



## **LISTER HOUSING CO-OPERATIVE LIMITED**

### **Finance Report to 30 September 2019**

#### **1. INTRODUCTION**

##### **1.1 Purpose of the Report**

To advise the Management Committee of Lister Housing Co-operative of the financial position for the six months ended 30 September 2019.

##### **1.2 Executive Summary**

1.2.1 The actual results are being compared to the budget in accordance with Lister policy.

1.2.2 The financial statements in this report reflect the requirements of FRS102.

1.2.3 The net surplus for the six months ended 30 September 2019 amounts to £116,735 resulting in a positive variance of £12,733 against the budget. This variance arises from actual income being £1,969 less than budget and total expenditure being £14,702 less than budget.

1.2.4 Gross rental income is in line with the budget and void loss is £738 less than the budget resulting in an overall positive variance of £782 in net rental income. Interest earned is in line with budget. Explanations for significant variances are noted in section 2.

1.2.5 Total operating cost is showing a positive variance of £14,702 against budget largely due to under-spend in enhancements of £18,743. Explanations for significant variances are noted in section 2.

##### **1.3 Recommendation**

It is recommended that the Management Committee of Lister Housing Co-operative **approve** the accounts.

##### **1.4 Prepared by**

This report was prepared by Ngeme Ntuli, Finance Manager (Port of Leith Housing Association). Contact 0131 553 8737 or Ngeme.ntuli@polha.co.uk



## 2 Review of major variances – Actual versus Budget

### 2.1 Income

Income	Actual £	Budget £	Variance £
Rental & Service Charge Income (net)	403,355	402,573	782
Non-housing Activities	5,744	8,010	(2,266)
Other Revenue Grants	0	500	(500)
Interest Earned	10,016	10,000	16
Cancellation of Shares	0	-	0
Amortisation of Government grants	41,012	41,013	0
Rechargeable Income	0	-	0
<b>Total</b>	<b>460,127</b>	<b>462,096</b>	<b>(1,969)</b>

2.1.1 The housing activities income has a positive variance of £782 due to actual voids being lower than budget.

2.1.2 The non-housing activities income is lower than budget by £2,266 due to an agreed payment break on commercial income at the start of the calendar year, with repayments for this being made throughout this financial year.



## 2.2 Operating Cost

Operating Cost	Actual £	Budget £	Variance £
Housing Management	80,154	78,578	(1,576)
Day to Day Maintenance	58,843	41,831	(17,012)
Cyclical Maintenance	72,267	78,492	6,225
Enhancements/Adaptations	26,807	45,550	18,743
Major Repairs	9,832	16,430	6,598
Service Costs	708	900	192
Bad Debts	309	1,416	1,107
Pension Liability	0	-	0
Property Depreciation	89,768	89,768	0
Non-Housing Activities	4,704	5,130	426
<b>Total</b>	<b>343,392</b>	<b>358,094</b>	<b>14,702</b>

- 2.2.1 Housing costs show a negative variance of £1,576 due to the administration costs being higher than budget.
- 2.2.2 Day-to-day maintenance spend of £58,843 is showing a negative variance of £17,012 due to more repairs than anticipated in the period - predominantly spend on void property repairs.
- 2.2.3 Cyclical Maintenance is showing a positive variance of £6,225 and is anticipated to continue in line with budget in remainder of the year.
- 2.2.4 Enhancements spend of £26,807 is showing a positive variance of £18,743 due to difficulties with access affecting the smoke detector programme.
- 2.2.5 The major repairs spend of £9,832 is showing a positive variance of £6,598 due to fewer unexpected costs.
- 2.2.6 The bad debts are showing a positive variance of £1,107 due to fewer bad debts in the quarter reporting.



## 2.3 Administration Cost

Administration Cost	Actual £	Budget £	Variance £
Employee Costs	91,057	75,023	(16,034)
PoLHA Finance Fees	2,161	3,788	1,626
Audit, Tax, Legal & FCA Fees	230	5,500	5,270
Conference Costs	0	750	750
Office Maintenance & Cleaning	2,979	2,000	(979)
Community Events & Donations	0	850	850
Other	17,585	15,352	(945)
<b>Total</b>	<b>114,012</b>	<b>103,262</b>	<b>(9,463)</b>

- 2.3.1 Employee costs are higher than budget following the introduction of full-time hours in a previously part-time post.
- 2.3.2 PoLHA Finance Fees have a positive variance of £1,626 due to the actual fees for 2019/20 being at a lower rate than budget.
- 2.3.3 Audit, Tax, Legal & FCA Fees are lower than budget by £5,270 due to timing.
- 2.3.4 There are no conference costs or community events and donations to date. Office maintenance and cleaning has a negative variance of £979 due to office maintenance - due to timing. Other represents variances of £500 and under.

## 3 Cash Flow

- 3.1 Cash and bank at 30 September is £2,049,541 and is £71,258 higher than the opening cash balance.