

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

A1.1	Date approved	23/05/2022
A1.2	Approver	Kes Cameron
A1.3	Approver job title	Finance Manager
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	8,314.9	9,126.2	9,670.0	10,078.4	10,506.8	10,848.2
Service charges	130.3	141.8	151.0	157.0	163.2	168.0
Gross rents & service charges	8,445.2	9,268.0	9,821.0	10,235.4	10,670.0	11,016.2
Rent loss from voids	137.8	195.5	223.8	224.3	258.2	266.6
Net rent & service charges	8,307.4	9,072.5	9,597.2	10,011.1	10,411.8	10,749.6
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	2,220.1	2,404.4	2,407.4	2,407.4	2,407.4	2,407.4
Grants from Scottish Ministers	86.7	98.9	102.8	106.9	111.2	114.6
Other grants	0.9	0.0	0.0	0.0	0.0	0.0
Other income	703.6	356.1	200.3	208.3	216.6	223.1
TURNOVER	11,318.7	11,931.9	12,307.7	12,733.7	13,147.0	13,494.7
Less:						
Housing depreciation	3,314.6	3,710.6	3,606.7	3,650.7	3,633.4	3,664.2
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	3,044.6	3,112.3	2,993.7	2,991.8	2,982.8	2,866.3
Service costs	193.9	207.4	235.8	245.2	255.0	262.6
Planned maintenance - direct costs	827.8	1,424.8	652.1	1,059.7	788.2	591.3
Re-active & voids maintenance - direct costs	1,351.4	1,443.2	1,597.7	1,658.3	1,721.1	1,769.1
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	62.7	69.5	98.2	128.0	160.1	220.3
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	0.0	0.0	0.0	0.0	0.0	0.0
Other costs	843.5	574.6	363.3	377.8	392.9	404.7
	6,323.9	6,831.8	5,940.8	6,460.8	6,300.1	6,114.3
Operating Costs	9,638.5	10,542.4	9,547.5	10,111.5	9,933.5	9,778.5
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)	1,680.2	1,389.5	2,760.2	2,622.2	3,213.5	3,716.2
Interest receivable and other income	26.4	11.0	31.3	33.4	48.2	58.7
Interest payable and similar charges	295.8	364.0	426.5	371.2	419.6	535.2
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	1,410.8	1,036.5	2,365.0	2,284.4	2,842.1	3,239.7
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	1,410.8	1,036.5	2,365.0	2,284.4	2,842.1	3,239.7
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	1,410.8	1,036.5	2,365.0	2,284.4	2,842.1	3,239.7

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	158,304.3	165,290.8	168,480.0	171,396.8	172,580.2	176,832.5
Less:						
Housing Depreciation	53,592.6	57,303.2	60,909.9	64,560.6	68,194.0	71,858.2
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	104,711.7	107,987.6	107,570.1	106,836.2	104,386.2	104,974.3
Non-Current Investments	2,214.1	2,183.6	2,535.9	2,423.2	2,335.2	2,222.3
Other Non Current Assets	102.5	102.5	102.5	102.5	102.5	102.5
TOTAL NON-CURRENT ASSETS	107,028.3	110,273.7	110,208.5	109,361.9	106,823.9	107,299.1
Current Assets						
Net rental receivables	102.4	161.4	128.0	134.4	140.9	147.3
Other receivables, stock & WIP	285.9	293.1	300.4	307.9	315.6	323.5
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	3,937.5	7,677.7	6,003.2	5,009.5	6,398.2	5,187.7
TOTAL CURRENT ASSETS	4,325.8	8,132.2	6,431.6	5,451.8	6,854.7	5,658.5
Payables : Amounts falling due within One Year						
Loans due within one year	1,178.0	1,192.5	1,767.6	1,748.8	1,616.4	1,601.0
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	1,859.9	1,772.3	1,816.6	1,862.0	1,908.5	1,956.3
TOTAL CURRENT LIABILITIES	3,037.9	2,964.8	3,584.2	3,610.8	3,524.9	3,557.3
NET CURRENT ASSETS/(LIABILITIES)	1,287.9	5,167.4	2,847.4	1,841.0	3,329.8	2,101.2
TOTAL ASSETS LESS CURRENT LIABILITIES	108,316.2	115,441.1	113,055.9	111,202.9	110,153.7	109,400.3
Payables : Amounts falling due After One Year						
Loans due after one year	14,541.3	23,034.3	20,691.6	18,961.6	17,477.5	15,891.9
Other long-term payables	0.0	0.0	0.0	0.0	0.0	0.0
Grants to be released	62,135.5	59,731.2	57,323.8	54,916.4	52,509.0	50,101.7
TOTAL LONG TERM LIABILITIES	76,676.8	82,765.5	78,015.4	73,878.0	69,986.5	65,993.6
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	1,403.0	1,403.0	1,403.0	1,403.0	1,403.0	1,403.0
NET ASSETS	30,236.4	31,272.6	33,637.5	35,921.9	38,764.2	42,003.7
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	30,236.2	31,272.4	33,637.3	35,921.7	38,764.0	42,003.5
TOTAL CAPITAL & RESERVES	30,236.4	31,272.6	33,637.5	35,921.9	38,764.2	42,003.7
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)	1,680.2	1,389.5	2,760.2	2,622.2	3,213.5	3,716.2
Depreciation & Amortisation	1,196.7	1,416.2	1,322.3	1,394.2	1,382.7	1,413.3
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	(1,070.0)	(87.7)	44.3	45.4	46.5	47.7
(Increase) / Decrease in Receivables	0.0	(66.2)	26.0	(13.9)	(14.1)	(14.3)
(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	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM OPERATING ACTIVITIES	1,806.9	2,651.8	4,152.8	4,047.9	4,628.6	5,162.9
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	26.4	11.0	31.3	33.4	48.2	58.7
Interest (Paid)	(295.8)	(364.0)	(426.5)	(371.2)	(419.6)	(535.2)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(269.4)	(353.0)	(395.2)	(337.8)	(371.4)	(476.5)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	(9,451.7)	(5,748.8)	(26.5)	0.0	0.0	0.0
Improvement of Housing	(161.6)	(1,237.7)	(3,162.7)	(2,916.8)	(1,183.5)	(4,252.2)
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	(94.2)	(79.6)	(475.2)	(38.2)	(68.7)	(43.5)
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	2,415.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(7,292.5)	(7,066.1)	(3,664.4)	(2,955.0)	(1,252.2)	(4,295.7)
NET CASH BEFORE FINANCING	(5,755.0)	(4,767.3)	93.2	755.1	3,005.0	390.7
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	1,500.0	9,700.0	0.0	0.0	0.0	0.0
Debt repayment	(1,178.0)	(1,192.5)	(1,767.7)	(1,748.8)	(1,616.3)	(1,601.2)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	322.0	8,507.5	(1,767.7)	(1,748.8)	(1,616.3)	(1,601.2)
INCREASE / (DECREASE) IN NET CASH	(5,433.0)	3,740.2	(1,674.5)	(993.7)	1,388.7	(1,210.5)
Cash Balance						
Balance Brought Forward	9,370.5	3,937.5	7,677.7	6,003.2	5,009.5	6,398.2
Increase / (Decrease) in Net Cash	(5,433.0)	3,740.2	(1,674.5)	(993.7)	1,388.7	(1,210.5)
CLOSING BALANCE	3,937.5	7,677.7	6,003.2	5,009.5	6,398.2	5,187.7

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	69	71	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	3	0	0	0	0	0
Total number of new affordable housing units added during year	72	71	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	No					
Number of units lost during year from:						
Sales including right to buy	1	0	0	0	0	0
Demolition	0	65	0	0	0	0
Other	2	0	0	0	0	0
Units owned:						
Social Rent Properties	1,960	1,966	1,981	1,981	1,981	1,981
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	0	0	0	0	0	0
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	1,960	1,966	1,981	1,981	1,981	1,981
Number of units managed at end of period (exclude factored units)	1,960	1,966	1,981	1,981	1,981	1,981
Financed by:						
Scottish Housing Grants	5,580.0	0.0	1,370.0	0.0	0.0	0.0
Other public subsidy	0.0	6,926.5	0.0	0.0	0.0	0.0
Private finance	7,283.1	4,136.0	1,469.6	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	486.0	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	13,349.1	11,062.5	2,839.6	0.0	0.0	0.0
Assumptions:						
General Inflation (%)	1.8	3.0	4.0	4.0	4.0	3.0
Rent increase - Margin above General Inflation (%)	0.0	0.0	0.3	0.3	0.3	0.3
Operating cost increase - Margin above General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint. cost increase - Margin above General Inflation (%)	0.0	0.5	0.5	0.5	0.5	0.5
Actual / Assumed average salary increase (%)	4.1	0.8	0.8	0.8	0.8	0.8
Average cost of borrowing (%)	1.9	2.3	1.8	1.7	2.0	2.8
Employers Contributions for pensions (%)	12.5	12.5	12.5	12.5	12.5	12.5
Employers Contributions for pensions (£'000)	266.4	306.7	315.1	323.8	332.7	341.8
SHAPS Pensions deficit contributions (£'000)	316.4	325.9	170.0	170.0	170.0	0.0
Min. headroom cover on tightest interest cover covenant (£'000)	2,317.0	1,070.0	362.0	577.0	2,848.0	197.0
Minimum headroom cover on tightest gearing covenant (£'000)	63,433.0	58,418.5	61,781.0	64,988.5	67,196.0	70,923.0
Minimum headroom cover on tightest asset cover covenant (£'000)	625.0	1,270.0	1,970.0	2,670.0	3,370.0	4,070.0
Total staff costs (including NI & pension costs)	2,175.9	2,269.5	2,130.5	2,058.3	2,021.9	1,892.9
Full time equivalent staff	35.5	34.5	34.5	31.5	31.5	31.5

EESH Revenue Expenditure included above	0.0	0.0	0.0	0.0	0.0	156.0
EESH Capital Expenditure included above	0.0	0.0	0.0	0.0	0.0	0.0
Total capital & revenue expenditure on maint. pre-1919 properties	640.3	1,107.3	1,459.8	1,519.8	996.0	1,783.5
Total capital & revenue expenditure on maint. all other properties	1,700.7	2,998.7	3,953.2	4,115.2	2,697.0	4,829.5

Estimated decarbonisation cost indicator	Yes
Estimated decarbonisation cost	0.0

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	1,487.200%	(2,209.800%)	619.777%	731.538%	981.032%	1,099.488%	1,114.585%	975.635%	442.066%
Gearing	15.400%	20.900%	38.966%	52.919%	48.922%	43.708%	32.751%	29.296%	54.112%
Efficiency									
Voids	2.200%	1.400%	1.632%	2.109%	2.279%	2.191%	2.420%	2.420%	0.622%
Arrears	1.500%	1.200%	1.233%	1.779%	1.334%	1.343%	1.353%	1.370%	2.188%
Bad debts	0.500%	0.200%	0.755%	0.766%	1.023%	1.279%	1.538%	2.049%	0.769%
Staff costs / turnover	15.200%	16.500%	19.224%	19.020%	17.310%	16.164%	15.379%	14.027%	20.732%
Turnover per unit	6,195	6,059	£5,775	£6,069	£6,213	£6,428	£6,637	£6,812	5,194
Responsive repairs to planned maintenance	1.4	1.5	0.7	1.8	2.4	2.4	1.1	2.7	1.9
Liquidity									
Current ratio	1.4	1.6	1.4	2.7	1.8	1.5	1.9	1.6	1.9
Profitability									
Gross surplus / (deficit)	18.900%	21.900%	14.844%	11.645%	22.427%	20.593%	24.443%	27.538%	19.572%
Net surplus / (deficit)	16.900%	20.200%	12.464%	8.687%	19.216%	17.940%	21.618%	24.007%	11.884%
EBITDA / revenue	54.100%	49.500%	42.701%	32.370%	26.034%	26.356%	43.078%	23.181%	31.379%
Financing									
Debt Burden	1.5	1.4	1.4	2.0	1.8	1.6	1.5	1.3	2.1
Net debt per unit	£2,308	£3,261	£6,011	£8,418	£8,307	£7,926	£6,409	£6,212	£7,053
Debt per unit	£9,280	£8,332	£8,020	£12,323	£11,337	£10,455	£9,639	£8,830	£10,560
Diversification									
Income from non-rental activities	31.900%	25.700%	26.605%	23.964%	22.023%	21.381%	20.805%	20.342%	17.477%
INDICATORS									
Turnover	11,693.8	11,098.1	11,318.7	11,931.9	12,307.7	12,733.7	13,147.0	13,494.7	
Operating costs	4,418.2	5,341.5	6,323.9	6,831.8	5,940.8	6,460.8	6,300.1	6,114.3	
Net housing assets	97,059.5	98,395.1	104,711.7	107,987.6	107,570.1	106,836.2	104,386.2	104,974.3	
Cash & current investments	13,185.0	9,370.5	3,937.5	7,677.7	6,003.2	5,009.5	6,398.2	5,187.7	
Debt	17,548.7	15,397.3	15,719.3	24,226.8	22,459.2	20,710.4	19,093.9	17,492.9	
Net assets / capital & reserves	28,345.1	28,825.7	30,236.4	31,272.6	33,637.5	35,921.9	38,764.2	42,003.7	

Comments

Page	Field	Comment
SOCI	Rent loss from voids	Increasing due to one area where demolition work is planned to take place during 22/23, which will have an impact on the remaining properties, with voids projected to increase as a result.
SOCI	Grants from Scottish Ministers	Medical Adaption Grants
SOCI	Other Grants	Furlough Grant
SOCI	Other income	Wider Action, Factoring Income, Group Services, reducing as shared finance services have ended, development services have ended and large Wider Action project, Pathways to Construction due to end 31/03/2023
SOCI	Management costs	Reducing costs once Development work comes to an end, projected to be 24/25. Also a reduction in the pension deficit contributions with these due to end March 2023, however projections include a minimal cost in 23/24, 24/25 and 25/26 to be prudent.
SOCI	Bad debts written off/(back)	Long term bad debts modelled at 2%
SOCI	Other costs	Higher in 21/22 and 22/23 due to a large funded project, Pathways to Construction. 21/22 also includes shared finance service costs which ended 28/02/2022.
SOCI	Interest receivable and other income	Long term rates modelled at 1%, as hoping the market will pick up. Also the Cloch HA loan was repaid in full on 31/12/2021 meaning no longer receiving interest on this loan, previously due to be repaid by March 2027.
SOCI	Interest payable and similar charges	Non Utilisation Fees are included in 21/22 and 22/23, these will then stop once the loan is fully drawn down and interest will be payable will increase as a result.
SOFP	Cash at bank and in hand	Increased cash in 22/23 due to drawing down the RBS loan.
SOFP	Loans due after one year	Assumes draw down of loan during 22/23
SOFP	Pension asset / (liability)	This is the pension liability recognised on the SOFP

Page	Field	Comment
		each year end. The £1,403M figure is the liability as at 31/03/2021. The 21/22 figure will be updated for the year end accounts and 22/23 post year end budget review.
SOCF	Increase / (Decrease) in Payables	High decrease in 21/22 as HAG funding received in advance released to cover development costs incurred during 21/22. Final settlement reached on previous development site meaning reversal of a £250k accrual in 21/22.
SOCF	Construction or acquisition of Housing properties	New Build Development Sites. Ravenscraig is managed by the Link Group who are claiming the HAG grant on our behalf.
SOCF	Grants (Repaid) / Received	Ongoing development sites housing grants. Cloch repaid loan in full on 31/12/2021, included here.
SOCF	Debt drawdown	RBS loan draw downs
SOCF	Debt repayment	The loan figures will be re-profiled as part of preparing the 21/22 year end accounts.
SOCF	Increase / (Decrease) in Net Cash	Significant decrease in cash during 21/22, linked to utilising cash over drawing down loan funding, partly linked to grant funding received in advance of £4.971M in March 2020 and to save on loan interest costs (interest rate on the loan is higher than non-utilisation fee rate).
SOCF	CLOSING BALANCE	Cash balances will increase during 22/23 when loan funding is drawn down, this will be utilised for our development sites and planned maintenance programme.
Additional Information	New Social Rent Properties added	155 new build properties over 3 development sites. 69 units completed in 21/22, 71 due to complete during 22/23 and 15 projected to complete during 23/24.
Additional Information	New Properties - Other Tenures added	Purchase of 3 properties funded partly by the Scottish Government. Likely to purchase more during 22/23 but no confirmed purchases at time of preparing the forecasted figures.
Additional	Development Assumption	Decision to carry out SHIP work as currently planned

Page	Field	Comment
Information		has not yet been made. These projections do not include "future" developments from the SHIP. Only current developments in progress.
Additional Information	Demolition	65 properties approved for demolition during 2019, demolition work scheduled to take place during 2022/23.
Additional Information	Other	OTHA exchanged 2 flats from our stock for 1 of the flats due to be demolished.
Additional Information	Other public subsidy	The Ravenscraig Development site is being managed by Link Group and they will be claiming the HAG directly
Additional Information	Private finance	Totals private finance requirements of £12.88M. £11.2M loan facility in place and further funding will be procured if required.
Additional Information	Rent increase - Margin above General Inflation (%)	We are currently projecting a rent increase of 0.3% above inflation
Additional Information	Actual / Assumed average salary increase (%)	Modelled at 4.1% being the actual increase for 21/22, then 0.75% above CPI for future years.
Additional Information	Total staff costs (including NI & pension costs)	Pension costs reduce once the pension deficit payments end, however there is a contingency for this until 2026 to be prudent. Staff costs reduce from 24/25 when Development is projected to end.
Additional Information	Full time Equivalent Staff Curr Year	1FTE 1 year temp post ends March 2023. Then from 2024/25 development ends with 3 FTE staff taken out of the plan.
Additional Information	Total capital and revenue expenditure on maintenance of pre-1919 properties	Spend of rows 27, 28 and 131 proportioned for number of properties pre 1919
Additional Information	Total capital and revenue expenditure on maintenance of all other properties	Spend of rows 27, 28 and 131 less costs included above being pre 1919 properties. i.e. the balancing figure.
Additional Information	Estimated decarbonisation cost	This is being considered by the Association, however we have no indicative costs at this time.