

Landlord Name:	Oak Tree Housing Association Ltd
RSL Reg No.:	137
Report generated date:	21/09/2021 08:53:17

Approval

A1.1	Date approved	21/09/2021
A1.2	Approver	Alana Durnin
A1.3	Approver job title	Finance Director

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	11,197.5	11,715.4
Operating costs	(8,740.0)	(9,475.0)
Gain/(loss) on disposal of property, plant and equipment	0.0	(25.5)
Exceptional items	0.0	0.0
Operating surplus/(deficit)	2,457.5	2,214.9
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	76.2	104.3
Interest payable	(228.9)	(254.6)
Other financing (costs)/income	(44.2)	(88.0)
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	0.0	0.0
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
Total	(196.9)	(238.3)
Surplus/(deficit) before tax	2,260.6	1,976.6
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	2,260.6	1,976.6
Actuarial (loss)/gain in respect of pension schemes	(1,780.0)	1,710.0
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	480.6	3,686.6

Audited Financial Accounts (AFS) 2020-2021

STATEMENT OF CHANGES IN EQUITY

	Share capital	Revenue reserve Restricted fund	Revenue reserve Unrestricted fund	Restricted reserve	Revaluation reserve
	£'000	£'000	£'000	£'000	£'000
Balance at end of the previous year	0.2	(6.0)	28,350.9	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	(1,780.0)	2,260.6	0.0	0.0
Transfer from revaluation reserve to revenue reserve	0.0	0.0	0.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	383.0	(383.0)	0.0	0.0
Balance at end of the current year	0.2	(1,403.0)	30,228.5	0.0	0.0

	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest
	£'000	£'000	£'000
Balance at end of the previous year	28,345.1	0.0	28,345.1
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	480.6	0.0	480.6
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
Balance at end of the current year	28,825.7	0.0	28,825.7



STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
Non-current assets		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	98,395.1	97,059.5
Negative goodwill	0.0	0.0
Net housing assets	98,395.1	97,059.5
Non-current investments	102.5	102.5
Other plant, property and equipment	2,222.1	1,095.5
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	100,719.7	98,257.5
Receivables due after more than one year	622.9	750.0
Current assets		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	515.4	725.5
Cash and cash equivalents	9,370.5	13,185.0
Total current assets	9,885.9	13,910.5
Payables: amounts falling due within one year	(4,107.9)	(7,810.2)
Deferred income: amounts falling due within one year		
Scottish housing grants (SHG)	(2,088.0)	(2,130.8)
Other grants	(8.7)	(8.7)
Total deferred income: amounts falling due within one year	(2,096.7)	(2,139.5)
Net current assets/(liabilities)	3,681.3	3,960.8
Total assets less current liabilities	105,023.9	102,968.3
Payables: amounts falling due after more than one year	(14,219.3)	(16,341.5)
Provisions	0.0	0.0
Pension asset/(liability)	(1,403.0)	(6.0)
Deferred income: amounts falling due after more than one year		
Scottish housing grants (SHG)	(60,305.3)	(57,996.3)
Other grants	(270.6)	(279.4)
Total deferred income: amounts falling due after more than one year	(60,575.9)	(58,275.7)
Total long term liabilities	(76,198.2)	(74,623.2)
Net assets	28,825.7	28,345.1
Capital and reserves		
Share capital	0.2	0.2
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	28,825.5	28,344.9
Total reserves	28,825.7	28,345.1

Audited Financial Accounts (AFS) 2020-2021

STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	(5,185.0)	3,652.0
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(4,593.8)	(5,803.8)
Purchase of other non-current assets	(1,211.1)	(88.1)
Sales of properties	0.0	161.6
Sales of other non-current assets	127.1	127.1
Capital grants received	9,352.8	6,924.2
Capital grants repaid	0.0	(69.4)
Interest received	78.1	101.7
Net cash inflow/(outflow) from investing activities	3,753.1	1,353.3
<u>Cash flow from financing activities</u>		
Interest paid	(231.1)	(252.4)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	0.0	1,809.0
Funding repaid	(2,151.5)	(973.8)
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
Net cash inflow/(outflow) from financing activities	(2,382.6)	582.8
Net change in cash and cash equivalents	(3,814.5)	5,588.1
Cash and cash equivalents at end of the previous year	13,185.0	7,596.9
Opening balance adjustment	0.0	
Cash and cash equivalents at end of the current year	9,370.5	13,185.0

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	10,405.1	(7,866.5)	2,538.6
Other activities	792.4	(873.5)	(81.1)
Total	11,197.5	(8,740.0)	2,457.5

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	11,258.2	(8,906.5)	2,351.7
Other activities	457.2	(568.5)	(111.3)
Total	11,715.4	(9,475.0)	2,240.4

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	7,628.7	332.4	271.7	0.0	8,232.8	8,007.7
Service charges	96.4	18.9	9.6	0.0	124.9	128.1
Gross income	7,725.1	351.3	281.3	0.0	8,357.7	8,135.8
Voids	(99.7)	(15.5)	0.0	0.0	(115.2)	(177.7)
Net income	7,625.4	335.8	281.3	0.0	8,242.5	7,958.1
Grants released from deferred income	1,927.6	75.9	93.3	0.0	2,096.8	3,210.2
Revenue grants from Scottish Ministers	46.7	0.0	0.0	0.0	46.7	88.9
Other revenue grants	19.1	0.0	0.0	0.0	19.1	1.0
Total turnover: letting	9,618.8	411.7	374.6	0.0	10,405.1	11,258.2
Management and maintenance administration costs	(2,163.3)	(94.3)	(77.1)	0.0	(2,334.7)	(2,285.7)
Service costs	(156.1)	(30.5)	(15.5)	0.0	(202.1)	(170.0)
Planned maintenance	(1,124.9)	(33.4)	0.0	0.0	(1,158.3)	(527.4)
Reactive maintenance	(865.2)	(30.1)	0.0	0.0	(895.3)	(955.4)
Bad debts written (off)/back	(12.6)	0.0	0.0	0.0	(12.6)	(40.2)
Depreciation: housing	(3,013.3)	(124.7)	(125.5)	0.0	(3,263.5)	(4,927.8)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(7,335.4)	(313.0)	(218.1)	0.0	(7,866.5)	(8,906.5)
Operating surplus/(deficit)	2,283.4	98.7	156.5	0.0	2,538.6	2,351.7
Prior Year						
Total turnover: letting	10,520.6	369.3	368.3	0.0		
Operating costs	(8,419.6)	(273.5)	(213.4)	0.0		
Operating surplus/(deficit)	2,101.0	95.8	154.9	0.0		

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	352.7	352.7	(399.7)	(47.0)	(50.2)
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	24.0	24.0	0.0	24.0	21.6
Factoring	0.0	0.0	0.0	120.6	120.6	(122.9)	(2.3)	(6.4)
Support activities	0.0	0.0	0.0	24.2	24.2	(44.4)	(20.2)	(19.0)
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	171.5	171.5	(171.5)	0.0	0.0
Contracted out services undertaken for others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Developments for sale to RSLs	0.0	0.0	0.0	99.4	99.4	(135.0)	(35.6)	(107.4)
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	50.0
Current Year Total	0.0	0.0	0.0	792.4	792.4	(873.5)	(81.1)	
Prior Year Total	0.0	0.0	0.0	457.2	457.2	(568.5)	(111.3)	

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	1,695	59	94	0	1,848	1,891
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
Total units owned / managed	1,695	59	94	0	1,848	1,891

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,276	£1,598	£820		£1,263
Planned maintenance	£664	£566	£0		£627
Reactive maintenance	£510	£510	£0		£484
Total direct maintenance	£1,174	£1,076	£0		£1,111
Total management & maintenance	£2,450	£2,675	£820		£2,375

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,224	£1,411	£807	-	£1,209
Planned maintenance	£295	£247	£0	-	£279
Reactive maintenance	£532	£532	£0	-	£505
Total direct maintenance	£827	£779	£0	-	£784
Total management & maintenance	£2,050	£2,189	£807	-	£1,993

Audited Financial Accounts (AFS) 2020-2021

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	96.2	94.7
Total key management personnel emoluments	437.8	413.4
Total staff costs	1,843.2	1,779.9
External auditors' fees – audit	8.6	8.2
External auditors' fees – other	2.4	2.2
Capitalised maintenance costs	182.0	800.8
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	50,642.7	48,036.3
Receivables - gross rental	256.7	
Receivables – bad debt provision	(154.3)	
Receivables - net rental	102.4	123.3
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	1,178.0	1,207.2
Housing loans due after more than one year	14,219.3	16,341.5
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	750.0	877.2
Intra-group receivables (trading)	8.3	12.6
Other intra-group payables (trading)	755.5	19.3

CONTEXTUAL INFORMATION

Accounting year end	March	
Date financial statements authorised	02/08/2021	
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	3	
Internal auditors' name	TIAA	
Number of years since a full procurement exercise was undertaken for the internal auditor	2	
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 type="checkbox"/>
	Repayment of SHG	<input type="checkbox"/>
	Other	<input type="checkbox"/>
	None	<input checked="" 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?	2	
Staff Pension Schemes		
Which scheme(s) are you members of?	How many participating members in each scheme?	
SHIPS Final Salary	19	
SHAPS CARE 70th	6	
SHAPS CARE 120th	6	
SHAPS DC	10	



RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	(2,209.8%)	1,487.2%	442.1%
Gearing	20.9%	15.4%	54.1%
Efficiency			
Voids	1.4%	2.2%	0.6%
Arrears	1.2%	1.5%	2.2%
Bad debts	0.2%	0.5%	0.8%
Staff costs / turnover	16.5%	15.2%	20.7%
Key management personnel / staff costs	23.8%	23.2%	14.6%
Turnover per unit	£6,059	£6,195	£5,194
Responsive repairs to planned maintenance ratio	1.5	1.4	1.9
Liquidity			
Current ratio	1.6	1.4	1.9
Profitability			
Gross surplus / (deficit)	21.9%	18.9%	19.6%
Net surplus / (deficit)	20.2%	16.9%	11.9%
EBITDA / revenue	49.5%	54.1%	31.4%
Financing			
Debt burden ratio	1.4	1.5	2.1
Net debt per unit	£3,261	£2,308	£7,053
Debt per unit	£8,332	£9,280	£10,560
Diversification			
Income from non-rental activities	25.7%	31.9%	17.5%

Comments

Page	Field	Comment
SOCI	Other financing (costs)/income	-£48.2k relates to Non Utilization Fees in the year and £4k relates to Net interest from pension obligations re: Pension Trust pension valuation
SOCI	Actuarial (loss)/gain in respect of pension schemes	This year there was a loss per The Pension Trust valuation
SOFP	Other plant, property and equipment	In the main, the increase relates to investment in New Office Premises at West Stewart Street.
SOFP	Receivables due after more than one year	This is the inter-company loan to Cloch HA. CHA are now an independent Association however the loan will remain in place
SOFP	Payables: amounts falling due within one year	Reduction against last year's value of £7.8M as £4.2M Scottish Government Grant was received in March 2020 associated with a new build development which hadn't yet started and therefore the funds were held a a liability
SOFP	Other grants	Relates to other housing grants and is the same value as last year
SOFP	Pension asset/(liability)	Moved from -£6k to -£1.4M base on The Pension Trust valuation issued in May 2021
SOCF	Net cash inflow/(outflow) from operating activities	Change in creditors value was -£8.7M, impacted by using the £4.2M SG Grant received last year for development costs
SOCF	Acquisition and construction of properties	This relates to our new build development programme and costs in the course of construction in the year
SOCF	Purchase of other non-current assets	£1.19M was invested in refurbishing office accommodation, to provide new office facilities & there was also investment in the year on computer equipment to support home working
SOCF	Funding repaid	We have a revolving credit facility and repaid some loan funding drawn down in the year as cash was released from deposit accounts / cash balances were high

Page	Field	Comment
Analysis - Affordable Lettings	Service charges	Service Charge income - similar level to last year - £128k
Analysis - Affordable Lettings	Voids	Last year void loss was higher due to Maple Road properties being ring fenced for demolition
Analysis - Affordable Lettings	Grants released from deferred income	Higher last year because Grant was written off associated with properties at Maple Road agreed for demolition
Analysis - Affordable Lettings	Grants from Scottish Ministers	Lower than £88.9k last year as Covid-19 restrictions reduced the number of medical adaptations in this year
Analysis - Affordable Lettings	Other grants	This relates to furlough grant claims
Analysis - Affordable Lettings	Service costs	Increase in service costs relate to 27% higher landscape maintenance costs compared to last year, (new contract), however electricity and insurance cost were also up versus the previous year
Analysis - Affordable Lettings	Planned maintenance	Differing programmes / investment in LD2 compliance in 2020/21
Analysis - Affordable Lettings	Bad debts written (off)/back	Improved performance in arrears management & less bad debt provision in 2020/21
Analysis - Affordable Lettings	Depreciation: housing	Last year included depreciation associated with the write off in value of properties held for demolition at Maple Road
Analysis - Other Activities	Wider role	Additional grant funding for wider action recieved re: impact of Covid / Pathway to Construction Project
Analysis - Other Activities	Investment property activities	Income from rental of commercial properties
Analysis - Other Activities	Factoring	The loss on factoring relates to bad debt write off of £2.3k v £6.4k last year
Analysis - Other Activities	Support activities	This relates to Inverclyde Common Housing Register's recharges and Costs
Analysis - Other Activities	Contracted out services undertaken for RSLs	Finance Svs to Cloch HA
Analysis - Other Activities	Contracted out services undertaken for others	Last year there was £83 profit from lead tenancy activity - but activity has now ended

Page	Field	Comment
Analysis - Other Activities	Developments for sale to RSLs	Income relates to recharges to Cloch HA for development services and the costs relate to the development team's costs
Analysis - Other Activities	Other activities	Last year a £50k donation was made from our subsidiary Oak Tree Housing Initiatives
Analysis - Units	Units held for demolition at year end	41 properties held for demolition at Maple Road but removed from the rent roll
Supplementary Items	Total key management personnel emoluments	Includes salary, pension, employers NI and expenses paid
Supplementary Items	Capitalised maintenance costs	Covid restrictions impacted planned maintenance programmes
Supplementary Items	Accumulated depreciation	£364.7k for fixed assets & £50.28M
Supplementary Items	Receivables - net rental	Improved performance in rent arrears /less bad debt provision - Housing Team diverted resource to arrears during Covid due to restrictions
Supplementary Items	Intra-group receivables (trading)	Based on amount due at the year-end from both subsidiaries
Supplementary Items	Other intra-group payables (trading)	Higher value relates to payment - £716k, due to subsidiary OTHI which is providing Design and Build Services to OTHA