

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

A1.1	Date approved	19/09/2024
A1.2	Approver	Kes Cameron
A1.3	Approver job title	Director of Finance

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	12,599.7	11,724.7
Operating costs	(10,174.9)	(9,897.6)
Gain/(loss) on disposal of property, plant and equipment	97.0	119.7
Exceptional items	0.0	0.0
Operating surplus/(deficit)	2,521.8	1,946.8
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	141.7	31.1
Interest payable	(532.2)	(366.0)
Other financing (costs)/income	(57.5)	(50.4)
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	(31.5)	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
Total	(479.5)	(385.3)
Surplus/(deficit) before tax	2,042.3	1,561.5
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	2,042.3	1,561.5
Actuarial (loss)/gain in respect of pension schemes	(620.0)	(586.0)
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	1,422.3	975.5

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	(474.0)	33,017.8	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	(620.0)	2,042.3	0.0	0.0
Transfer from revaluation reserve to revenue reserve	0.0	(23.0)	23.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0	0.0	0.0
Balance at end of the current year	0.2	(1,117.0)	35,083.1	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	32,544.0	0.0	32,544.0
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	1,422.3	0.0	1,422.3
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	33,966.3	0.0	33,966.3

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
<u>Non-current assets</u>		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	108,660.9	104,314.4
Negative goodwill	0.0	0.0
Net housing assets	108,660.9	104,314.4
Non-current investments	126.0	92.5
Other plant, property and equipment	1,991.3	2,050.4
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	110,778.2	106,457.3
Receivables due after more than one year	0.0	0.0
<u>Current assets</u>		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	496.2	612.1
Cash and cash equivalents	5,271.3	6,073.4
Total current assets	5,767.5	6,685.5
Payables: amounts falling due within one year	(2,537.1)	(3,154.9)
<u>Deferred income: amounts falling due within one year</u>		
Scottish housing grants (SHG)	(2,365.0)	(2,216.5)
Other grants	0.0	0.0
Total deferred income: amounts falling due within one year	(2,365.0)	(2,216.5)
Net current assets/(liabilities)	865.4	1,314.1
Total assets less current liabilities	111,643.6	107,771.4
Payables: amounts falling due after more than one year	(14,851.0)	(17,275.8)
Provisions	0.0	0.0
Pension asset/(liability)	(1,117.0)	(474.0)
<u>Deferred income: amounts falling due after more than one year</u>		
Scottish housing grants (SHG)	(61,456.2)	(57,215.7)
Other grants	(253.1)	(261.9)
Total deferred income: amounts falling due after more than one year	(61,709.3)	(57,477.6)
Total long term liabilities	(77,677.3)	(75,227.4)
Net assets	33,966.3	32,544.0
<u>Capital and reserves</u>		
Share capital	0.2	0.2
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	33,966.1	32,543.8
Total reserves	33,966.3	32,544.0

STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	3,570.5	2,559.3
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(1,363.1)	(3,835.1)
Purchase of other non-current assets	(72.1)	(24.0)
Sales of properties	141.2	113.7
Sales of other non-current assets	0.0	0.0
Capital grants received	0.0	0.0
Capital grants repaid	(67.4)	(398.2)
Interest received	140.8	27.0
Net cash inflow/(outflow) from investing activities	(1,220.6)	(4,116.6)
<u>Cash flow from financing activities</u>		
Interest paid	(512.9)	(393.8)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	0.0	4,000.0
Funding repaid	(2,639.1)	(1,179.8)
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	(3,152.0)	2,426.4
Net change in cash and cash equivalents	(802.1)	869.1
Cash and cash equivalents at end of the previous year	6,073.4	5,204.3
Cash and cash equivalents Opening balance adjustment	0.0	0.0
Cash and cash equivalents at end of the current year	5,271.3	6,073.4

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	12,185.6	(9,742.7)	2,442.9
Other activities	414.1	(432.2)	(18.1)
Total	12,599.7	(10,174.9)	2,424.8

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

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

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	9,165.8	286.1	280.1	0.0	9,732.0	8,961.8
Service charges	139.4	19.5	9.2	0.0	168.1	146.6
Gross income	9,305.2	305.6	289.3	0.0	9,900.1	9,108.4
Voids	(173.9)	(15.7)	0.0	0.0	(189.6)	(266.1)
Net income	9,131.3	289.9	289.3	0.0	9,710.5	8,842.3
Grants released from deferred income	2,207.1	71.3	86.6	0.0	2,365.0	2,216.6
Revenue grants from Scottish Ministers	110.1	0.0	0.0	0.0	110.1	223.0
Other revenue grants	0.0	0.0	0.0	0.0	0.0	0.0
Total turnover: letting	11,448.5	361.2	375.9	0.0	12,185.6	11,281.9
Management and maintenance administration costs	(2,672.9)	(83.4)	(81.7)	0.0	(2,838.0)	(2,808.7)
Service costs	(302.1)	(37.5)	(18.4)	0.0	(358.0)	(269.1)
Planned maintenance	(1,113.8)	(15.0)	0.0	0.0	(1,128.8)	(1,471.7)
Reactive maintenance	(1,629.5)	(49.2)	0.0	0.0	(1,678.7)	(1,331.5)
Bad debts written (off)/back	(50.8)	(0.3)	0.0	0.0	(51.1)	(47.4)
Depreciation: housing	(3,459.3)	(112.8)	(116.0)	0.0	(3,688.1)	(3,512.8)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(9,228.4)	(298.2)	(216.1)	0.0	(9,742.7)	(9,441.2)
Operating surplus/(deficit)	2,220.1	63.0	159.8	0.0	2,442.9	1,840.7

Prior Year

Total turnover: letting	10,496.1	414.2	371.6	0.0
Operating costs	(8,905.2)	(314.4)	(221.6)	0.0
Operating surplus/(deficit)	1,590.9	99.8	150.0	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	124.3	124.3	(173.0)	(48.7)	25.3
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	46.8	46.8	(3.5)	43.3	6.4
Factoring	0.0	0.0	0.0	223.0	223.0	(249.6)	(26.6)	(5.9)
Support activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(39.4)
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	0.0
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	20.0	20.0	(6.1)	13.9	0.0
Current Year Total	0.0	0.0	0.0	414.1	414.1	(432.2)	(18.1)	
Prior Year Total	0.0	0.0	0.0	442.8	442.8	(456.4)	(13.6)	

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	1,821	54	88	0	1,963	1,962
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	1,821	54	88	0	1,963	1,962

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,468	£1,544	£928	-	£1,446
Planned maintenance	£612	£278	£0	-	£575
Reactive maintenance	£895	£911	£0	-	£855
Total direct maintenance	£1,506	£1,189	£0	-	£1,430
Total management & maintenance	£2,974	£2,733	£928	-	£2,876

COST PER UNIT - Prior 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
Total management & maintenance	£2,952	£2,882	£967	-	£2,860

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	106.2	121.4
Total key management personnel emoluments	375.1	458.4
Total staff costs	1,945.5	2,133.8
External auditors' fees – audit	14.7	10.2
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	1,317.4	482.3
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	57,357.5	54,584.3
Receivables - gross rental	337.3	303.6
Receivables – bad debt provision	(211.6)	(178.9)
Receivables - net rental	125.7	124.7
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	1,061.8	1,276.2
Housing loans due after more than one year	14,851.0	17,275.8
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	05/08/2024		
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	1		
Internal auditors' name	TIAA		
Number of years since a full procurement exercise was undertaken for the internal auditor	1		
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	-		
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?	2		
Staff Pension Schemes			
Which scheme(s) are you members of?	How many participating members in each scheme?		
SHAPS DC	46		
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	Company Turnover £'000	Company Operating surplus/(deficit) £'000	Company Net assets £'000
OTHI Ltd	Active	Unaudited	147.0	(18.2)	0.4
Activities					
Development projects					
Activities					
Activities					
Activities					

SUBSIDIARIES AND CONNECTED ORGANISATIONS - SUBSIDIARIES

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

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Activities					
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Activities					
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Subsidiary name	Subsidiary status during Financial year	Accounts status	Company Turnover £'000	Company Operating surplus/(deficit) £'000	Company Net assets £'000
Activities					
Activities					
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CONNECTED ORGANISATIONS

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RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	723.6%	656.8%	425.2%
Gearing	31.3%	38.3%	44.8%
Efficiency			
Voids	1.9%	2.9%	0.8%
Gross arrears	3.5%	3.4%	3.9%
Net arrears	1.3%	1.4%	1.9%
Bad debts	0.5%	0.5%	0.5%
Staff costs / turnover	15.4%	18.2%	21.0%
Key management personnel / staff costs	19.3%	21.5%	16.7%
Turnover per unit	£6,419	£5,976	£5,571
Responsive repairs to planned maintenance ratio	1.5	1.5	1.6
Liquidity			
Current ratio	1.2	1.2	1.9
Profitability			
Gross surplus / (deficit)	20.0%	16.6%	16.2%
Net surplus / (deficit)	16.2%	13.3%	11.1%
EBITDA / revenue	38.8%	42.5%	28.8%
EBITDA exc. deferred grant	20.1%	23.5%	16.1%
Financing			
Debt burden ratio	1.3	1.6	1.7
Net debt per unit	£5,421	£6,360	£7,062
Debt per unit	£8,106	£9,456	£10,190
Diversification			
Income from non-rental activities-	22.9%	24.6%	17.4%

Comments

Page	Field	Comment
SOCI	Gain/(loss) on disposal of property plant and equipment	Sale of shared ownership properties.
SOCI	Interest receivable	Variance attributable to increased interest rates as a result of market conditions.
SOCI	Interest payable	Variance attributable to increased interest rates as a result of market conditions, impacting on our variable loan interest, with £4M being drawn on an RCF during the year.
SOCI	Other financing (costs)/income	Includes £23k interest on pension obligations and £34.5k fees for non utilisation of RBS RCF.
SOCI	Decrease in valuation of housing properties	Net of a £46.2k impairment of land after demolition work, and a £14.7k uplift in the valuation of investment properties following a revaluation exercise.
SOCI	Actuarial (loss)/gain in respect of pension schemes	Annual adjustment to the SHAPS DB pension scheme, as provided by TPT DB accounting tool.
SOCE	Issue of shares - Funds & Reserves	17 shares were issued during the year. Not noted here as figure is too small.
SOCE	Cancellation of shares - Funds & Reserves	9 shares were cancelled during the year. Not noted here as figure is too small.
SOCE	Transfer from revaluation reserve to revenue reserve - Funds & Reserves	This is the net interest on pension obligations during the year.
SOCE	Revenue reserve Restricted fund - Balance at end of the current year	This is the closing liability on the SHAPS DB pension scheme, as provided by TPT.
SOFP	Non-current investments	Investment properties were valued by independent qualified surveyors in January 2024 resulting in an increase in value of £14.7k. There was also a transfer of one property in the year from 'held for letting' to 'investment properties' due to a change in the use of the property.
SOFP	Pension asset/(liability)	This is the closing liability on the SHAPS DB pension

Page	Field	Comment
		scheme, as provided by TPT.
SOCF	Acquisition and construction of properties	Includes £102k of final professional fees for development site at Bunston Grove. The rest relates to components replaced within existing housing for let.
SOCF	Purchase of other non-current assets	This cost fluctuates year on year. £48k of the total relates to new computer equipment including a new server. Remaining £24k relates to office premises works and small furniture additions.
SOCF	Sales of properties	Sale of shared ownership properties during the year.
SOCF	Interest received	Increase relates to rise in interest rates during the year due to market conditions.
SOCF	Funding repaid	Made up of monthly capital loan repayments to Nationwide, and a £1.5m repayment to the RBS RCF during quarter 4 the financial year.
Analysis - Affordable Lettings	Voids	Voids performed significantly better than last year. A change in void contractors improved void turnaround on last year. A new team dedicated to allocations in the housing department also contributed to the reduction in void loss.
Analysis - Affordable Lettings	Grants from Scottish Ministers	During 22/23 OTHA received funding from the Scottish Government for the Ukrainian Resettlement Scheme (£151k). This funding ended during 23/24 with total funding received in 23/24 of £22k, (£130k lower income). Stage 3 Grants received in 22/23 was £71.5k vs £88.5k in 23/24 (£17k higher income).
Analysis - Affordable Lettings	Service costs	This variance relates to an increase in common block electricity costs of £120k on 2022/23. This is linked partly to smart meters being installed providing actual meter readings, plus an overall increase in energy charges.
Analysis - Affordable Lettings	Planned maintenance	This includes several different costs. Some costs were higher and some were lower, depending on what works took place. The main area of lower spend was in relation to the Maple Road units demolition,

Page	Field	Comment
		where spend was £335k lower in 23/24, than in 22/23, due to the timing of the works.
Analysis - Affordable Lettings	Reactive maintenance	Overall increase of £347k. Voids were £125k higher, linked to major works being required in some properties. Reactive maint. where common repairs were £137k higher than the prior year. This is linked to labour & material costs being higher & the fact we have returned to smaller local contractors who do not have schedule of rates in place.
Analysis - Other Activities	Wider role	This is mainly a timing difference. Two hardship grants were received (and recognised) in 22/23 but the funds were not spent until 23/24. Matching of grant funding is not allowed unless specific conditions are met which, in this case, they were not.
Analysis - Other Activities	Investment property activities	Variance relates to an increase in rental income as old office premises was rented out for the duration of the year 23/24 (only 1 month of rental income from this property in 22/23). There was also less expenditure in the year 23/24 than 22/23 due to the costs associated with bringing the old office into a rentable condition.
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. Factoring invoices were significantly higher in the year 23/24 compared to 22/23 resulting in an increase in the overall bad debt provision. Note that there is one owner with an outstanding balance of £12k included within this deficit figure.
Analysis - Other Activities	Support activities	Last years figure was a write off for a wider action company that went into liquidation. There was no such scenario in 23/24.
Analysis - Other Activities	Other activities	Other activities include a one-off donation of £16.6k from our subsidiary company Oak Tree Housing Initiatives Limited - this is in anticipation of the subsidiary being wound up. Remaining £2.7k is the cost to OTHA of operating the Inverclyde Common Housing Register.

Page	Field	Comment
Supplementary Items	Total key management personnel emoluments	2022/23 included the redundancy of the Deputy CEO in November 2022 and the associated redundancy payment. Total Key personnel in 23/24 was 4, compared to 5 in 22/23.
Supplementary Items	Capitalised maintenance costs	Planned maintenance works returned to pre-pandemic levels during 2023/24.
Supplementary Items	Receivables - bad debt provision	Bad debts are performing well given the current economic climate, however people are taking longer to pay and therefore the bad debt provision has increased from 2022/23.
Supplementary Items	Housing loans due within one year	This has reduced as a result of the association repaying £1.5m of the RBS RCF during Q4 of 23/24.
Contextual Information	Full procurement exercise undertaken for external auditor	Procurement for the external auditor took place during 2022/23 with the first year of the contract starting with the 2023/24 year end audit.
Contextual Information	Full procurement exercise undertaken for internal auditor	Procurement for the internal auditor took place during 2022/23 with the first year of the internal audit plan starting with the 2023/24 financial year.
Contextual Information	How many staff members not currently contributing to a pension scheme?	3 of the employees who were not in the pension scheme at 31st March 2023 were on temporary contracts and left on the 31st March 2023. One staff member who joined during in the year did not wish to be enrolled in the pension scheme.