835.1)	(9,451.9)
Purchase of other non-current assets	(24.0)	(57.2)
Sales of properties	113.7	135.1
Sales of other non-current assets	0.0	622.9
Capital grants received	0.0	1,856.2
Capital grants repaid	(398.2)	(141.2)
Interest received	27.0	26.9
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(4,116.6)</b>	<b>(7,009.2)</b>
<b><u>Cash flow from financing activities</u></b>		
Interest paid	(393.8)	(219.3)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	4,000.0	1,500.0
Funding repaid	(1,179.8)	(1,165.7)
Early repayment and associated charges	0.0	0.0
Capital element of finance lease rental payments	0.0	0.0
Withdrawal from deposits	0.0	0.0
<b>Net cash inflow/(outflow) from financing activities</b>	<b>2,426.4</b>	<b>115.0</b>
<b>Net change in cash and cash equivalents</b>	<b>869.1</b>	<b>(4,166.2)</b>
<b>Cash and cash equivalents at end of the previous year</b>	<b>5,204.3</b>	<b>9,370.5</b>
Cash and cash equivalents Opening balance adjustment	0.0	0.0
<b>Cash and cash equivalents at end of the current year</b>	<b>6,073.4</b>	<b>5,204.3</b>

Particulars of turnover, operating costs and operating surplus or deficit – Current Year

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	11,281.9	(9,441.2)	1,840.7
Other activities	442.8	(456.4)	(13.6)
<b>Total</b>	<b>11,724.7</b>	<b>(9,897.6)</b>	<b>1,827.1</b>

Particulars of turnover, operating costs and operating surplus or deficit – Prior Year

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	10,584.7	(8,453.4)	2,131.3
Other activities	686.0	(827.7)	(141.7)
<b>Total</b>	<b>11,270.7</b>	<b>(9,281.1)</b>	<b>1,989.6</b>

Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Current Year Total	Prior Year Total
	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable	8,354.9	332.2	274.7	0.0	8,961.8	8,323.5
Service charges	116.7	19.9	10.0	0.0	146.6	139.1
<b>Gross income</b>	<b>8,471.6</b>	<b>352.1</b>	<b>284.7</b>	<b>0.0</b>	<b>9,108.4</b>	<b>8,462.6</b>
Voids	(255.4)	(10.3)	(0.4)	0.0	(266.1)	(152.2)
<b>Net income</b>	<b>8,216.2</b>	<b>341.8</b>	<b>284.3</b>	<b>0.0</b>	<b>8,842.3</b>	<b>8,310.4</b>
Grants released from deferred income	2,056.9	72.4	87.3	0.0	2,216.6	2,218.3
Revenue grants from Scottish Ministers	223.0	0.0	0.0	0.0	223.0	55.1
Other revenue grants	0.0	0.0	0.0	0.0	0.0	0.9
<b>Total turnover: letting</b>	<b>10,496.1</b>	<b>414.2</b>	<b>371.6</b>	<b>0.0</b>	<b>11,281.9</b>	<b>10,584.7</b>
Management and maintenance administration costs	(2,618.5)	(104.1)	(86.1)	0.0	(2,808.7)	(2,523.0)
Service costs	(214.2)	(36.5)	(18.4)	0.0	(269.1)	(194.3)
Planned maintenance	(1,454.2)	(17.5)	0.0	0.0	(1,471.7)	(829.2)
Reactive maintenance	(1,291.7)	(39.8)	0.0	0.0	(1,331.5)	(1,261.8)
Bad debts written (off)/back	(47.1)	(0.3)	0.0	0.0	(47.4)	(56.1)
Depreciation: housing	(3,279.5)	(116.2)	(117.1)	0.0	(3,512.8)	(3,589.0)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating costs</b>	<b>(8,905.2)</b>	<b>(314.4)</b>	<b>(221.6)</b>	<b>0.0</b>	<b>(9,441.2)</b>	<b>(8,453.4)</b>
<b>Operating surplus/(deficit)</b>	<b>1,590.9</b>	<b>99.8</b>	<b>150.0</b>	<b>0.0</b>	<b>1,840.7</b>	<b>2,131.3</b>
<b>Prior Year</b>						
<b>Total turnover: letting</b>	<b>9,805.6</b>	<b>410.0</b>	<b>369.1</b>	<b>0.0</b>		
<b>Operating costs</b>	<b>(7,923.0)</b>	<b>(312.6)</b>	<b>(217.8)</b>	<b>0.0</b>		
<b>Operating surplus/(deficit)</b>	<b>1,882.6</b>	<b>97.4</b>	<b>151.3</b>	<b>0.0</b>		

Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Other operating costs	Current Year Operating surplus/(deficit)	Prior Year Operating surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wider role	0.0	0.0	0.0	269.5	269.5	(244.2)	25.3	5.9
Care and repair	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment property activities	0.0	0.0	0.0	18.3	18.3	(11.9)	6.4	20.7
Factoring	0.0	0.0	0.0	147.8	147.8	(153.7)	(5.9)	(7.5)
Support activities	0.0	0.0	0.0	7.2	7.2	(46.6)	(39.4)	(12.8)
Care activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contracted out services undertaken for RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contracted out services undertaken for others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Developments for sale to RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(148.0)
Developments for sale to non-RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncapitalised development administration costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current Year Total</b>	0.0	0.0	0.0	442.8	442.8	(456.4)	(13.6)	
<b>Prior Year Total</b>	0.0	0.0	0.0	686.0	686.0	(827.7)	(141.7)	



ANALYSIS - UNITS

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Current Year Total	Prior Year Total
Units owned and managed at year end	1,817	56	89	0	1,962	1,901
Units managed, not owned at year end	0	0	0	0	0	0
Units owned, not managed at year end	0	0	0	0	0	0
Units held for demolition at year end	0	0		0	0	0
<b>Total units owned / managed</b>	<b>1,817</b>	<b>56</b>	<b>89</b>	<b>0</b>	<b>1,962</b>	<b>1,901</b>

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,441	£1,859	£967	-	£1,432
Planned maintenance	£800	£312	£0	-	£750
Reactive maintenance	£711	£711	£0	-	£679
Total direct maintenance	£1,511	£1,023	£0	-	£1,429
<b>Total management &amp; maintenance</b>	<b>£2,952</b>	<b>£2,882</b>	<b>£967</b>	<b>-</b>	<b>£2,860</b>

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,337	£1,766	£873	-	£1,327
Planned maintenance	£460	£430	£0	-	£436
Reactive maintenance	£698	£698	£0	-	£664
Total direct maintenance	£1,157	£1,129	£0	-	£1,100
<b>Total management &amp; maintenance</b>	<b>£2,495</b>	<b>£2,895</b>	<b>£873</b>	<b>-</b>	<b>£2,427</b>

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	121.4	109.4
Total key management personnel emoluments	458.4	443.9
Total staff costs	2,133.8	1,878.3
External auditors' fees – audit	10.2	9.2
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	482.3	189.6
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	54,584.3	54,185.8
Receivables - gross rental	303.6	
Receivables – bad debt provision	(178.9)	(166.1)
Receivables - net rental	124.7	128.8
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	1,276.2	1,253.3
Housing loans due after more than one year	17,275.8	14,478.4
Other loans due within one year	0.0	0.0
Other loans due after more than one year	0.0	0.0
Overdraft / bridging finance	0.0	0.0
Intra-group loans due within one year	0.0	0.0
Intra-group loans due after more than one year	0.0	0.0
Intra-group lending	0.0	0.0
Intra-group receivables (trading)	0.0	0.0
Other intra-group payables (trading)	0.0	0.0

**CONTEXTUAL INFORMATION**

Accounting year end	March	
Date financial statements authorised	07/08/2023	
Are the financial statements qualified?	No	
Were there any emphasis of matter points raised in the audit report?	No	
External auditors' name	Alexander Sloan	
Number of years since a full procurement exercise was undertaken for the external auditor	5	
Internal auditors' name	TIAA	
Number of years since a full procurement exercise was undertaken for the internal auditor	4	
Do you have an Audit Committee?	No	
Do you have a Treasury Management Strategy?	Yes	
How do you account for capital grant income?	Accruals method	
Calendar year of last housing asset revaluation	N/A	
Contingent liabilities	Legal action	<input type="checkbox"/>
	LSVT contract compliance	<input type="checkbox"/>
	Pension	<input checked="" type="checkbox"/>
	Repayment of SHG	<input type="checkbox"/>
	Other	<input type="checkbox"/>
	None	<input type="checkbox"/>
SHAPS financial assessment risk rating	Low	
Are you appealing this risk rating?	No	
How many staff members not currently contributing to any scheme?	4	
<b>Staff Pension Schemes</b>		
Which scheme(s) are you members of?	How many participating members in each scheme?	
SHAPS DC	45	
SHAPS CARE 120th	0	
SHAPS CARE 70th	0	
SHAPS final salary	0	

**SUBSIDIARIES AND CONNECTED ORGANISATIONS  
SUBSIDIARIES**

Subsidiary name	Subsidiary status during Financial year	Accounts status	Subsidiary company Turnover £'000	Subsidiary company Operating surplus/(deficit) £'000	Subsidiary company Net assets £'000
OTHI Ltd	Active	Unaudited	159.6	(2.3)	18.2



SUBSIDIARIES AND CONNECTED ORGANISATIONS  
SUBSIDIARIES

Subsidiary name	Subsidiary status during Financial year	Accounts status	Subsidiary company Turnover £'000	Subsidiary company Operating surplus/(deficit) £'000	Subsidiary company Net assets £'000



**CONNECTED ORGANISATIONS**




**CONNECTED ORGANISATIONS – OTHER**


RATIOS

	Current Year	Prior Year	Prior Year Sector Median
<b>Financial capacity</b>			
Interest cover	656.8%	1,256.2%	532.3%
Gearing	38.3%	33.3%	47.9%
<b>Efficiency</b>			
Voids	2.9%	1.8%	0.9%
Gross arrears	3.4%	3.5%	3.9%
Net arrears	1.4%	1.5%	1.9%
Bad debts	0.5%	0.7%	0.4%
Staff costs / turnover	18.2%	16.7%	21.1%
Key management personnel / staff costs	21.5%	23.6%	14.5%
Turnover per unit	£5,976	£5,929	£5,458
Responsive repairs to planned maintenance ratio	1.5	0.8	1.7
<b>Liquidity</b>			
Current ratio	1.2	0.9	2.1
<b>Profitability</b>			
Gross surplus / (deficit)	16.6%	17.5%	18.7%
Net surplus / (deficit)	13.3%	14.9%	12.7%
EBITDA / revenue	42.5%	47.6%	29.4%
EBITDA exc. deferred grant	23.5%	28.0%	19.0%
<b>Financing</b>			
Debt burden ratio	1.6	1.4	1.9
Net debt per unit	£6,360	£5,538	£7,102
Debt per unit	£9,456	£8,275	£10,687
<b>Diversification</b>			
Income from non-rental activities-	24.6%	26.2%	17.6%



# Comments

Page	Field	Comment
SOCI	Gain/(loss) on disposal of property plant and equipment	Sale of shared ownership properties. Prior year accrued maximum HAG repayable on sales however actual repayments were lower.
SOCI	Interest payable	Higher loan draw down this year, interest on a variable rate.
SOCI	Other financing (costs)/income	In the main this is non utilisation fees for RBS loan facility.
SOCI	Actuarial (loss)/gain in respect of pension schemes	Annual adjustment to the SHAPS DB pension scheme, this is a volatile situation with the annual adjustment changing from a gain to a loss this year.
SOCE	Revenue reserve Restricted fund - Balance at end of the current year	This is the closing liability on the SHAPS DB pension scheme. Differs each year.
SOFP	Pension asset/(liability)	This is the closing liability on the SHAPS DB pension scheme. Differs each year.
SOCF	Acquisition and construction of properties	Three development sites in progress during 2021/22, there was only one during 2022/23.
SOCF	Sales of properties	Sale of shared ownership properties during the year.
SOCF	Capital grants repaid	Disposals in the year resulting in repayments to the Scottish Government.
SOCF	Funding drawn down	Loan drawn down during the year.
Analysis - Affordable Lettings	Voids	We had some long term voids during 2022/23 that were being held while we put a bid into the Scottish Government. The bid was to fund decoration and furnishing of the flats, to allow them to be let as part of the Ukrainian Resettlement Scheme. The grant was awarded and the flats were ready to let by the 31st March 2023.
Analysis - Affordable Lettings	Grants from Scottish Ministers	This was the funding from the Scottish Government for the Ukrainian Resettlement Scheme.
Analysis - Affordable Lettings	Other grants	We received a small furlough grant during the first quarter of 2022/23.
Analysis -	Service costs	We seen an increase in both the landscaping

Page	Field	Comment
Affordable Lettings		contract costs and utility costs for our common closes during 2022/23.
Analysis - Affordable Lettings	Planned maintenance	We started to return to pre pandemic levels of planned and cyclical maintenance. We also had some major works including roof works for two factored properties, as well as demolition works starting during 2022/23.
Analysis - Affordable Lettings	Bad debts written (off)/back	Bad debts have fallen slightly on the prior year due to increased management activity to try and ensure bad debts remain as low as possible.
Analysis - Other Activities	Wider role	This is mainly a timing variance with two hardship grants received during 2022/23 that will be spent during 2023/24.
Analysis - Other Activities	Investment property activities	This year included a high spend to decorate our old office premises to rent out, compared to no spend on investment properties during 2021/22.
Analysis - Other Activities	Factoring	Factoring income and expenditure nets off to nil so the deficit each year is the bad debt figure estimated at the year end. This was higher than 2021/22 as we accounted for potential bad debts from the major works that was recharged during 2022/23.
Analysis - Other Activities	Support activities	Includes write off for company that went into liquidation during 2022/23.
Analysis - Other Activities	Developments for sale to RSLs	There were no sale of development services during 2022/23 - this was for two specific development sites both completed during 2021/22.
Supplementary Items	Capitalised maintenance costs	We have continued to increase maintenance spend as we aim to return to pre-pandemic levels of work.
Supplementary Items	Housing loans due after more than one year	Loan drawn down during the year.
Contextual Information	Full procurement exercise undertaken for external auditor	Tender exercise undertaken during July 2023 with appointment made August 2023. New contract to start from the audit year ending 31/03/2024.
Contextual Information	Full procurement exercise undertaken for internal auditor	Tender exercise was undertaken during May 2023. The new contract will start with the 2023/24 internal

Page	Field	Comment
		audit programme.
Contextual Information	How many staff members not currently contributing to a pension scheme?	At the 31st March we had 4 employees not in the pension scheme. 3 were on a temporary contract (funded project) and all left employment on the 31 March 2023. 1 permanent employee is not in the pension scheme.