

Landlord Name:	Shettleston Housing Association Ltd
RSL Reg No.:	183
Report generated date:	28/09/2023 11:22:39

**Approval**

A1.1	Date approved	15/08/2023
A1.2	Approver	Kirsty Brown
A1.3	Approver job title	Director of Finance & Corporate Services

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	11,101.6	10,332.3
Operating costs	(8,302.4)	(8,903.5)
Gain/(loss) on disposal of property, plant and equipment	0.0	469.9
Exceptional items	86.6	181.1
<b>Operating surplus/(deficit)</b>	<b>2,885.8</b>	<b>2,079.8</b>
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	343.4	33.5
Interest payable	(1,031.7)	(925.3)
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
<b>Total</b>	<b>(688.3)</b>	<b>(891.8)</b>
<b>Surplus/(deficit) before tax</b>	<b>2,197.5</b>	<b>1,188.0</b>
Tax (payable)/recoverable	0.0	0.0
<b>Surplus/(deficit) for the year</b>	<b>2,197.5</b>	<b>1,188.0</b>
Actuarial (loss)/gain in respect of pension schemes	(593.0)	1,105.0
Change in fair value of hedged financial instruments	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>1,604.5</b>	<b>2,293.0</b>

STATEMENT OF CHANGES IN EQUITY

	Share capital	Revenue reserve Restricted fund	Revenue reserve Unrestricted fund	Restricted reserve	Revaluation reserve
	£'000	£'000	£'000	£'000	£'000
<b>Balance at end of the previous year</b>	0.1	9,440.0	0.0	0.0	0.0
Opening balance adjustments	0.0	(9,440.0)	9,439.3	0.7	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	1,604.5	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
<b>Balance at end of the current year</b>	0.1	0.0	11,043.8	0.7	0.0

	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest
	£'000	£'000	£'000
<b>Balance at end of the previous year</b>	9,440.1	0.0	9,440.1
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	1,604.5	0.0	1,604.5
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
<b>Balance at end of the current year</b>	11,044.6	0.0	11,044.6

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
<b>Non-current assets</b>		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	77,459.1	73,760.0
Negative goodwill	0.0	0.0
<b>Net housing assets</b>	<b>77,459.1</b>	<b>73,760.0</b>
Non-current investments	0.0	0.0
Other plant, property and equipment	1,805.6	1,729.5
Investments in joint ventures and associates	0.0	0.0
<b>Total non-current assets</b>	<b>79,264.7</b>	<b>75,489.5</b>
Receivables due after more than one year	669.4	669.4
<b>Current assets</b>		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	530.9	1,699.1
Cash and cash equivalents	1,043.1	1,753.5
<b>Total current assets</b>	<b>1,574.0</b>	<b>3,452.6</b>
Payables: amounts falling due within one year	(2,472.7)	(2,951.0)
<b>Deferred income: amounts falling due within one year</b>		
Scottish housing grants (SHG)	(351.1)	(188.7)
Other grants	0.0	0.0
<b>Total deferred income: amounts falling due within one year</b>	<b>(351.1)</b>	<b>(188.7)</b>
<b>Net current assets/(liabilities)</b>	<b>(1,249.8)</b>	<b>312.9</b>
<b>Total assets less current liabilities</b>	<b>78,684.3</b>	<b>76,471.8</b>
Payables: amounts falling due after more than one year	(51,123.6)	(51,439.7)
Provisions	0.0	0.0
Pension asset/(liability)	(487.0)	(118.0)
<b>Deferred income: amounts falling due after more than one year</b>		
Scottish housing grants (SHG)	(16,029.1)	(15,474.0)
Other grants	0.0	0.0
<b>Total deferred income: amounts falling due after more than one year</b>	<b>(16,029.1)</b>	<b>(15,474.0)</b>
<b>Total long term liabilities</b>	<b>(67,639.7)</b>	<b>(67,031.7)</b>
<b>Net assets</b>	<b>11,044.6</b>	<b>9,440.1</b>
<b>Capital and reserves</b>		
Share capital	0.1	0.1
Revaluation reserves	0.0	0.0
Restricted reserves	0.7	0.0
Revenue reserves	11,043.8	9,440.0
<b>Total reserves</b>	<b>11,044.6</b>	<b>9,440.1</b>

## STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>	5,350.8	3,623.0
<b>Tax (paid)/refunded</b>	0.0	0.0
<b><u>Cash flow from investing activities</u></b>		
Acquisition and construction of properties	(5,686.7)	(4,374.4)
Purchase of other non-current assets	(30.1)	0.0
Sales of properties	0.0	624.3
Sales of other non-current assets	0.0	0.0
Capital grants received	1,000.1	2,978.5
Capital grants repaid	0.0	0.0
Interest received	343.4	33.5
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(4,373.3)</b>	<b>(738.1)</b>
<b><u>Cash flow from financing activities</u></b>		
Interest paid	(1,834.9)	(1,715.8)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	500.0	500.0
Funding repaid	0.0	0.0
Early repayment and associated charges	(353.0)	(353.0)
Capital element of finance lease rental payments	0.0	0.0
Withdrawal from deposits	0.0	0.0
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(1,687.9)</b>	<b>(1,568.8)</b>
<b>Net change in cash and cash equivalents</b>	<b>(710.4)</b>	<b>1,316.1</b>
<b>Cash and cash equivalents at end of the previous year</b>	<b>1,753.5</b>	<b>437.4</b>
Cash and cash equivalents Opening balance adjustment	0.0	0.0
<b>Cash and cash equivalents at end of the current year</b>	<b>1,043.1</b>	<b>1,753.5</b>

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	10,828.3	(8,247.6)	2,580.7
Other activities	273.3	(54.8)	218.5
<b>Total</b>	<b>11,101.6</b>	<b>(8,302.4)</b>	<b>2,799.2</b>

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	10,034.8	(8,851.9)	1,182.9
Other activities	297.5	(51.6)	245.9
<b>Total</b>	<b>10,332.3</b>	<b>(8,903.5)</b>	<b>1,428.8</b>

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	10,035.6	0.0	44.1	0.0	10,079.7	9,531.5
Service charges	436.1	0.0	2.8	0.0	438.9	384.4
<b>Gross income</b>	<b>10,471.7</b>	<b>0.0</b>	<b>46.9</b>	<b>0.0</b>	<b>10,518.6</b>	<b>9,915.9</b>
Voids	(77.2)	0.0	0.0	0.0	(77.2)	(168.9)
<b>Net income</b>	<b>10,394.5</b>	<b>0.0</b>	<b>46.9</b>	<b>0.0</b>	<b>10,441.4</b>	<b>9,747.0</b>
Grants released from deferred income	282.6	0.0	0.0	0.0	282.6	188.7
Revenue grants from Scottish Ministers	96.2	0.0	0.0	0.0	96.2	92.0
Other revenue grants	8.1	0.0	0.0	0.0	8.1	7.1
<b>Total turnover: letting</b>	<b>10,781.4</b>	<b>0.0</b>	<b>46.9</b>	<b>0.0</b>	<b>10,828.3</b>	<b>10,034.8</b>
Management and maintenance administration costs	(2,789.1)	0.0	(17.5)	0.0	(2,806.6)	(3,180.3)
Service costs	(983.2)	0.0	(6.1)	0.0	(989.3)	(935.7)
Planned maintenance	(987.0)	0.0	0.0	0.0	(987.0)	(1,630.5)
Reactive maintenance	(1,373.4)	0.0	0.0	0.0	(1,373.4)	(1,089.2)
Bad debts written (off)/back	(103.7)	0.0	0.0	0.0	(103.7)	(86.9)
Depreciation: housing	(1,978.0)	0.0	(9.6)	0.0	(1,987.6)	(1,929.3)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating costs</b>	<b>(8,214.4)</b>	<b>0.0</b>	<b>(33.2)</b>	<b>0.0</b>	<b>(8,247.6)</b>	<b>(8,851.9)</b>
<b>Operating surplus/(deficit)</b>	<b>2,567.0</b>	<b>0.0</b>	<b>13.7</b>	<b>0.0</b>	<b>2,580.7</b>	<b>1,182.9</b>
<b>Prior Year</b>						
<b>Total turnover: letting</b>	<b>9,988.2</b>	<b>0.0</b>	<b>46.6</b>	<b>0.0</b>		
<b>Operating costs</b>	<b>(8,808.4)</b>	<b>0.0</b>	<b>(43.5)</b>	<b>0.0</b>		
<b>Operating surplus/(deficit)</b>	<b>1,179.8</b>	<b>0.0</b>	<b>3.1</b>	<b>0.0</b>		

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	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	0.0	0.0	0.0	0.0	0.0
Factoring	0.0	0.0	0.0	58.7	58.7	(51.5)	7.2	7.1
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	214.6	214.6	(3.3)	211.3	238.8
<b>Current Year Total</b>	0.0	0.0	0.0	273.3	273.3	(54.8)	218.5	
<b>Prior Year Total</b>	0.0	0.0	0.0	297.5	297.5	(51.6)	245.9	



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	2,427	0	15	0	2,442	2,397
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
<b>Total units owned / managed</b>	<b>2,427</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>2,442</b>	<b>2,397</b>

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,149	-	£1,167	-	£1,149
Planned maintenance	£407	-	£0	-	£404
Reactive maintenance	£566	-	£0	-	£562
Total direct maintenance	£973	-	£0	-	£967
<b>Total management &amp; maintenance</b>	<b>£2,122</b>	<b>-</b>	<b>£1,167</b>	<b>-</b>	<b>£2,116</b>

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,321	-	£2,112	-	£1,327
Planned maintenance	£685	-	£0	-	£680
Reactive maintenance	£458	-	£0	-	£454
Total direct maintenance	£1,143	-	£0	-	£1,135
<b>Total management &amp; maintenance</b>	<b>£2,464</b>	<b>-</b>	<b>£2,112</b>	<b>-</b>	<b>£2,461</b>

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	89.2	85.7
Total key management personnel emoluments	251.7	229.5
Total staff costs	2,207.3	2,362.6
External auditors' fees – audit	19.0	18.7
External auditors' fees – other	2.5	0.9
Capitalised maintenance costs	1,541.6	1,021.2
Capitalised development administration costs	269.0	172.1
Capitalised interest costs	0.0	0.0
Accumulated depreciation	12,217.2	10,366.5
Receivables - gross rental	503.6	
Receivables – bad debt provision	(355.5)	(281.4)
Receivables - net rental	148.1	165.6
Total Pension deficit recovery payments due	353.0	353.0
Housing loans due within one year	816.0	0.0
Housing loans due after more than one year	51,123.6	51,439.6
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	669.4	669.4
Intra-group receivables (trading)	1.3	68.7
Other intra-group payables (trading)	122.0	185.2

**CONTEXTUAL INFORMATION**

Accounting year end	March	
Date financial statements authorised	15/08/2023	
Are the financial statements qualified?	No	
Were there any emphasis of matter points raised in the audit report?	No	
External auditors' name	Azets	
Number of years since a full procurement exercise was undertaken for the external auditor	3	
Internal auditors' name	Wylie & Bisset	
Number of years since a full procurement exercise was undertaken for the internal auditor	3	
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	Low	
Are you appealing this risk rating?	No	
How many staff members not currently contributing to any scheme?	1	
<b>Staff Pension Schemes</b>		
Which scheme(s) are you members of?	How many participating members in each scheme?	
SHAPS CARE 70th	0	
LGPS - Strathclyde Pension Fund	3	
SHAPS DC	39	

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
Upkeep Shettleston Community Enterprises		Active	Audited	2,433.1	137.4	506.6
East End Housing Development		Active	Audited	273.6	53.0	162.2



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





RATIOS

	Current Year	Prior Year	Prior Year Sector Median
<b>Financial capacity</b>			
Interest cover	310.3%	213.1%	532.3%
Gearing	460.8%	526.3%	47.9%
<b>Efficiency</b>			
Voids	0.7%	1.7%	0.9%
Gross arrears	4.8%	4.6%	3.9%
Net arrears	1.4%	1.7%	1.9%
Bad debts	1.0%	0.9%	0.4%
Staff costs / turnover	19.9%	22.9%	21.1%
Key management personnel / staff costs	11.4%	9.7%	14.5%
Turnover per unit	£4,546	£4,311	£5,458
Responsive repairs to planned maintenance ratio	1.8	2.4	1.7
<b>Liquidity</b>			
Current ratio	0.6	1.1	2.1
<b>Profitability</b>			
Gross surplus / (deficit)	26.0%	20.1%	18.7%
Net surplus / (deficit)	19.8%	11.5%	12.7%
EBITDA / revenue	30.0%	28.9%	29.4%
EBITDA exc. deferred grant	27.5%	27.1%	19.0%
<b>Financing</b>			
Debt burden ratio	4.7	5.0	1.9
Net debt per unit	£20,842	£20,728	£7,102
Debt per unit	£21,269	£21,460	£10,687
<b>Diversification</b>			
Income from non-rental activities-	5.9%	5.7%	17.6%



## Comments

Page	Field	Comment
SOCI	Exceptional items	Increase in fair value of investment properties £86.6k.
SOCI	Interest receivable	Gift Aid of £300k from subsidiary company included.
SOCI	Interest payable	Amortised break costs have been offset in this figure. See cashflow for actual interest paid.
SOCI	Actuarial (loss)/gain in respect of pension schemes	Actuarial loss in respect of SHAPS DB scheme.
SOCE	Opening balance adjustments - Funds & reserves	To agree to reserves in accounts - unrestricted revenue reserve and capital redemption reserve.
SOFP	Receivables due after more than one year	Loan due from subsidiary.
SOFP	Pension asset/(liability)	SHAPS defined benefit pension liability.
SOCF	Net cash inflow/(outflow) from operating activities	£300k gift aid from subsidiary removed from here and added to interest received figure below.
SOCF	Acquisition and construction of properties	Mainly 44 unit development (St Marks).
SOCF	Interest received	Includes £300k gift aid received from subsidiary.
Analysis - Affordable Lettings	Voids	Voids performed better following issues in prior year.
Analysis - Affordable Lettings	Grants released from deferred income	Increase due to completion of 44 unit development - St Marks.
Analysis - Affordable Lettings	Other grants	Grant income for modern apprentice.
Analysis - Affordable Lettings	Service costs	Increase in cost of services provided.
Analysis - Affordable Lettings	Planned maintenance	Scot Gov rent freeze announcement resulted in us slowing down our planned investment spend where possible until the position was resolved.
Analysis - Affordable Lettings	Reactive maintenance	Difficult to meaningfully compare to prior two years due to impact of COVID.
Analysis - Affordable Lettings	Bad debts written (off)/back	Difficult to meaningfully compare to prior two years due to impact of COVID.

Page	Field	Comment
Analysis - Affordable Lettings	Depreciation: housing	Increase due to completion of 44 unit development in year - St Marks.
Analysis - Other Activities	Factoring	Similar to prior year results.
Analysis - Other Activities	Other activities	Decrease in management costs to subsidiaries (due to staff turnover & vacant posts).
Supplementary Items	External auditors' fees - other	Corporation Tax work.
Supplementary Items	Capitalised maintenance costs	The variance is due to programming / timing of planned spend.
Supplementary Items	Capitalised development administration costs	Increase when compared to prior year - depends on investment programme.
Supplementary Items	Accumulated depreciation	Increase due to component additions and completion of 44 unit development.
Supplementary Items	Receivables - bad debt provision	Prudent assumption.
Supplementary Items	Intra-group receivables (trading)	Reduction is due to timing of fortnightly payment run compared to prior year.
Supplementary Items	Other intra-group payables (trading)	Mainly for unpaid invoices relating to maintenance works carried out by Upkeep Shettleston Enterprises Ltd.
Contextual Information	Audit Committee indicator	Prior year answer was incorrect. We have an Audit & Corporate Sub-Committee that meets 4 times per year.
Contextual Information	How many staff members not currently contributing to a pension scheme?	We changed from SHAPS DB to SHAPS DC scheme on 1st April 2023. This move along with access to free financial advice increased participation.