

Landlord Name:	Oak Tree Housing Association Ltd
RSL Reg No.:	137
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Approval

A1.1	Date approved	06/09/2022
A1.2	Approver	Kes Cameron
A1.3	Approver job title	Finance Manager

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	11,270.7	11,197.5
Operating costs	(9,281.1)	(8,740.0)
Gain/(loss) on disposal of property, plant and equipment	(19.6)	0.0
Exceptional items	0.0	0.0
Operating surplus/(deficit)	1,970.0	2,457.5
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	26.6	76.2
Interest payable	(218.3)	(228.9)
Other financing (costs)/income	(86.5)	(44.2)
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	(10.0)	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	(288.2)	(196.9)
Surplus/(deficit) before tax	1,681.8	2,260.6
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	1,681.8	2,260.6
Actuarial (loss)/gain in respect of pension schemes	1,061.0	(1,780.0)
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	2,742.8	480.6

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	(1,403.0)	30,228.5	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	1,061.0	1,681.8	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	290.0	(290.0)	0.0	0.0
Balance at end of the current year	0.2	(52.0)	31,620.3	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	28,825.7	0.0	28,825.7
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	2,742.8	0.0	2,742.8
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	31,568.5	0.0	31,568.5

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
Non-current assets		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	104,074.7	98,395.1
Negative goodwill	0.0	0.0
Net housing assets	104,074.7	98,395.1
Non-current investments	92.5	102.5
Other plant, property and equipment	2,114.6	2,222.1
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	106,281.8	100,719.7
Receivables due after more than one year	0.0	622.9
Current assets		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	1,101.0	515.4
Cash and cash equivalents	5,204.3	9,370.5
Total current assets	6,305.3	9,885.9
Payables: amounts falling due within one year	(4,522.7)	(4,107.9)
Deferred income: amounts falling due within one year		
Scottish housing grants (SHG)	(2,209.5)	(2,088.0)
Other grants	(8.7)	(8.7)
Total deferred income: amounts falling due within one year	(2,218.2)	(2,096.7)
Net current assets/(liabilities)	(435.6)	3,681.3
Total assets less current liabilities	105,846.2	105,023.9
Payables: amounts falling due after more than one year	(14,478.4)	(14,219.3)
Provisions	0.0	0.0
Pension asset/(liability)	(52.0)	(1,403.0)
Deferred income: amounts falling due after more than one year		
Scottish housing grants (SHG)	(59,485.4)	(60,305.3)
Other grants	(261.9)	(270.6)
Total deferred income: amounts falling due after more than one year	(59,747.3)	(60,575.9)
Total long term liabilities	(74,277.7)	(76,198.2)
Net assets	31,568.5	28,825.7
Capital and reserves		
Share capital	0.2	0.2
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	31,568.3	28,825.5
Total reserves	31,568.5	28,825.7

STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	2,728.0	(5,185.0)
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(9,451.9)	(4,593.8)
Purchase of other non-current assets	(57.2)	(1,211.1)
Sales of properties	135.1	0.0
Sales of other non-current assets	622.9	127.1
Capital grants received	1,856.2	9,352.8
Capital grants repaid	(141.2)	0.0
Interest received	26.9	78.1
Net cash inflow/(outflow) from investing activities	(7,009.2)	3,753.1
<u>Cash flow from financing activities</u>		
Interest paid	(219.3)	(231.1)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	1,500.0	0.0
Funding repaid	(1,165.7)	(2,151.5)
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	115.0	(2,382.6)
Net change in cash and cash equivalents	(4,166.2)	(3,814.5)
Cash and cash equivalents at end of the previous year	9,370.5	13,185.0
Cash and cash equivalents Opening balance adjustment	0.0	0.0
Cash and cash equivalents at end of the current year	5,204.3	9,370.5

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

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

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	10,405.1	(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 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	7,729.2	326.4	267.9	0.0	8,323.5	8,232.8
Service charges	109.3	19.8	10.0	0.0	139.1	124.9
Gross income	7,838.5	346.2	277.9	0.0	8,462.6	8,357.7
Voids	(150.1)	(2.1)	0.0	0.0	(152.2)	(115.2)
Net income	7,688.4	344.1	277.9	0.0	8,310.4	8,242.5
Grants released from deferred income	2,061.2	65.9	91.2	0.0	2,218.3	2,096.8
Revenue grants from Scottish Ministers	55.1	0.0	0.0	0.0	55.1	46.7
Other revenue grants	0.9	0.0	0.0	0.0	0.9	19.1
Total turnover: letting	9,805.6	410.0	369.1	0.0	10,584.7	10,405.1
Management and maintenance administration costs	(2,342.9)	(98.9)	(81.2)	0.0	(2,523.0)	(2,334.7)
Service costs	(152.8)	(27.6)	(13.9)	0.0	(194.3)	(202.1)
Planned maintenance	(805.1)	(24.1)	0.0	0.0	(829.2)	(1,158.3)
Reactive maintenance	(1,222.7)	(39.1)	0.0	0.0	(1,261.8)	(895.3)
Bad debts written (off)/back	(56.1)	0.0	0.0	0.0	(56.1)	(12.6)
Depreciation: housing	(3,343.4)	(122.9)	(122.7)	0.0	(3,589.0)	(3,263.5)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(7,923.0)	(312.6)	(217.8)	0.0	(8,453.4)	(7,866.5)
Operating surplus/(deficit)	1,882.6	97.4	151.3	0.0	2,131.3	2,538.6
Prior Year						
Total turnover: letting	9,618.8	411.7	374.6	0.0		
Operating costs	(7,335.4)	(313.0)	(218.1)	0.0		
Operating surplus/(deficit)	2,283.4	98.7	156.5	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	365.5	365.5	(359.6)	5.9	(47.0)
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	20.7	20.7	0.0	20.7	24.0
Factoring	0.0	0.0	0.0	221.0	221.0	(228.5)	(7.5)	(2.3)
Support activities	0.0	0.0	0.0	6.6	6.6	(19.4)	(12.8)	(20.2)
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	66.1	66.1	(66.1)	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	6.1	6.1	(154.1)	(148.0)	(35.6)
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
Current Year Total	0.0	0.0	0.0	686.0	686.0	(827.7)	(141.7)	
Prior Year Total	0.0	0.0	0.0	792.4	792.4	(873.5)	(81.1)	

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	1,752	56	93	0	1,901	1,848
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	1,752	56	93	0	1,901	1,848

COST PER UNIT - Current 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
Total management & maintenance	£2,495	£2,895	£873	-	£2,427

COST PER UNIT - Prior 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

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	109.4	96.2
Total key management personnel emoluments	443.9	437.8
Total staff costs	1,878.3	1,843.2
External auditors' fees – audit	9.2	8.6
External auditors' fees – other	0.0	2.4
Capitalised maintenance costs	189.6	182.0
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	54,185.8	50,642.7
Receivables - gross rental	294.9	
Receivables – bad debt provision	(166.1)	(154.3)
Receivables - net rental	128.8	102.4
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	1,253.3	1,178.0
Housing loans due after more than one year	14,478.4	14,219.3
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	750.0
Intra-group receivables (trading)	0.0	8.3
Other intra-group payables (trading)	0.0	755.5

CONTEXTUAL INFORMATION

Accounting year end	March	
Date financial statements authorised	08/08/2022	
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	4	
Internal auditors' name	TIAA	
Number of years since a full procurement exercise was undertaken for the internal auditor	3	
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?	1	
Staff Pension Schemes		
Which scheme(s) are you members of?	How many participating members in each scheme?	
SHAPS DC	39	
SHAPS final salary	0	
SHAPS CARE 120th	0	
SHAPS CARE 70th	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	Audited	5,700.7	1.8	20.5



CONNECTED ORGANISATIONS

Other

CONNECTED ORGANISATIONS - OTHER

RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	1,256.2%	(2,209.8%)	442.1%
Gearing	33.3%	20.9%	54.1%
Efficiency			
Voids	1.8%	1.4%	0.6%
Gross arrears	3.5%		
Net arrears	1.5%	1.2%	2.2%
Bad debts	0.7%	0.2%	0.8%
Staff costs / turnover	16.7%	16.5%	20.7%
Key management personnel / staff costs	23.6%	23.8%	14.6%
Turnover per unit	£5,929	£6,059	£5,194
Responsive repairs to planned maintenance ratio	0.8	1.5	1.9
Liquidity			
Current ratio	0.9	1.6	1.9
Profitability			
Gross surplus / (deficit)	17.5%	21.9%	19.6%
Net surplus / (deficit)	14.9%	20.2%	11.9%
EBITDA / revenue	47.6%	49.5%	31.4%
EBITDA exc. deferred grant	28.0%		
Financing			
Debt burden ratio	1.4	1.4	2.1
Net debt per unit	£5,538	£3,261	£7,053
Debt per unit	£8,275	£8,332	£10,560
Diversification			
Income from non-rental activities-	26.2%	25.7%	17.5%

Comments

Page	Field	Comment
SOCl	Other financing (costs)/income	£58.5k is not utilisation fees and loan set up fees and £28k is net interest on pension obligations
SOCl	Movement in fair value of financial instruments	Investment properties were revaluated on 22nd and 23rd April 22 and £10k is the impairment on the properties
SOCl	Actuarial (loss)/gain in respect of pension schemes	Significant change in pension liability, from £1.403M at 31/03/2021 to £52k at 31/03/2022
SOCE	Revenue reserve Restricted fund - Balance at end of the current year	This is the closing pension liability on the SHAPS defined benefit scheme at 31/03/2022. This figures is provided by TPT via an online accounting tool, and audited by our external auditors.
SOCE	Surplus/(deficit) from statement of comprehensive income - Non-controlling interest & Totals	Movement of £1.06M on the SHAPS defined pension scheme liability, due to changes in financial assumptions made
SOFP	Trade and other receivables due within one year	Awarded a refund of £510k from the local council in relation to abnormalities of land we purchased for a new build site. This caused a large debtor at the year end.
SOFP	Cash and cash equivalents	Down on prior year due to spend on development sites, saved on loan interest by utilising cash over loan funding.
SOCF	Net cash inflow/(outflow) from operating activities	The change in creditors on the cashflow moved from £8.67M in 2020/2021 to 0.14M 2021/2022
SOCF	Acquisition and construction of properties	New housing properties in course of construction during 2021/2022
SOCF	Sales of properties	Sale proceeds from sale of housing stock during 2021/2022
SOCF	Sales of other non-current assets	This is the loan repayment from the subsidiary Cloch HA following separation as parent and subsidiary
Analysis - Affordable Lettings	Voids	Void loss was higher than budget by £14.5k, with an overall void loss of 1.8% against rent and service charge income. This mainly relates to an increased

Page	Field	Comment
		number of voids and issues with the void contractor which has resulted in properties being void for longer than anticipated.
Analysis - Affordable Lettings	Grants from Scottish Ministers	This is grant income from the Scottish Government for medical adaptations to properties
Analysis - Affordable Lettings	Other grants	This relates to furlough grants. Furlough claims for 21/22 were significantly less than 20/21.
Analysis - Affordable Lettings	Planned maintenance	2020/21 planned and cyclical expenditure included the installation of carbon monoxide and fire alarms in line with new LD2 legislation, with a spend of £666k in 20/21 compared to £100k in 21/22, on this area of work only.
Analysis - Affordable Lettings	Reactive maintenance	Reactive maintenance costs are higher than 20/21 mainly due to the planned and cyclical maintenance programme being delayed, meaning any component changes are going through as reactive. There is also an increased spend on voids to bring properties back up to a good standard, along with costs of material and labour increasing.
Analysis - Affordable Lettings	Bad debts written (off)/back	2021/22 was a difficult period for some of our tenants. The reduction in the temporary assistance with uplifts in Universal Credit payments and the end of the furlough scheme during the year had an impact on the income of many of our customers. This has impacted bad debts as well as arrears for 2021/22 in comparison to last year.
Analysis - Other Activities	Wider role	2021/22 seen a full year of a grant funded project, Pathways to Construction, only starting part way through 20/21.
Analysis - Other Activities	Factoring	Factoring bad debts have increased on the prior year. This is line with covid-19 and the cost of living impacting our owners aswell as tenants. Invoices are also issued on the 31st March so bad debts does tend to spike at this point and then come back down as we follow our debt recovery procedure.
Analysis - Other	Support activities	Previous year related to Inverclyde Common Housing

Page	Field	Comment
Activities		Register's and recharges and costs which not applicable in 2021/2022
Analysis - Other Activities	Developments for sale to RSLs	2020/21 included OTHA providing development services to both subsidiaries (Cloch HA and OTHI). The Cloch HA development was complete by 31/03/2021 and the small site for OTHI was been managed partly by an outside consultant during 21/22 due to staff absences in OTHA.
Supplementary Items	External auditors' fees - other	Other services by auditor of £2.4M not required in 2021/2022
Supplementary Items	Receivables - net rental	The arrears figure increased from £256k to £294k, this is in line with bad debts increasing.
Supplementary Items	Intra-group lending	This loan was re-paid in full during 2021/2022
Supplementary Items	Intra-group receivables (trading)	Previous year has balance due from Cloch HA and OTHI, both subsidiaries at the 31/03/2021. Cloch HA was no longer a subsidiary from 01/04/2021. OTHI is still a subsidiary but they now have their own online banking so no balances due to OTHA at 31/03/2022.
Supplementary Items	Other intra-group payables (trading)	This was an invoice from subsidiary OTHI that spanned the 2021 year end. This is not applicable for 2021/22.
Contextual Information	How many staff members not currently contributing to a pension scheme?	All staff transferred to the SHAPS DC scheme from 01/07/2021. There is only 1 member of staff (as at 31/03/2022) not currently in the pension scheme