

Landlord Name:	Rural Stirling Housing Association Ltd
RSL Reg No.:	232
Report generated date:	15/09/2023 11:35:40

Approval

A1.1	Date approved	10/08/2023
A1.2	Approver	Gerry Casey
A1.3	Approver job title	Deputy CEO/ Director of Finance & Corporate Services

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	4,240.0	3,975.3
Operating costs	(3,562.5)	(3,517.6)
Gain/(loss) on disposal of property, plant and equipment	15.7	0.0
Exceptional items	0.0	0.0
Operating surplus/(deficit)	693.2	457.7
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	11.3	0.1
Interest payable	(557.2)	(326.4)
Other financing (costs)/income	0.0	0.0
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	50.0	107.7
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
Total	(495.9)	(218.6)
Surplus/(deficit) before tax	197.3	239.1
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	197.3	239.1
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	197.3	239.1

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	0.1	0.0	6,381.9	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	197.3	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	0.1	0.0	6,579.2	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	6,382.0	0.0	6,382.0
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	197.3	0.0	197.3
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	6,579.3	0.0	6,579.3

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
Non-current assets		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	50,117.3	49,132.6
Negative goodwill	0.0	0.0
Net housing assets	50,117.3	49,132.6
Non-current investments	0.0	0.0
Other plant, property and equipment	877.1	909.7
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	50,994.4	50,042.3
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	368.3	334.2
Cash and cash equivalents	3,459.5	4,397.1
Total current assets	3,827.8	4,731.3
Payables: amounts falling due within one year	(1,871.4)	(1,766.8)
Deferred income: amounts falling due within one year		
Scottish housing grants (SHG)	(968.4)	(951.4)
Other grants	(47.1)	(33.1)
Total deferred income: amounts falling due within one year	(1,015.5)	(984.5)
Net current assets/(liabilities)	940.9	1,980.0
Total assets less current liabilities	51,935.3	52,022.3
Payables: amounts falling due after more than one year	(14,403.0)	(14,838.6)
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)	(29,587.6)	(29,808.7)
Other grants	(1,365.4)	(993.0)
Total deferred income: amounts falling due after more than one year	(30,953.0)	(30,801.7)
Total long term liabilities	(45,356.0)	(45,640.3)
Net assets	6,579.3	6,382.0
Capital and reserves		
Share capital	0.1	0.1
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	6,579.2	6,381.9
Total reserves	6,579.3	6,382.0

STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	1,353.8	954.2
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(2,453.9)	(4,431.8)
Purchase of other non-current assets	(2.7)	(21.2)
Sales of properties	32.5	0.0
Sales of other non-current assets	0.0	0.0
Capital grants received	1,171.6	2,160.9
Capital grants repaid	0.0	0.0
Interest received	11.3	0.0
Net cash inflow/(outflow) from investing activities	(1,241.2)	(2,292.1)
<u>Cash flow from financing activities</u>		
Interest paid	(573.1)	(326.4)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	0.0	5,400.0
Funding repaid	(477.1)	(332.8)
Early repayment and associated charges	0.0	(127.6)
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	(1,050.2)	4,613.2
Net change in cash and cash equivalents	(937.6)	3,275.3
Cash and cash equivalents at end of the previous year	4,397.1	1,121.8
Cash and cash equivalents Opening balance adjustment	0.0	0.0
Cash and cash equivalents at end of the current year	3,459.5	4,397.1

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	4,183.2	(3,556.7)	626.5
Other activities	56.8	(5.8)	51.0
Total	4,240.0	(3,562.5)	677.5

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	3,910.3	(3,515.9)	394.4
Other activities	65.0	(1.7)	63.3
Total	3,975.3	(3,517.6)	457.7

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	3,098.8	0.0	36.0	0.0	3,134.8	2,913.8
Service charges	9.6	0.0	0.0	0.0	9.6	9.1
Gross income	3,108.4	0.0	36.0	0.0	3,144.4	2,922.9
Voids	(30.8)	0.0	(0.7)	0.0	(31.5)	(29.1)
Net income	3,077.6	0.0	35.3	0.0	3,112.9	2,893.8
Grants released from deferred income	1,007.4	0.0	7.6	0.0	1,015.0	984.4
Revenue grants from Scottish Ministers	55.3	0.0	0.0	0.0	55.3	32.1
Other revenue grants	0.0	0.0	0.0	0.0	0.0	0.0
Total turnover: letting	4,140.3	0.0	42.9	0.0	4,183.2	3,910.3
Management and maintenance administration costs	(1,195.9)	0.0	(19.1)	0.0	(1,215.0)	(1,146.9)
Service costs	(86.4)	0.0	(0.1)	0.0	(86.5)	(72.0)
Planned maintenance	(251.4)	0.0	0.0	0.0	(251.4)	(394.3)
Reactive maintenance	(400.9)	0.0	(1.1)	0.0	(402.0)	(375.4)
Bad debts written (off)/back	(39.2)	0.0	0.0	0.0	(39.2)	(24.6)
Depreciation: housing	(1,554.6)	0.0	(8.0)	0.0	(1,562.6)	(1,502.7)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(3,528.4)	0.0	(28.3)	0.0	(3,556.7)	(3,515.9)
Operating surplus/(deficit)	611.9	0.0	14.6	0.0	626.5	394.4
Prior Year						
Total turnover: letting	3,867.4	0.0	42.9	0.0		
Operating costs	(3,484.3)	0.0	(31.6)	0.0		
Operating surplus/(deficit)	383.1	0.0	11.3	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	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	3.2	3.2	(5.8)	(2.6)	1.6
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	5.5	0.0	0.0	48.1	53.6	0.0	53.6	61.7
Current Year Total	5.5	0.0	0.0	51.3	56.8	(5.8)	51.0	
Prior Year Total	3.0	0.0	0.0	62.0	65.0	(1.7)	63.3	

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	661	14	11	0	686	678
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	661	14	11	0	686	678

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,809	£0	£1,736		£1,771
Planned maintenance	£380	£0	£0		£366
Reactive maintenance	£607	£0	£100		£586
Total direct maintenance	£987	£0	£100		£952
Total management & maintenance	£2,796	£0	£1,836		£2,724

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,725	£0	£1,692	-	£1,692
Planned maintenance	£605	£0	£0	-	£582
Reactive maintenance	£576	£0	£0	-	£554
Total direct maintenance	£1,181	£0	£0	-	£1,135
Total management & maintenance	£2,906	£0	£1,692	-	£2,827

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	82.2	67.7
Total key management personnel emoluments	150.9	150.1
Total staff costs	835.3	791.6
External auditors' fees – audit	11.1	10.4
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	1,282.8	443.9
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	16.0	22.6
Accumulated depreciation	19,583.8	18,363.0
Receivables - gross rental	157.6	
Receivables – bad debt provision	(73.4)	(81.8)
Receivables - net rental	84.2	78.2
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	470.2	519.6
Housing loans due after more than one year	14,403.0	14,830.7
Other loans due within one year	7.9	50.0
Other loans due after more than one year	0.0	7.9
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	0.0	0.0
Intra-group receivables (trading)	12.1	9.8
Other intra-group payables (trading)	0.0	0.0

CONTEXTUAL INFORMATION

Accounting year end	March	
Date financial statements authorised	10/08/2023	
Are the financial statements qualified?	No	
Were there any emphasis of matter points raised in the audit report?	No	
External auditors' name	Alexander Sloan	
Number of years since a full procurement exercise was undertaken for the external auditor	5	
Internal auditors' name	Wylie & Bisset	
Number of years since a full procurement exercise was undertaken for the internal auditor	4	
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?	2	
Staff Pension Schemes		
Which scheme(s) are you members of?	How many participating members in each scheme?	
Group DC Scheme	16	

RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	238.2%	292.3%	532.3%
Gearing	173.6%	172.5%	47.9%
Efficiency			
Voids	1.0%	1.0%	0.9%
Gross arrears	5.1%	5.5%	3.9%
Net arrears	2.7%	2.7%	1.9%
Bad debts	1.3%	0.9%	0.4%
Staff costs / turnover	19.7%	19.9%	21.1%
Key management personnel / staff costs	18.1%	19.0%	14.5%
Turnover per unit	£6,181	£5,863	£5,458
Responsive repairs to planned maintenance ratio	3.8	2.2	1.7
Liquidity			
Current ratio	1.3	1.7	2.1
Profitability			
Gross surplus / (deficit)	16.3%	11.5%	18.7%
Net surplus / (deficit)	4.7%	6.0%	12.7%
EBITDA / revenue	22.9%	38.1%	29.4%
EBITDA exc. deferred grant	(1.0%)	13.4%	19.0%
Financing			
Debt burden ratio	3.5	3.9	1.9
Net debt per unit	£16,650	£16,241	£7,102
Debt per unit	£21,693	£22,726	£10,687
Diversification			
Income from non-rental activities-	26.6%	27.2%	17.6%

Comments

Page	Field	Comment
SOCI	Interest receivable	Higher interest receivable reflect higher rate achieved on deposits
SOCI	Interest payable	Increased interest payable reflects increasing interest rates during the year. Also full years interest on loan draw down of £5.4m during 2021/22.
SOCI	Movement in fair value of financial instruments	Movement in fair value reflects the instrument nearing its end date of September 2023
SOCE	Cancellation of shares - Funds & Reserves	12 Shares were cancelled in the year
SOCF	Acquisition and construction of properties	The c
SOCF	Sales of properties	An owner purchased the Associations share of their shared ownership property.
Analysis - Affordable Lettings	Grants from Scottish Ministers	Grant released has increased due to amortisation of £433k grant received in year for the installation of heat pumps.
Analysis - Affordable Lettings	Service costs	Service charges have increased due to above inflationary uplifts in ground maintenance cost, plus new sites at Kippen (2022/23) and Callander (2021/22) requiring ground maintenance.
Analysis - Affordable Lettings	Planned maintenance	Planned maintenance has reduced follow increased expenditure in 2021/22 to catch up on works postponed due to Covid.
Analysis - Affordable Lettings	Bad debts written (off)/back	Bad debt provision has increased due to increased provision in relation to service charge debtors.
Analysis - Other Activities	Factoring	Costs higher due to increase bad debt provision during the year.
Analysis - Other Activities	Other activities	Other income generated from Solar panels, Stage 3 adaptations admin allowance and income from subsidiary.
Supplementary Items	Chief Executive emoluments excluding pension contributions	Increase reflects a regrading of the role following a staff restructuring.

Page	Field	Comment
Supplementary Items	Capitalised maintenance costs	Component expenditure includes replacement of heating system and Heat Pump installation totalling £905k, Kitchen and windows £126k, bathrooms £32k.
Supplementary Items	Capitalised interest costs	Capitalised interest on a loan funding the Meadows development which was completed during the year.
Supplementary Items	Other loans due within one year	Derivative instruments ends September 2023.
Supplementary Items	Other loans due after more than one year	Derivative instruments ends September 2023.
Supplementary Items	Intra-group receivables (trading)	Increase of £2.3k due to timing of invoice payments.
Contextual Information	Full procurement exercise undertaken for internal auditor	Retendered Feb 2023 at end of 3 year contract. Contract start April 2023
Contextual Information	How many staff members not currently contributing to a pension scheme?	Staff level reduced from 3 to 2.