

Landlord Name:	Irvine Housing Association Ltd
RSL Reg No.:	280
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Approval

A1.1	Date approved	21/09/2022
A1.2	Approver	James Strang
A1.3	Approver job title	Chair

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	11,479.0	11,231.0
Operating costs	(6,712.0)	(6,241.0)
Gain/(loss) on disposal of property, plant and equipment	0.0	0.0
Exceptional items	0.0	0.0
Operating surplus/(deficit)	4,767.0	4,990.0
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	0.0	0.0
Interest payable	(1,248.0)	(1,249.0)
Other financing (costs)/income	0.0	0.0
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	(1,248.0)	(1,249.0)
Surplus/(deficit) before tax	3,519.0	3,741.0
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	3,519.0	3,741.0
Actuarial (loss)/gain in respect of pension schemes	0.0	0.0
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	3,519.0	3,741.0

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	0.0	0.0	19,811.0	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	0.0	3,519.0	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	0.0	0.0	0.0	0.0
Balance at end of the current year	0.0	0.0	23,330.0	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	19,811.0	0.0	19,811.0
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	3,519.0	0.0	3,519.0
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	23,330.0	0.0	23,330.0

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
Non-current assets		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	92,858.0	81,742.0
Negative goodwill	0.0	0.0
Net housing assets	92,858.0	81,742.0
Non-current investments	0.0	0.0
Other plant, property and equipment	592.0	676.0
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	93,450.0	82,418.0
Receivables due after more than one year	0.0	0.0
Current assets		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	1,561.0	1,405.0
Cash and cash equivalents	0.0	0.0
Total current assets	1,561.0	1,405.0
Payables: amounts falling due within one year	(3,433.0)	(3,498.0)
Deferred income: amounts falling due within one year		
Scottish housing grants (SHG)	(269.0)	(260.0)
Other grants	(25.0)	(24.0)
Total deferred income: amounts falling due within one year	(294.0)	(284.0)
Net current assets/(liabilities)	(2,166.0)	(2,377.0)
Total assets less current liabilities	91,284.0	80,041.0
Payables: amounts falling due after more than one year	(30,416.0)	(30,868.0)
Provisions	0.0	0.0
Pension asset/(liability)	0.0	0.0
Deferred income: amounts falling due after more than one year		
Scottish housing grants (SHG)	(34,313.0)	(26,840.0)
Other grants	(3,225.0)	(2,522.0)
Total deferred income: amounts falling due after more than one year	(37,538.0)	(29,362.0)
Total long term liabilities	(67,954.0)	(60,230.0)
Net assets	23,330.0	19,811.0
Capital and reserves		
Share capital	0.0	0.0
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	23,330.0	19,811.0
Total reserves	23,330.0	19,811.0

STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	2,818.0	4,023.0
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(9,336.0)	(890.0)
Purchase of other non-current assets	(37.0)	(89.0)
Sales of properties	0.0	0.0
Sales of other non-current assets	0.0	0.0
Capital grants received	7,927.0	809.0
Capital grants repaid	0.0	0.0
Interest received	0.0	0.0
Net cash inflow/(outflow) from investing activities	(1,446.0)	(170.0)
<u>Cash flow from financing activities</u>		
Interest paid	(1,265.0)	(1,260.0)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	0.0	0.0
Funding repaid	(15.0)	(2,944.0)
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	(1,280.0)	(4,204.0)
Net change in cash and cash equivalents	92.0	(351.0)
Cash and cash equivalents at end of the previous year	0.0	351.0
Cash and cash equivalents Opening balance adjustment	(92.0)	0.0
Cash and cash equivalents at end of the current year	0.0	0.0

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	11,185.0	(6,322.0)	4,863.0
Other activities	294.0	(390.0)	(96.0)
Total	11,479.0	(6,712.0)	4,767.0

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	10,943.0	(5,915.0)	5,028.0
Other activities	288.0	(326.0)	(38.0)
Total	11,231.0	(6,241.0)	4,990.0

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	10,821.0	0.0	0.0	0.0	10,821.0	10,656.0
Service charges	40.0	0.0	0.0	0.0	40.0	39.0
Gross income	10,861.0	0.0	0.0	0.0	10,861.0	10,695.0
Voids	(40.0)	0.0	0.0	0.0	(40.0)	(38.0)
Net income	10,821.0	0.0	0.0	0.0	10,821.0	10,657.0
Grants released from deferred income	294.0	0.0	0.0	0.0	294.0	284.0
Revenue grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other revenue grants	70.0	0.0	0.0	0.0	70.0	2.0
Total turnover: letting	11,185.0	0.0	0.0	0.0	11,185.0	10,943.0
Management and maintenance administration costs	(2,671.0)	0.0	0.0	0.0	(2,671.0)	(2,518.0)
Service costs	(407.0)	0.0	0.0	0.0	(407.0)	(397.0)
Planned maintenance	(617.0)	0.0	0.0	0.0	(617.0)	(598.0)
Reactive maintenance	(974.0)	0.0	0.0	0.0	(974.0)	(919.0)
Bad debts written (off)/back	(113.0)	0.0	0.0	0.0	(113.0)	(57.0)
Depreciation: housing	(1,540.0)	0.0	0.0	0.0	(1,540.0)	(1,426.0)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(6,322.0)	0.0	0.0	0.0	(6,322.0)	(5,915.0)
Operating surplus/(deficit)	4,863.0	0.0	0.0	0.0	4,863.0	5,028.0
Prior Year						
Total turnover: letting	10,943.0	0.0	0.0	0.0		
Operating costs	(5,915.0)	0.0	0.0	0.0		
Operating surplus/(deficit)	5,028.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0
Care and repair	223.0	0.0	0.0	0.0	223.0	(269.0)	(46.0)	0.0
Investment property activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Factoring	0.0	0.0	0.0	71.0	71.0	(121.0)	(50.0)	(41.0)
Support activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	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	0.0	0.0	0.0	0.0	3.0
Current Year Total	223.0	0.0	0.0	71.0	294.0	(390.0)	(96.0)	
Prior Year Total	215.0	0.0	0.0	73.0	288.0	(326.0)	(38.0)	

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	2,326	0	0	0	2,326	2,306
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	2,326	0	0	0	2,326	2,306

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,148	-	-	-	£1,148
Planned maintenance	£265	-	-	-	£265
Reactive maintenance	£419	-	-	-	£419
Total direct maintenance	£684	-	-	-	£684
Total management & maintenance	£1,832	-	-	-	£1,832

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,092	-	-	-	£1,092
Planned maintenance	£259	-	-	-	£259
Reactive maintenance	£399	-	-	-	£399
Total direct maintenance	£658	-	-	-	£658
Total management & maintenance	£1,750	-	-	-	£1,750

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	105.0	103.0
Total key management personnel emoluments	146.0	245.0
Total staff costs	1,615.0	1,514.0
External auditors' fees – audit	24.0	22.0
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	2,482.0	1,907.0
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	19,432.0	17,916.0
Receivables - gross rental	1,100.0	
Receivables – bad debt provision	(259.0)	(97.0)
Receivables - net rental	841.0	724.0
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	0.0	0.0
Housing loans due after more than one year	26,000.0	26,000.0
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	297.0	0.0
Intra-group loans due within one year	0.0	0.0
Intra-group loans due after more than one year	4,045.0	4,000.0
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	14/09/2022	
Are the financial statements qualified?	No	
Were there any emphasis of matter points raised in the audit report?	No	
External auditors' name	BDO	
Number of years since a full procurement exercise was undertaken for the external auditor	1	
Internal auditors' name	Internal	
Number of years since a full procurement exercise was undertaken for the internal auditor	10+	
Do you have an Audit Committee?	Yes	
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	N/A	
Are you appealing this risk rating?	N/A	
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?	
Legal & General (DC)	39	

RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	222.8%	319.3%	442.1%
Gearing	130.1%	151.4%	54.1%
Efficiency			
Voids	0.4%	0.4%	0.6%
Gross arrears	10.2%		
Net arrears	7.8%	6.8%	2.2%
Bad debts	1.0%	0.5%	0.8%
Staff costs / turnover	14.1%	13.5%	20.7%
Key management personnel / staff costs	9.0%	16.2%	14.6%
Turnover per unit	£4,935	£4,870	£5,194
Responsive repairs to planned maintenance ratio	3.2	2.7	1.9
Liquidity			
Current ratio	0.4	0.4	1.9
Profitability			
Gross surplus / (deficit)	41.5%	44.4%	19.6%
Net surplus / (deficit)	30.7%	33.3%	11.9%
EBITDA / revenue	33.3%	40.1%	31.4%
EBITDA exc. deferred grant	30.8%		
Financing			
Debt burden ratio	2.6	2.7	2.1
Net debt per unit	£13,045	£13,010	£7,053
Debt per unit	£13,045	£13,010	£10,560
Diversification			
Income from non-rental activities-	5.7%	5.1%	17.5%

Comments

Page	Field	Comment
SOFP	Scottish housing grants (SHG)	With three developments on site in the year, grant receipts exceeded £8k
SOCF	Acquisition and construction of properties	significant increase in activity in the year with three developments under construction.
SOCF	Capital grants received	significant increase in activity in the year with three developments under construction.
SOCF	Cash and cash equivalents - Opening balance adjustment	Opening balance does not permit input of a negative figure. The adjustment line has been used to account for the actual opening balance of (£92k)
Analysis - Affordable Lettings	Other grants	A successful bid in relation to Housing 1st for Families resulted in grant income of £68k in the year
Analysis - Affordable Lettings	Bad debts written (off)/back	The increase in bad debts has arisen as a direct result of increased arrears.
Analysis - Other Activities	Care and repair	This relates wholly to disabled adaptations
Analysis - Other Activities	Factoring	The amount of time staff spent working on issues within the estates increased in the year and a portion of that time has been allocated to factoring. Our current procedure is that a fixed admin fee is added to owner occupier invoices and in this instance that has been insufficient to cover the additional time invested.
Analysis - Other Activities	Other activities	No other activities to report in the year
Supplementary Items	Total key management personnel emoluments	The reduction is attributable to the resignation of the MD. The post was vacant for a few months until the MD took up the post.
Supplementary Items	Capitalised maintenance costs	Capital investment was increased in the year and allowed us to take a fabric first approach improving homes.
Supplementary Items	Receivables - gross rental	This is an area of concern for us. We have plans in place to assist customers with their income management however in the current economic

Page	Field	Comment
		<p>climate we are unsure of the impact of the cost of living crisis and anticipate that this will affect their ability to pay their rent. Our dedicated income collection team is working closely with Housing Officers in a bid to improve the situation.</p>
Supplementary Items	Receivables - bad debt provision	<p>The increase in rental debtors has resulted in an increase in bad debts provisions with the provisions being calculated based on the age of the rent debt.</p>
Supplementary Items	Receivables - net rental	<p>As stated previously, high arrears are a concern at the moment. We have plans in place to assist our customers however in the current economic climate we are unsure of the impact of the cost of living crisis and anticipate that this will affect their ability to pay their rent. Our dedicated income collection team is working closely with Housing Officers in a bid to improve the situation.</p>
Supplementary Items	Overdraft / bridging finance	<p>By making use of the revolving credit facility we are able to minimise cash balances whilst remaining in a position to meet our financial obligations. Whilst we show a negative cash balance, it should be noted the balance includes payments processed through the ledger in March, but which will not actually clear the bank until April meaning the bank account was never actually overdrawn.</p>