Five Year Financial Projections (FYFP) 2024-2025

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

A1.1	Date approved	19/05/2025
A1.2	Approver	Kes Cameron
A1.3	Approver job title	Director of Finance
A1.9	General Comment	

The return includes assumptions in relation to the aborted Strone Farm development, as the situation is still not concluded.

STATEMENT OF COMPREHENSIVE INCOME	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	10,317.7	10,718.6	11,061.6	11,393.4	11,735.3	12,087.3
Service charges	173.3	184.3	188.5	192.3	196.2	200.1
Gross rents & service charges	10,491.0	10,902.9	11,250.1	11,585.7	11,931.5	12,287.4
Rent loss from voids	104.4	159.9	165.0	169.9	175.0	180.2
Net rent & service charges	10,386.6	10,743.0	11,085.1	11,415.8	11,756.5	12,107.2
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	2,362.4	2,363.7	2,363.7	2,363.7	2,363.7	2,363.7
Grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other grants	0.0	0.0	0.0	0.0	0.0	0.0
Other income	411.9	433.3	349.3	356.5	338.5	346.1
TURNOVER	13,160.9	13,540.0	13,798.1	14,136.0	14,458.7	14,817.0
Less:						
Housing depreciation	3,512.6	3,764.9	3,576.6	3,397.8	3,227.9	3,066.6
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	3,100.6	3,532.6	3,955.2	4,227.0	4,267.5	4,430.5
Service costs	486.8	464.4	479.3	493.7	508.5	523.7
Planned maintenance - direct costs	659.7	707.4	634.0	738.7	730.8	612.4
Re-active & voids maintenance - direct costs	2,041.9	2,135.0	2,203.3	2,269.4	2,337.5	2,407.6
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	14.3	81.8	84.4	86.9	89.5	92.2
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	409.3	515.6	451.1	458.4	465.9	473.7
Other costs	0.0	0.0	0.0	0.0	0.0	0.0
	6,712.6	7,436.8	7,807.3	8,274.1	8,399.7	8,540.1
Operating Costs	10,225.2	11,201.7	11,383.9	11,671.9	11,627.6	11,606.7
Gain/(Loss) on disposal of PPE	6.7	0.0	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	1,361.2	0.0	0.0	0.0	0.0	0.0
OPERATING SURPLUS/(DEFICIT)	1,581.2	2,338.3	2,414.2	2,464.1	2,831.1	3,210.3
Interest receivable and other income	165.7	108.1	144.6	126.4	118.5	118.0
Interest payable and similar charges	824.2	724.6	770.3	807.7	758.1	700.5
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	922.7	1,721.8	1,788.5	1,782.8	2,191.5	2,627.8
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	922.7	1,721.8	1,788.5	1,782.8	2,191.5	2,627.8
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	922.7	1,721.8	1,788.5	1,782.8	2,191.5	2,627.8

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	165,257.2	167,185.6	169,585.5	171,738.8	174,400.8	175,741.2
Less:						
Housing Depreciation	59,817.1	63,582.0	67,158.6	70,556.4	73,784.3	76,850.9
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	105,440.1	103,603.6	102,426.9	101,182.4	100,616.5	98,890.3
Non-Current Investments	1,935.0	2,359.7	2,270.1	2,165.2	2,067.8	1,954.2
Other Non Current Assets	126.0	126.0	126.0	126.0	126.0	126.0
TOTAL NON-CURRENT ASSETS	107,501.1	106,089.3	104,823.0	103,473.6	102,810.3	100,970.5
Current Assets						
Net rental receivables	207.8	228.0	233.0	238.1	243.1	248.1
Other receivables, stock & WIP	295.9	300.9	302.9	305.0	307.1	309.2
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	4,071.8	6,869.8	8,543.1	8,235.1	7,491.3	8,303.0
TOTAL CURRENT ASSETS	4,575.5	7,398.7	9,079.0	8,778.2	8,041.5	8,860.3
Payables : Amounts falling due within One Year						
Loans due within one year	951.6	1,023.7	1,082.8	1,241.3	1,298.8	1,355.9
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	2,875.1	1,135.8	1,148.9	1,162.2	1,175.7	1,189.4
TOTAL CURRENT LIABILITIES	3,826.7	2,159.5	2,231.7	2,403.5	2,474.5	2,545.3
NET CURRENT ASSETS/(LIABILITIES)	748.8	5,239.2	6,847.3	6,374.7	5,567.0	6,315.0
TOTAL ASSETS LESS CURRENT LIABILITIES	108,249.9	111,328.5	111,670.3	109,848.3	108,377.3	107,285.5
Payables : Amounts falling due After One Year						
Loans due after one year	11,841.5	14,055.3	14,972.3	13,731.1	12,432.4	11,076.5
Other long-term payables	1,016.0	1,117.0	1,117.0	1,117.0	1,117.0	1,117.0
Grants to be released	60,402.3	58,038.6	55,674.9	53,311.1	50,947.4	48,583.6
TOTAL LONG TERM LIABILITIES	73,259.8	73,210.9	71,764.2	68,159.2	64,496.8	60,777.1
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	0.0	0.0	0.0	0.0	0.0	0.0
NET ASSETS	34,990.1	38,117.6	39,906.1	41,689.1	43,880.5	46,508.4
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	34,989.9	38,117.4	39,905.9	41,688.9	43,880.3	46,508.2
TOTAL CAPITAL & RESERVES	34,990.1	38,117.6	39,906.1	41,689.1	43,880.5	46,508.4
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
Net Cash from Operating Activities	£'000	£'000	£'000	£'000	£'000	£'000
Operating Surplus/(Deficit)	1,581.2	2,338.3	2,414.2	2,464.1	2,831.1	3,210.3
Depreciation & Amortisation	3,579.7	3,860.3	3,702.6	3,530.9	3,369.1	3,213.3
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	1,399.8	10.8	13.1	13.3	13.5	13.7
(Increase) / Decrease in Receivables	(7.6)	(6.7)	(7.1)	(7.1)	(7.1)	(7.1)
(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	(2,622.7)	(2,363.7)	(2,363.7)	(2,363.7)	(2,363.7)	(2,363.7)
NET CASH FROM OPERATING ACTIVITIES	3,930.4	3,839.0	3,759.1	3,637.5	3,842.9	4,066.5
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	165.7	108.1	144.6	126.4	118.5	118.0
Interest (Paid)	(781.6)	(724.6)	(770.3)	(807.7)	(758.1)	(700.5)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(615.9)	(616.5)	(625.7)	(681.3)	(639.6)	(582.5)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	0.0	0.0	0.0	0.0	0.0	0.0
Improvement of Housing	(1,531.1)	(1,928.4)	(2,399.9)	(2,153.3)	(2,662.0)	(1,340.3)
Construction or acquisition of other Land & Buildings	0.0	(520.2)	(36.4)	(28.2)	(43.8)	(33.2)
Construction or acquisition of other Non-Current Assets	(32.0)	0.0	0.0	0.0	0.0	0.0
Sale of Social Housing Properties	211.1	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	(161.7)	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(1,513.7)	(2,448.6)	(2,436.3)	(2,181.5)	(2,705.8)	(1,373.5)
NET CASH BEFORE FINANCING	1,800.8	773.9	697.1	774.7	497.5	2,110.5
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawndown	0.0	3,000.0	2,000.0	7,000.0	0.0	0.0
Debt repayment	(1,119.7)	(975.8)	(1,023.8)	(8,082.7)	(1,241.3)	(1,298.8)
Working Capital (Cash) - Drawn / (Repaid)	(2,000.0)	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	(3,119.7)	2,024.2	976.2	(1,082.7)	(1,241.3)	(1,298.8)
INCREASE / (DECREASE) IN NET CASH	(1,318.9)	2,798.1	1,673.3	(308.0)	(743.8)	811.7
Cash Balance						
Balance Brought Forward	5,271.4	4,071.7	6,869.8	8,543.1	8,235.1	7,491.3
Increase / (Decrease) in Net Cash	(1,318.9)	2,798.1	1,673.3	(308.0)	(743.8)	811.7
CLOSING BALANCE	3,952.5	6,869.8	8,543.1	8,235.1	7,491.3	8,303.0

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ADDITIONAL INFORMATION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Number of units added during year to:	£'000	£'000	£'000	£'000	£'000	£'000
New Social Rent Properties added	0	0	0	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	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Total number of new affordable housing units added during year	0	0	0	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	2	0	0	0	0	0
Demolition	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Other	0	0	0	0	0	0
Number of units managed at end of period (exclude factored units)	1,961	1,961	1,961	1,961	1,961	1,961
Units owned:						
Social Rent Properties	1,877	1,877	1,877	1,877	1,877	1,877
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	84	84	84	84	84	84
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	1,961	1,961	1,961	1,961	1,961	1,961
Financed by:						
Scottish Housing Grants	0.0	0.0	0.0	0.0	0.0	0.0
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	0.0	0.0	0.0	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0
Development cost per unit	0.0	0.0	0.0	0.0	0.0	0.0
Assumptions:						
General Inflation (%)	5.2	3.4	3.2	3.0	3.0	3.0
Rent increase - Margin above/below General Inflation (%)	0.9	0.5	0.0	0.0	0.0	0.0
Operating cost increase - Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint cost increase-Margin above/below General Inflation (%)	2.0	0.0	0.0	0.0	0.0	0.0
Actual / Assumed average salary increase (%)	5.5	4.0	4.0	4.0	4.0	4.0
Average cost of borrowing (%)	5.5	5.6	5.1	5.0	5.1	5.1
Employers Contributions for pensions (%)	12.6	12.6	12.6	12.6	12.6	12.6
Employers Contributions for pensions (£'000)	228.1	247.0	257.6	267.9	278.6	289.7
SHAPS Pensions deficit contributions (£'000)	0.0	0.0	250.0	257.5	265.2	273.2

Min. headroom cover on tightest interest cover covenant (£'000)	1,961.8	1,133.0	539.0	596.0	330.0	1,932.0
Minimum headroom cover on tightest gearing covenant (£'000)	69,730.1	68,565.0	68,789.0	70,948.5	73,520.5	75,489.5
Minimum headroom cover on tightest asset cover covenant (£'000)	1,270.0	4,160.0	4,160.0	4,160.0	4,160.0	4,160.0
Total staff costs (including NI & pension costs) (£'000)	2,204.4	2,188.3	2,282.4	2,373.7	2,468.6	2,567.3
Full time equivalent staff	45.0	45.0	45.0	45.0	45.0	45.0
EESSH Revenue Expenditure included above (£'000)	16.0	25.0	25.0	25.0	25.0	25.0
EESSH Capital Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Total capital & revenue expend on maint pre-1919 properties	1,135.4	1,290.3	1,925.3	2,541.6	3,263.4	3,606.0
Total capital & revenue expend on maint all other properties (£'000)	3,146.3	3,575.5	5,335.3	7,043.1	9,043.5	9,992.9

Estimated decarbonisation cost indicator	No	
Estimated decarbonisation cost (£'000)	-	

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TRENDS & COMPARATORS

RATIOS	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	National Median
Financial capacity	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	
Interest cover	656.8%	723.6%	524.066%	544.728%	506.777%	466.002%	522.543%	597.359%	307.9%
Gearing	38.3%	31.3%	24.925%	21.537%	18.824%	16.161%	14.220%	8.879%	43.1%
Efficiency									
Voids	2.9%	1.9%	0.995%	1.467%	1.467%	1.466%	1.467%	1.467%	0.7%
Arrears	1.4%	1.3%	2.001%	2.122%	2.102%	2.086%	2.068%	2.049%	1.9%
Bad debts	0.5%	0.5%	0.138%	0.761%	0.761%	0.761%	0.761%	0.762%	0.5%
Staff costs / turnover	18.2%	15.4%	16.750%	16.162%	16.541%	16.792%	17.073%	17.327%	20.4%
Turnover per unit	£5,976	£6,419	£6,711	£6,905	£7,036	£7,209	£7,373	£7,556	£5,846
Responsive repairs to planned maintenance	1.5	1.5	1.1	1.2	1.4	1.3	1.5	0.8	1.6
Liquidity									
Current ratio	1.2	1.2	1.2	3.4	4.1	3.7	3.2	3.5	1.7
Profitability									
Gross surplus / (deficit)	16.6%	20.0%	12.014%	17.270%	17.497%	17.431%	19.581%	21.666%	15.6%
Net surplus / (deficit)	13.3%	16.2%	7.011%	12.716%	12.962%	12.612%	15.157%	17.735%	9.0%
EBITDA / revenue	42.5%	38.8%	27.070%	30.833%	26.025%	26.235%	23.495%	33.317%	24.9%
Financing									
Debt Burden	1.6	1.3	1.0	1.1	1.2	1.1	0.9	0.8	1.6
Net debt per unit	£6,360	£5,421	£4,447	£4,186	£3,831	£3,436	£3,182	£2,106	£6,680
Debt per unit	£9,456	£8,106	£6,524	£7,689	£8,187	£7,635	£7,002	£6,340	£9,524
Diversification									
Income from non-rental activities	24.6%	22.9%	21.080%	20.657%	19.662%	19.243%	18.689%	18.288%	17.6%
INDICATORS									
Turnover	11,724.7	12,599.7	13,160.9	13,540.0	13,798.1	14,136.0	14,458.7	14,817.0	
Operating costs	6,384.8	6,486.8	6,712.6	7,436.8	7,807.3	8,274.1	8,399.7	8,540.1	
Net housing assets	104,314.4	108,660.9	105,440.1	103,603.6	102,426.9	101,182.4	100,616.5	98,890.3	
Cash & current investments	6,073.4	5,271.3	4,071.8	6,869.8	8,543.1	8,235.1	7,491.3	8,303.0	
Debt	18,552.0	15,912.8	12,793.1	15,079.0	16,055.1	14,972.4	13,731.2	12,432.4	
Net assets / capital & reserves	32,544.0	33,966.3	34,990.1	38,117.6	39,906.1	41,689.1	43,880.5	46,508.4	

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Comments

Page	Field	Comment
SOCI	Exceptional Items - (Income) / Expense	This is the Strone Farm write off to abortive costs. This isn't shown within operating surplus/deficit on the SOCI of the Audited Financial Statements.
SOCF	Increase / (Decrease) in Payables	2024/25 includes a creditor for the HAG repayment to the Scottish Government in relation to the aborted development at Strone Farm. £1,247,466. Still to be finalised, however this is the current position per the draft 2024/25 annual accounts.
SOCF	(Increase) / Decrease in Receivabes	The slight reduction on debtors is linked to re charges to owners for cyclical works - this can differ year on year and was higher in 24/25 than anticipated for 2025/26.
SOCF	Debt repayment	We had a high percentage of variable loans during 2024/25, moving into 2025/26 we have a split of 58% fixed and 42% variable. We are also not repaying any capital on the RBS RCF until it is refinanced in 2028. Year 3 2027/28 includes refinancing the RBS RCF, estimated to be £7M.
SOCF	Working Capital (Cash) - Drawn / (Repaid)	We repaid £2M of our Revolving Credit Facility with RBS during the year, to reduce interest costs.
SOCF	Balance Brought Forward	Slight difference between 2024/25 closing and 2025/26 opening cash.
SOCF	Increase / (Decrease) in Net Cash	Movement on cash varies due to being linked to drawing down and repaying the RBS RCF.
Additional Information	New Social Rent Properties added	We are part of the SG's Acquisition Strategy however given the strict conditions of the grant and given we haven't purchased a property through the scheme for the last 3 years I have not included any additions over the next 5 years.
Additional Information	‘Total cost of new units’ / ‘Total number of new affordable housing units added during year’	There have been no new housing units added in 23/24 or 24/25. The Strone Farm development for 15 units has now been aborted.
Additional	Development Assumption	Oak Tree HA have no plans to develop in the next 5

Page	Field	Comment
Information		years.
Additional Information	Other public subsidy	Unsure what this error is in relation to. There are no forecasted public subsidy grants.
Additional Information	Rent increase - Margin above General Inflation (%)	The financial plan includes rent uplifts of RPI only. This is reviewed each year.
Additional Information	Full time Equivalent Staff Curr Year	There is no forecasted movement on staffing FTE. This is based on the current approved structure.
Additional Information	Estimated decarbonisation cost	There are no costs for meeting Net Zero targets in the current financial plan. We have included it as a stress test to show the Management Committee what impact meeting the targets could have on our financial plan. This is being monitored with the aim of preparing a Net Zero investment plan within the next year. There is an annual budget for any exploratory works or surveys etc. if required.