



Landlord Name:	Rural Stirling Housing Association Ltd
RSL Reg No.:	232
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Approval

A1.1	Date approved	08/10/2020
A1.2	Approver	Kirsty Brown
A1.3	Approver job title	Deputy CEO/Finance & Corporate Services Officer

Audited Financial Statements (AFS) 2019-2020

STATEMENT OF COMPREHENSIVE INCOME



Scottish Housing
Regulator

	Current Year	Prior Year
	£'000	£'000
Turnover	3,584.3	3,368.5
Operating costs	(2,859.8)	(2,701.2)
Gain/(loss) on disposal of property, plant and equipment	0.0	14.8
Exceptional items	0.0	0.0
Operating surplus/(deficit)	724.5	682.1
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	0.7	0.4
Interest payable	(368.4)	(363.7)
Other financing (costs)/income	0.0	(9.6)
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	19.9	39.1
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
Total	(347.8)	(333.8)
Surplus/(deficit) before tax	376.7	348.3
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	376.7	348.3
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	376.7	348.3

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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 beginning of the year	0.3	0.0	5,335.8	0.0	0.0
Issue of shares	0.0	0.0	0.0	0.0	0.0
Cancellation of shares	(0.1)	0.0	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	0.0	0.0	376.7	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 year	0.2	0.0	5,712.5	0.0	0.0

	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest
	£'000	£'000	£'000
Balance at beginning of the year	5,336.1	0.0	5,336.1
Issue of shares	0.0	0.0	0.0
Cancellation of shares	(0.1)	0.0	(0.1)
Surplus/(deficit) from statement of comprehensive income	376.7	0.0	376.7
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 year	5,712.7	0.0	5,712.7

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Scottish Housing
Regulator

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
Non-current assets		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	42,127.4	41,595.5
Negative goodwill	0.0	0.0
Net housing assets	42,127.4	41,595.5
Non-current investments	0.0	0.0
Other plant, property and equipment	952.0	402.8
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	43,079.4	41,998.3
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	573.1	582.1
Cash and cash equivalents	898.7	830.7
Total current assets	1,471.8	1,412.8
Payables: amounts falling due within one year	(1,596.6)	(1,186.6)
Deferred income: amounts falling due within one year		
Scottish housing grants (SHG)	(798.2)	(765.4)
Other grants	(33.1)	(34.0)
Total deferred income: amounts falling due within one year	(831.3)	(799.4)
Net current assets/(liabilities)	(956.1)	(573.2)
Total assets less current liabilities	42,123.3	41,425.1
Payables: amounts falling due after more than one year	(10,544.3)	(10,436.2)
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)	(24,807.2)	(24,561.4)
Other grants	(1,059.1)	(1,091.4)
Total deferred income: amounts falling due after more than one year	(25,866.3)	(25,652.8)
Total long term liabilities	(36,410.6)	(36,089.0)
Net assets	5,712.7	5,336.1
Capital and reserves		
Share capital	0.2	0.3
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	5,712.5	5,335.8
Total reserves	5,712.7	5,336.1

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STATEMENT OF CASH FLOWS



	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	1,545.8	294.0
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(1,806.7)	(2,688.8)
Purchase of other non-current assets	(583.2)	(171.4)
Sales of properties	0.0	48.8
Sales of other non-current assets	0.0	0.0
Capital grants received	1,049.1	1,281.1
Capital grants repaid	0.0	0.0
Interest received	0.7	0.4
Net cash inflow/(outflow) from investing activities	(1,340.1)	(1,529.9)
<u>Cash flow from financing activities</u>		
Interest paid	(364.6)	(406.2)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	1,120.0	1,500.0
Funding repaid	(893.1)	(276.0)
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	(137.7)	817.8
Net change in cash and cash equivalents	68.0	(418.1)
Cash and cash equivalents at beginning of the year	830.7	1,248.8
Cash and cash equivalents at end of the year	898.7	830.7

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	3,531.4	(2,858.9)	672.5
Other activities	52.9	(0.9)	52.0
Total	3,584.3	(2,859.8)	724.5

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities			
Other activities			
Total			

Audited Financial Statements (AFS) 2019-2020

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	2,649.1	0.0	29.1	0.0	2,678.2	2,456.8
Service charges	9.1	0.0	0.0	0.0	9.1	9.1
Gross income	2,658.2	0.0	29.1	0.0	2,687.3	2,465.9
Voids	(8.1)	0.0	0.0	0.0	(8.1)	(11.1)
Net income	2,650.1	0.0	29.1	0.0	2,679.2	2,454.8
Grants released from deferred income	798.2	0.0	33.1	0.0	831.3	799.4
Revenue grants from Scottish Ministers	20.9	0.0	0.0	0.0	20.9	22.3
Other revenue grants	0.0	0.0	0.0	0.0	0.0	0.0
Total turnover: letting	3,469.2	0.0	62.2	0.0	3,531.4	3,276.5
Management and maintenance administration costs	(1,041.1)	0.0	(25.5)	0.0	(1,066.6)	(993.5)
Service costs	(52.6)	0.0	0.0	0.0	(52.6)	(36.0)
Planned maintenance	(168.1)	0.0	0.0	0.0	(168.1)	(122.1)
Reactive maintenance	(297.7)	0.0	0.0	0.0	(297.7)	(271.6)
Bad debts written (off)/back	0.9	0.0	0.0	0.0	0.9	(29.0)
Depreciation: housing	(1,263.9)	0.0	(10.9)	0.0	(1,274.8)	(1,205.6)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(2,822.5)	0.0	(36.4)	0.0	(2,858.9)	(2,657.8)
Operating surplus/(deficit)	646.7	0.0	25.8	0.0	672.5	618.7
Prior Year						
Total turnover: letting	3,237.7	0.0	38.8	0.0		
Operating costs	(2,622.9)	0.0	(34.9)	0.0		
Operating surplus/(deficit)	614.8	0.0	3.9	0.0		

Audited Financial Statements (AFS) 2019-2020
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	3.6	3.6	(0.9)	2.7	1.2
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	(1.6)
Other activities	2.1	0.0	0.0	47.2	49.3	0.0	49.3	49.0
Current Year Total	2.1	0.0	0.0	50.8	52.9	(0.9)	52.0	
Prior Year Total	4.4	41.2	0.0	46.4	92.0	(43.4)	48.6	

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	600	13	15	0	628	622
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	600	13	15	0	628	622

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,735	£0	£1,700		£1,698
Planned maintenance	£280	£0	£0		£268
Reactive maintenance	£496	£0	£0		£474
Total direct maintenance	£776	£0	£0		£742
Total management & maintenance	£2,512	£0	£1,700		£2,440

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration					
Planned maintenance					
Reactive maintenance					
Total direct maintenance					
Total management & maintenance					

Audited Financial Statements (AFS) 2019-2020**SUPPLEMENTARY ITEMS**
**Scottish Housing
Regulator**

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	66.1	64.6
Total key management personnel emoluments	145.5	139.2
Total staff costs	655.9	604.9
External auditors' fees – audit	9.1	8.5
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	167.6	190.3
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	15,871.9	14,641.6
Receivables - net rental	59.5	76.4
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	358.1	245.4
Housing loans due after more than one year	10,336.3	10,222.0
Other loans due within one year	25.3	129.0
Other loans due after more than one year	208.0	214.2
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)	20.7	26.1
Other intra-group payables (trading)	0.0	0.0



Audited Financial Statements (AFS) 2019-2020

CONTEXTUAL INFORMATION

Accounting year end	March	
Date financial statements authorised	13/08/2020	
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	2	
Internal auditors' name	Wylie & Bisset	
Number of years since a full procurement exercise was undertaken for the internal auditor	1	
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	13	

RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	424.2%		404.8%
Gearing	175.6%		57.1%
Efficiency			
Voids	0.3%		0.6%
Arrears	2.2%		2.2%
Bad debts	-0%		0.7%
Staff costs / turnover	18.3%		20.2%
Key management personnel / staff costs	22.2%		15.9%
Turnover per unit	£5,707		£5,121
Responsive repairs to planned maintenance ratio	1.1		1.8
Liquidity			
Current ratio	0.6		1.8
Profitability			
Gross surplus / (deficit)	20.2%		19.9%
Net surplus / (deficit)	10.5%		12.6%
EBITDA / revenue	51.1%		30.0%
Financing			
Debt burden ratio	3		2.1
Net debt per unit	£15,970		£6,784
Debt per unit	£17,401		£10,311
Diversification			
Income from non-rental activities	25.3%		18.0%

Comments

Page	Field	Comment
SOCE	Balance at beginning of the year - Funds & Reserves	257 shares
SOCE	Issue of shares - Funds & Reserves	4 shares issues
SOCE	Cancellation of shares - Funds & Reserves	79 shares cancelled
SOFP	Other plant, property and equipment	Office refurbishment costs
SOFP	Investments	£1 share in subsidiary
SOFP	Scottish housing grants (SHG)	Not shown separately in financial statements
SOFP	Other grants	Not shown separately in financial statements
SOFP	Total deferred income: amounts falling due after more than one year comment	Not split in financial statements
SOCF	Net cash inflow/(outflow) from operating activities	Due to movement on debtors and creditors
SOCF	Acquisition and construction of properties	Two larger developments completed in prior year giving 35 units and another was on site providing 6 units. Current year work completed on 6 unit development and work commenced on one larger development in Feb/Mar 20.
SOCF	Purchase of other non-current assets	This represents investment in office refurbishment.
SOCF	Funding repaid	Principal payments £288.4k Redemption payments £604.7k
Analysis - Affordable Lettings	Voids	Voids fluctuate - however not of a material value
Analysis - Affordable Lettings	Grants released from deferred income	HAG released in line with previous years calculations
Analysis - Affordable Lettings	Management and maintenance administration costs	All staff costs and overheads (office running costs, IT, board expenses etc)

Page	Field	Comment
Analysis - Affordable Lettings	Service costs	Landscaping
Analysis - Affordable Lettings	Planned maintenance	Increase due to fire safety works
Analysis - Affordable Lettings	Reactive maintenance	Increased quite significantly - internal review underway - increase in heating repairs etc/ageing stock
Analysis - Affordable Lettings	Bad debts written (off)/back	There were a few larger write-offs in prior year. Also correction to write off in prior year adjusted for in 2019/20
Analysis - Affordable Lettings	Depreciation: housing	In line with expectations adjusting for new units
Analysis - Other Activities	Factoring	Increase in charges following factoring review
Analysis - Other Activities	Uncapitalised development administration costs	All development agents fees now capitalised
Analysis - Other Activities	Other activities	Admin allowance for Stage 3 adaptations £2k, Income from Solar Panels £21k
Analysis - Units	Units owned and managed at year end	6 new units completed in year
Supplementary Items	Receivables - net rental	Reduction in arrears as at 31 March 2020
Supplementary Items	Total Pension deficit recovery payments due	Not in SHAPS scheme
Supplementary Items	Housing loans due within one year	Development overdraft converted to term loan in year
Supplementary Items	Other loans due within one year	£90k Empty Homes Loan Funding repaid in year
Supplementary Items	Other loans due after more than one year	Derivative
Supplementary Items	Intra-group receivables (trading)	Reduction in staff time recharged (additional training time in prior year due to new PRT/Lettings Code of Practice etc.)
Contextual Information	How many staff members not currently contributing to a	Modern Apprentice and 1 fixed term contract

Page	Field	Comment
	pension scheme?	