

# Financial Projections & Assumptions

2019

## Oak Tree Housing Association Ltd

137



		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
		£'000	£'000	£'000	£'000	£'000	£'000	
<b>PLEASE USE "0" FOR NIL VALUES THROUGHOUT THIS RETURN</b>								
<b>STATEMENT OF COMPREHENSIVE INCOME</b>								
Gross rents	10 :	7,694.0	7,985.5	8,512.7	9,572.1	9,935.8	10,236.8	
Service charges	11 :	120.5	128.6	136.3	145.7	149.4	153.1	
<b>Gross rents &amp; service charges</b>	12 :	<b>7,814.5</b>	<b>8,114.1</b>	<b>8,649.0</b>	<b>9,717.8</b>	<b>10,085.2</b>	<b>10,389.9</b>	10+11
Rent loss from voids	13 :	151.4	221.9	246.3	278.6	289.1	297.7	
<b>Net rent &amp; service charges</b>	14 :	<b>7,663.1</b>	<b>7,892.2</b>	<b>8,402.7</b>	<b>9,439.2</b>	<b>9,796.1</b>	<b>10,092.2</b>	12-13
Developments for sale income	15 :	2,077.3	2,142.8	2198.1	2256.7	2230.7	2256.1	
Grants released from deferred income	16 :	0	0	0	0	0	0	
Grants from Scottish Ministers	17 :	112.2	96	99	102.2	105.6	108.3	
Other grants	18 :	0	0	0	0	0	0	
Other income	19 :	509.8	521.3	446.9	461.6	476.8	489.2	
<b>TURNOVER</b>	20 :	<b>10,362.4</b>	<b>10,652.3</b>	<b>11,146.7</b>	<b>12,259.7</b>	<b>12,609.2</b>	<b>12,945.8</b>	SUM(14:19)
Less:								
Housing depreciation	22 :	3,355.9	3,575.9	3,797.4	4,289.7	4,452.3	4,549.1	
Impairment written off / (back)	23 :	0.0	0.0	0.0	0.0	0.0	0.0	
Management costs	25 :	2,225.7	2,437.2	2,335.6	2,409.7	2,514.6	2,601.5	
Planned maintenance - direct costs	26 :	437.1	1,011.4	1,139.7	626.1	942.4	782.8	
Re-active & voids maintenance - direct costs	27 :	1223.5	1075.8	1110.1	1154.9	1268.6	1306.7	
Maintenance overhead costs	28 :	0	0	0	0	0	0	
Bad debts written off / (back)	29 :	31.1	101.4	129.8	171	201.7	207.8	
Developments for sale costs	30 :	0	0	0	0	0	0	
Other activity costs	31 :	730.2	697.1	641.1	534.1	551.6	565.9	
Other costs	32 :	204.1	221.5	228.4	235.9	243.7	249.8	
	33 :	4,851.7	5,544.4	5,584.7	5,131.7	5,722.6	5,714.5	SUM (25:32)
<b>Operating Costs</b>	35 :	<b>8,207.6</b>	<b>9,120.3</b>	<b>9,382.1</b>	<b>9,421.4</b>	<b>10,174.9</b>	<b>10,263.6</b>	22+23+33
Gain/(Loss) on disposal of PPE	36 :	(6.3)	0.0	0.0	0.0	0.0	0.0	
Exceptional Items - (Income) / Expense	37 :	393.5	0	0	0	0	0	
<b>OPERATING SURPLUS/(DEFICIT)</b>	38 :	<b>1,755.0</b>	<b>1,532.0</b>	<b>1,764.6</b>	<b>2,838.3</b>	<b>2,434.3</b>	<b>2,682.2</b>	20-35+36-37
Interest receivable and other income	40 :	92.8	85.5	81.6	76.4	66.4	67.5	
Interest payable and similar charges	41 :	721.5	349.9	580.6	860.9	865.9	940	
Increase / (Decrease) in Negative Goodwill	42 :	0	0	0	0	0	0	
Other Gains / (Losses)	43 :	-93.8	-45	-45	-45	0	0	
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX</b>	45 :	<b>1,032.5</b>	<b>1,222.6</b>	<b>1,220.6</b>	<b>2,008.8</b>	<b>1,634.8</b>	<b>1,809.7</b>	38+40-41+42+43

		£'000	£'000	£'000	£'000	£'000	£'000	
Tax on surplus on ordinary activities	47 :	0	0	0	0	0	0	
<b>SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX</b>	49 :	<b>1,032.5</b>	<b>1,222.6</b>	<b>1,220.6</b>	<b>2,008.8</b>	<b>1,634.8</b>	<b>1,809.7</b>	45-47
<b>STATEMENT OF FINANCIAL POSITION</b>								
<b>Non-Current Assets</b>								
Intangible Assets & Goodwill	54 :	0	0	0	0	0	0	
Housing properties - Gross cost or valuation	57 :	139671.6	150243.8	166342.7	169890.4	172597.7	173649.3	
Less								
Housing Depreciation	59 :	43394.8	46970.5	50768	55057.6	59509.8	64058.7	
Negative Goodwill	60 :	0	0	0	0	0	0	
<b>NET HOUSING ASSETS</b>	61 :	<b>96,276.8</b>	<b>103,273.3</b>	<b>115,574.7</b>	<b>114,832.8</b>	<b>113,087.9</b>	<b>109,590.6</b>	57-59-60
Non-Current Investments	63 :	979.7	855.7	729.8	603.9	478.1	352.2	
Other Non Current Assets	64 :	1075.3	1800.7	1735.4	1661.4	1617.5	1569.4	
<b>TOTAL NON-CURRENT ASSETS</b>	65 :	<b>98,331.8</b>	<b>105,929.7</b>	<b>118,039.9</b>	<b>117,098.1</b>	<b>115,183.5</b>	<b>111,512.2</b>	54+61+63+64
<b>Current Assets</b>								
Net rental receivables	68 :	98.4	125.8	139.4	149.8	155.5	161.2	
Other receivables, stock & WIP	69 :	554	562.8	573.7	584.9	596.4	608.1	
Investments (non-cash)	70 :	0	0	0	0	0	0	
Cash at bank and in hand	71 :	7596.9	5961.8	5551	4572.4	4256.1	5859.2	
<b>TOTAL CURRENT ASSETS</b>	72 :	<b>8,249.3</b>	<b>6,650.4</b>	<b>6,264.1</b>	<b>5,307.1</b>	<b>5,008.0</b>	<b>6,628.5</b>	SUM(68:71)
<b>Payables : Amounts falling due within One Year</b>								
Loans due within one year	75 :	820	973.1	983.5	997.9	1009.8	1000.5	
Overdrafts due within one year	76 :	0	0	0	0	0	0	
Other short-term payables	77 :	1372.9	1407.1	1442.4	1478.2	1515.4	1553.3	
<b>TOTAL CURRENT LIABILITIES</b>	78 :	<b>2,192.9</b>	<b>2,380.2</b>	<b>2,425.9</b>	<b>2,476.1</b>	<b>2,525.2</b>	<b>2,553.8</b>	75+76+77
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	80 :	<b>6,056.4</b>	<b>4,270.2</b>	<b>3,838.2</b>	<b>2,831.0</b>	<b>2,482.8</b>	<b>4,074.7</b>	72-78
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	82 :	<b>104,388.2</b>	<b>110,199.9</b>	<b>121,878.1</b>	<b>119,929.1</b>	<b>117,666.3</b>	<b>115,586.9</b>	65+80
<b>Payables : Amounts falling due After One Year</b>								
Loans due after one year	85 :	15893.5	17760.9	27970.4	26525.7	24883.5	23250.5	
Other long-term payables	86 :	0	0	0	0	0	0	
Grants to be released	87 :	61862.2	64823	65318.9	63062.2	60831.5	58575.4	
	88 :	<b>77,755.7</b>	<b>82,583.9</b>	<b>93,289.3</b>	<b>89,587.9</b>	<b>85,715.0</b>	<b>81,825.9</b>	85+86+87
Provisions for liabilities & charges	89 :	1974	1734.8	1487.2	1230.7	1206.1	1206.1	
<b>NET ASSETS</b>	90 :	<b>24,658.5</b>	<b>25,881.2</b>	<b>27,101.6</b>	<b>29,110.5</b>	<b>30,745.2</b>	<b>32,554.9</b>	82-88-89
<b>Capital &amp; Reserves</b>								
Share capital	93 :	0.2	0.2	0.2	0.2	0.2	0.2	
Revaluation reserve	94 :	0	0	0	0	0	0	
Restricted reserves	95 :	0	0	0	0	0	0	
Revenue reserves	96 :	24658.3	25881	27101.4	29110.3	30745	32554.7	
<b>TOTAL CAPITAL &amp; RESERVES</b>	97 :	<b>24,658.5</b>	<b>25,881.2</b>	<b>27,101.6</b>	<b>29,110.5</b>	<b>30,745.2</b>	<b>32,554.9</b>	SUM(93:96)
Pension Liability - as included above	99 :	1974	1734.8	1487.2	1230.7	1206.1	1206.1	
Intra Group Receivables - as included above	100 :	156.7	125.9	125.9	125.9	125.9	125.9	

		£'000	£'000	£'000	£'000	£'000	£'000	
Intra Group Payables - as included above	101 :	14.5	0	0	0	0	0	
Balance check	102 :	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	
<b>STATEMENT OF CASHFLOWS</b>								
<b>Net Cash from Operating Activities</b>								
Operating Surplus/(Deficit)	106 :	1,755.0	1,532.0	1,764.6	2,838.3	2,434.3	2,682.2	38
Depreciation & Amortisation	107 :	1,581.8	1,519.3	1,699.4	2,133.0	2,304.0	2,366.3	
Impairments / (Revaluation Enhancements)	108 :	0.0	0.0	0.0	0.0	0.0	0.0	
Increase / (Decrease) in Payables	109 :	167.1	(249.9)	(257.5)	(265.4)	12.5	37.9	
(Increase) / Decrease in Receivables	110 :	-62.3	-38	-24.5	-21.6	-17.2	-17.5	
(Increase) / Decrease in Stock & WIP	111 :	0	0	0	0	0	0	
Gain / (Loss) on sale of non-current assets	112 :	0	0	0	0	0	0	
Other non-cash adjustments	113 :	59.1	0	-0.1	0.1	-0.1	0.1	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	114 :	<b>3,500.7</b>	<b>2,763.4</b>	<b>3,181.9</b>	<b>4,684.4</b>	<b>4,733.5</b>	<b>5,069.0</b>	SUM(106:113)
Tax (Paid) / Refunded	116 :	0	0	0	0	0	0	
<b>Return on Investment and Servicing of Finance</b>								
Interest Received	119 :	92.8	85.4	81.6	76.1	66.4	67.5	
Interest (Paid)	120 :	-721.5	-349.9	-580.6	-860.9	-865.9	-940	
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	121 :	<b>(628.7)</b>	<b>(264.5)</b>	<b>(499.0)</b>	<b>(784.8)</b>	<b>(799.5)</b>	<b>(872.5)</b>	119+120
<b>Capital Expenditure &amp; Financial Investment</b>								
Construction or acquisition of Housing properties	124 :	-1218.2	-8051.9	-14054.3	-185.5	0	0	
Improvement of Housing	125 :	-1194.8	-2020.2	-2044.7	-3362.2	-2707.3	-1051.6	
Construction or acquisition of other Land & Buildings	126 :	0	-500	0	0	0	0	
Construction or acquisition of other Non-Current Assets	127 :	-675.9	-811.7	-34.8	-26	-38.6	-25.4	
Sale of Social Housing Properties	128 :	0	0	0	0	0	0	
Sale of Other Land & Buildings	129 :	0	0	0	0	0	0	
Sale of Other Non-Current Assets	130 :	125.9	125.9	125.9	125.9	125.9	125.9	
Grants (Repaid) / Received	131 :	1340.1	5103.5	2694.1	0	0	0	
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	132 :	<b>(1,622.9)</b>	<b>(6,154.4)</b>	<b>(13,313.8)</b>	<b>(3,447.8)</b>	<b>(2,620.0)</b>	<b>(951.1)</b>	SUM(124:131)
<b>NET CASH BEFORE FINANCING</b>	134 :	<b>1,249.1</b>	<b>(3,655.5)</b>	<b>(10,630.9)</b>	<b>451.8</b>	<b>1,314.0</b>	<b>3,245.4</b>	114+116+121+132
<b>Financing</b>								
Equity drawdown	137 :	0	0	0	0	0	0	
Debt drawdown	138 :	0	2949	11358.7	185.6	0	0	
Debt repayment	139 :	-795.9	-928.6	-1138.6	-1616	-1630.3	-1642.3	
Working Capital (Cash) - Drawn / (Repaid)	140 :	-48.8	0	0	0	0	0	
<b>NET CASH FROM FINANCING</b>	141 :	<b>(844.7)</b>	<b>2,020.4</b>	<b>10,220.1</b>	<b>(1,430.4)</b>	<b>(1,630.3)</b>	<b>(1,642.3)</b>	SUM(137:140)
<b>INCREASE / (DECREASE) IN NET CASH</b>	143 :	<b>404.4</b>	<b>(1,635.1)</b>	<b>(410.8)</b>	<b>(978.6)</b>	<b>(316.3)</b>	<b>1,603.1</b>	134+141
<b>Cash Balance</b>								
Balance Brought Forward	146 :	7,192.5	7,596.9	5,961.8	5,551.0	4,572.4	4,256.1	148 (Prior Year)
Increase / (Decrease) in Net Cash	147 :	404.4	(1,635.1)	(410.8)	(978.6)	(316.3)	1,603.1	143
<b>CLOSING BALANCE</b>	148 :	<b>7,596.9</b>	<b>5,961.8</b>	<b>5,551.0</b>	<b>4,572.4</b>	<b>4,256.1</b>	<b>5,859.2</b>	146+147
Difference between Closing Balance and Cash at bank and in hand	149 :	0.0	0.0	0.0	0.0	0.0	0.0	148-71

		£'000	£'000	£'000	£'000	£'000	£'000	
<b>ADDITIONAL INFORMATION</b>								
<b>Units:</b>								
Number of units owned at end of period	154 :	1,860	1,896	1,983	2,052	2,052	2,052	[prevytr]154+161-173-174-175
Number of units managed at end of period (exclude factored units)	155 :	1,860	1,896	1,983	2,052	2,052	2,052	
New Social Rent Properties added	157 :	0	36	87	69	0	0	
New MMR Properties added	158 :	0	0	0	0	0	0	
New Low Costs Home Ownership Properties added	159 :	0	0	0	0	0	0	
New Properties - Other Tenures added	160 :	0	0	0	0	0	0	
<b>Total number of new affordable housing units added during year</b>	161 :	<b>0</b>	<b>36</b>	<b>87</b>	<b>69</b>	<b>0</b>	<b>0</b>	SUM (157:160)
<b>Financed by:</b>								
Scottish Housing Grants	164 :	0.0	2,892.7	8,587.6	5,579.1	0.0	0.0	
Other public subsidy	165 :	0.0	0.0	0.0	0.0	0.0	0.0	
Private finance	166 :	0.0	2,667.9	6,746.9	5,100.9	0.0	0.0	
Sales	167 :	0	0	0	0	0	0	
Cash reserves	168 :	0	0	0	0	0	0	
Other	169 :	0	0	0	0	0	0	
<b>Total cost of new units</b>	170 :	<b>0.0</b>	<b>5,560.6</b>	<b>15,334.5</b>	<b>10,680.0</b>	<b>0.0</b>	<b>0.0</b>	SUM (164:169)
<b>Number of units lost during year from:</b>								
Sales including right to buy	173 :	1	0	0	0	0	0	
Demolition	174 :	0	0	0	0	0	0	
Other	175 :	0	0	0	0	0	0	
<b>Assumptions:</b>								
General Inflation (%)	178 :	0	3.1	3.3	3.3	2.5	2.5	
Rent increase - Margin above General Inflation (%)	179 :	0.5	0.5	0.5	0.5	0.5	0.5	
Operating cost increase - Margin above General Inflation (%)	180 :	0	0	0	0	0	0	
Direct maintenance cost increase - Margin above General Inflation (%)	181 :	0	0.5	0.5	0.5	0.5	0.5	
Average cost of borrowing (%)	182 :	4.2	2.1	3.1	3	3.2	3.6	
Employers Contributions for pensions (%)	183 :	12	12	12	12	12	12	
Employers Contributions for pensions (£'000)	184 :	160.2	195.7	190.7	197.2	204.2	209.8	
SHAPS Pensions deficit contributions (£'000)	185 :	275.9	284.2	267.8	0	0	0	
Total staff costs (including NI & pension costs)	187 :	2003.8	2176.2	2132.6	2077.6	1904.9	1959.1	
Full time equivalent staff	188 :	38	42	39	37	36.5	36.5	
EESSE Capital Expenditure included above	190 :	44	20	0	0	0	0	
EESSE Revenue Expenditure included above	191 :	0	0	0	0	0	0	
<b>Version 7.19</b>								

## Ratios

### Oak Tree Housing Association Ltd

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	2018/19 Year 0	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5
<b>Financial capacity</b>						
Interest cover %	498.1	814.2	562.1	553.0	554.3	546.4
Gearing %	37.0	49.3	86.4	78.8	70.4	56.5
<b>Efficiency</b>						
Voids %	1.9	2.7	2.8	2.9	2.9	2.9
Arrears %	1.3	1.6	1.7	1.6	1.6	1.6
Bad debts %	0.4	1.3	1.5	1.8	2.1	2.1
Staff costs / turnover %	19.3	20.4	19.1	16.9	15.1	15.1
Turnover per unit (£)	5,571.2	5,618.3	5,621.1	5,974.5	6,144.8	6,308.9
Responsive repairs to planned maintenance	1.3	2.8	2.9	3.5	2.9	1.4
<b>Liquidity</b>						
Current ratio	3.8	2.8	2.6	2.1	2.0	2.6
<b>Profitability</b>						
Gross surplus / Deficit %	16.9	14.4	15.8	23.2	19.3	20.7
Net surplus / Deficit %	10.0	11.5	11.0	16.4	13.0	14.0
EBITDA / revenue (%)	20.7	9.7	12.7	13.1	16.1	30.9
<b>Financing</b>						
Debt Burden	1.6	1.8	2.6	2.2	2.1	1.9
Net debt per unit (£)	4,901.4	6,736.4	11,801.8	11,184.8	10,544.4	8,962.9
Debt per unit (£)	8,985.8	9,880.8	14,601.1	13,413.1	12,618.6	11,818.2
<b>Diversification</b>						
Income from non-rental activities %	6.2	6.1	5.0	4.6	4.6	4.6
Other Activities Surplus to Operating Surplus %	(12.6)	(11.5)	(11.0)	(2.6)	(3.1)	(2.9)