

The Association recorded a deficit for the year of £198,027 compared to a budgeted deficit of £111,971 - an overspend of £86,056. The main reason for the deficit was the £200,000 cost of surrendering the lease for Ciaran Colman. If this cost is stripped out there is actually a small surplus on operations in the year of £1,973.

**Table 1 - Summary of the Income and Expenditure Account**

		Actual £	Deduct SNMA £	Revised Actual £	Budget £	Variance £
Total Income	a)	1,485,864	367,867	1,117,997	1,115,939	2,058
Total Cost of Sales	a)	<u>1,172,433</u>	367,867	804,566	<u>886,190</u>	81,624
		313,431			229,749	
Less Management charges		311,458			341,720	30,262
Surplus		<u>1,973</u>			<u>- 111,971</u>	<u>113,944</u>

a) - this includes backdated SNMA of £367,867 received by the Association and paid directly to Glencaig

**Table 2 - Summary of the Surplus/Deficit by Community**

	Actual £	Budget £	Variance £
Glencaig	- 214,264	- 79,624	- 134,640
Mourne Grange	962	- 34,160	35,122
Clanabogan	15,275	1,813	13,462
Total	<u>- 198,027</u>	<u>- 111,971</u>	<u>- 86,056</u>

**Main reasons for the variance against budget are as follows:**

**Income** - Leaving aside the backdated SNMA, actual income was very close to the budget.

**Cost of Sales** - overall shows a variance of £81,624 underspent.

Planned maintenance underspend of £71,100, analysed as Glencaig (£38,157), MG (£38,823) & Clanabogan £5,880. These variances are largely due to the timing of works and it is expected that all planned works will be completed before the year end.

Statutory maintenance underspend of £16,613. This underspend is due partly to the end of the Clanmil contract, with amounts which had been accrued being written off because the work had not been done, and lower than expected remedial costs.

Response maintenance totalled £176,009 against a budget of £145,260 an overspend of £30,749. Table 3 below shows this expenditure by Community.

**Table 3 - Analysis of Response Maintenance by Community**

Response	Glencaig £	MG £	Clanabogan £	Totals £
Actual cost	68,406	77,249	30,354	176,009
Budget cost	<u>69,228</u>	<u>54,168</u>	<u>21,864</u>	<u>145,260</u>
Variance £	<u>- 822</u>	<u>23,081</u>	<u>8,490</u>	<u>30,749</u>
Variance %	<u>-1.2%</u>	<u>42.6%</u>	<u>38.8%</u>	<u>21.2%</u>

At MG there were unavoidable costs caused by flooding specifically the septic tank at St Sunniva, and also extensive boiler works at Fairy Grove. In Clanabogan there was class O painting required at a cost of £3,913 replacement of a fire alarm panel.

## Management Charges

Management Charges for the year amounted to £311,458 against a budget of £341,720 an underspend of £30,262. Table 4 below sets out the variances from budget.

**Table 4 - Analysis of Actual Management Charges against Budget**

<b>MANAGEMENT CHARGES</b>	<b>Actual £</b>	<b>Budget £</b>	<b>Variance £</b>
STAFF COSTS	176,978	191,560	- 14,582
TRAINING	480	3,000	- 2,520
RENT & SERVICE COSTS	10,272	11,040	- 768
ELECTRICITY	3,782	5,838	- 2,056
PRINT, POST & STATIONERY	2,284	2,724	- 440
INSURANCE	35,109	34,737	372
COMPUTER & SOFTWARE	9,703	9,375	328
TELEPHONE	5,277	5,340	- 63
MOTOR EXPENSES	4,709	7,800	- 3,091
TENANT PARTICIPATION	1,400	6,000	- 4,600
PROFESSIONAL FEES	39,174	28,000	11,174
OFFICE MAINTENANCE	84	600	- 516
AFFILIATION FEES	1,075	1,056	19
LEGAL FEES	2,875	12,000	- 9,125
AUDIT FEES	12,750	18,360	- 5,610
TRAVEL	-	-	-
BAD DEBT PROVISION - GENERAL	-	-	-
BANK CHARGES	142	180	- 38
GENERAL EXPS	5,364	4,110	1,254
<b>TOTAL MANAGEMENT CHARGES</b>	<b>311,458</b>	<b>341,720</b>	<b>- 30,262</b>

## Financial Position

The Association cash position has weakened considerably due to the payment of £200k to CCT for the surrender of the lease on Ciaran Colman. There has also been a substantial decrease in trade creditors as Clanmil balances are paid. Steps are being taken to replenish cash with appropriate rent increases agreed for all three communities.

	<b>£</b>
Bank Accounts	1,106,442
Debtors	55,222
Creditors & Accruals	- 291,870
<b>CASH BALANCE</b>	<b>869,794</b>