

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

Development Assumption



Development Assumption Comment

Development programme in line with Stirling Council's Strategic Housing Investment Plan (SHIP)

A1.1	Date approved	17/06/2021
A1.2	Approver	Kirsty Brown
A1.3	Approver job title	Deputy CEO/Director of Finance & Corporate Services

STATEMENT OF COMPREHENSIVE INCOME

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	2,755.6	2,918.0	3,092.0	3,520.7	3,638.7	3,748.3
Service charges	9.1	9.1	9.2	9.6	9.8	10.2
Gross rents & service charges	2,764.7	2,927.1	3,101.2	3,530.3	3,648.5	3,758.5
Rent loss from voids	12.1	32.5	34.5	29.4	27.1	27.9
Net rent & service charges	2,752.6	2,894.6	3,066.7	3,500.9	3,621.4	3,730.6
Developments for sale income	0.0	0.0	1,960.8	0.0	0.0	0.0
Grants released from deferred income	816.3	1,014.6	1,210.4	1,272.8	1,272.8	1,272.8
Grants from Scottish Ministers	32.8	0.0	0.0	0.0	0.0	0.0
Other grants	22.5	0.0	0.0	0.0	0.0	0.0
Other income	55.3	51.8	52.6	53.6	55.0	56.3
TURNOVER	3,679.5	3,961.0	6,290.5	4,827.3	4,949.2	5,059.7
Less:						
Housing depreciation	1,251.9	1,506.7	1,796.5	1,890.8	1,890.8	1,890.8
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	1,003.7	1,165.7	1,127.3	1,164.7	1,176.0	1,209.7
Service costs	56.4	68.5	67.5	75.1	76.9	78.9
Planned maintenance - direct costs	315.0	320.0	266.2	261.5	306.0	281.9
Re-active & voids maintenance - direct costs	296.5	312.0	297.7	329.8	345.2	355.6
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	47.3	54.2	57.4	49.1	45.1	46.4
Developments for sale costs	0.0	0.0	1,960.8	0.0	0.0	0.0
Other activity costs	1.1	0.0	0.0	0.0	0.0	0.0
Other costs	34.1	37.2	37.2	37.2	30.2	30.2
	1,754.1	1,957.6	3,814.1	1,917.4	1,979.4	2,002.7
Operating Costs	3,006.0	3,464.3	5,610.6	3,808.2	3,870.2	3,893.5
Gain/(Loss) on disposal of PPE	15.2	0.0	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	0.0	0.0	0.0	0.0	0.0	0.0
OPERATING SURPLUS/(DEFICIT)	688.7	496.7	679.9	1,019.1	1,079.0	1,166.2
Interest receivable and other income	0.2	2.1	2.0	0.8	0.7	0.7
Interest payable and similar charges	326.4	414.8	572.2	615.6	646.0	644.1
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	362.5	84.0	109.7	404.3	433.7	522.8
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	362.5	84.0	109.7	404.3	433.7	522.8
Actuarial (loss) / gain in respect of pension schemes	0.0	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	67.8	67.8	50.0	47.8	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	430.3	151.8	159.7	452.1	433.7	522.8

STATEMENT OF FINANCIAL POSITION

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Non-Current Assets						
Intangible Assets & Goodwill	52.8	50.6	48.4	46.2	44.0	41.8
Housing properties - Gross cost or valuation	63,229.0	74,402.0	82,222.0	83,352.5	83,899.2	84,250.1
Less:						
Housing Depreciation	16,853.8	18,360.5	20,157.0	22,047.8	23,938.6	25,829.5
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	46,375.2	56,041.5	62,065.0	61,304.7	59,960.6	58,420.6
Non-Current Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Current Assets	926.5	911.5	881.5	851.7	829.0	806.4
TOTAL NON-CURRENT ASSETS	47,354.5	57,003.6	62,994.9	62,202.6	60,833.6	59,268.8
Current Assets						
Net rental receivables	57.9	86.7	91.9	104.6	108.2	111.5
Other receivables, stock & WIP	941.1	131.2	131.2	131.3	131.3	131.2
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	1,121.8	3,146.6	895.8	754.9	621.5	753.5
TOTAL CURRENT ASSETS	2,120.8	3,364.5	1,118.9	990.8	861.0	996.2
Payables : Amounts falling due within One Year						
Loans due within one year	334.5	543.2	569.1	664.4	678.8	703.5
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	1,466.1	238.0	252.6	269.8	274.4	273.6
TOTAL CURRENT LIABILITIES	1,800.6	781.2	821.7	934.2	953.2	977.1
NET CURRENT ASSETS/(LIABILITIES)	320.2	2,583.3	297.2	56.6	(92.2)	19.1
TOTAL ASSETS LESS CURRENT LIABILITIES	47,674.7	59,586.9	63,292.1	62,259.2	60,741.4	59,287.9
Payables : Amounts falling due After One Year						
Loans due after one year	10,129.0	14,957.0	16,887.9	16,723.5	16,044.7	15,341.2
Other long-term payables	97.8	97.8	47.8	0.0	0.0	0.0
Grants to be released	31,305.0	38,237.4	39,902.0	38,629.2	37,356.5	36,083.7
	41,531.8	53,292.2	56,837.7	55,352.7	53,401.2	51,424.9
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	0.0	0.0	0.0	0.0	0.0	0.0
NET ASSETS	6,142.9	6,294.7	6,454.4	6,906.5	7,340.2	7,863.0
Capital & Reserves						
Share capital	0.2	0.2	0.2	0.2	0.2	0.2
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	6,142.7	6,294.5	6,454.2	6,906.3	7,340.0	7,862.8
TOTAL CAPITAL & RESERVES	6,142.9	6,294.7	6,454.4	6,906.5	7,340.2	7,863.0
Intra Group Receivables - as included above	18.2	18.2	18.2	18.2	18.2	18.2
Intra Group Payables - as included above	0.0	0.0	0.0	0.0	0.0	0.0

STATEMENT OF CASHFLOWS

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cash from Operating Activities						
Operating Surplus/(Deficit)	688.7	496.7	679.9	1,019.1	1,079.0	1,166.2
Depreciation & Amortisation	472.0	529.2	623.4	655.2	648.2	648.2
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	185.1	(1,160.3)	14.5	17.1	4.6	(0.6)
(Increase) / Decrease in Receivables	18.3	781.1	(5.2)	(12.8)	(3.5)	(3.3)
(Increase) / Decrease in Stock & WIP	0.0	0.0	0.0	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash adjustments	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM OPERATING ACTIVITIES	1,364.1	646.7	1,312.6	1,678.6	1,728.3	1,810.5
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	0.2	2.1	2.0	0.8	0.7	0.7
Interest (Paid)	(326.4)	(414.8)	(572.2)	(615.6)	(646.0)	(644.1)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(326.2)	(412.7)	(570.2)	(614.8)	(645.3)	(643.4)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	(5,227.9)	(9,845.0)	(7,345.0)	(359.0)	0.0	0.0
Improvement of Housing	(271.7)	(1,328.0)	(475.0)	(771.4)	(546.7)	(350.9)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	(63.7)	(20.0)	(5.0)	(5.2)	(5.3)	(5.4)
Sale of Social Housing Properties	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	4,979.3	7,947.0	2,875.0	0.0	0.0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(584.0)	(3,246.0)	(4,950.0)	(1,135.6)	(552.0)	(356.3)
NET CASH BEFORE FINANCING	453.9	(3,012.0)	(4,207.6)	(71.8)	531.0	810.8
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	100.0	5,400.0	2,500.0	500.0	0.0	0.0
Debt repayment	(330.8)	(363.2)	(543.2)	(569.1)	(664.4)	(678.8)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	(230.8)	5,036.8	1,956.8	(69.1)	(664.4)	(678.8)
INCREASE / (DECREASE) IN NET CASH	223.1	2,024.8	(2,250.8)	(140.9)	(133.4)	132.0
Cash Balance						
Balance Brought Forward	898.7	1,121.8	3,146.6	895.8	754.9	621.5
Increase / (Decrease) in Net Cash	223.1	2,024.8	(2,250.8)	(140.9)	(133.4)	132.0
CLOSING BALANCE	1,121.8	3,146.6	895.8	754.9	621.5	753.5

ADDITIONAL INFORMATION

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Number of units added during year to:						
New Social Rent Properties added	0	50	61	29	0	0
New MMR Properties added	0	0	0	0	0	0
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	10	0	0	0
Total number of new affordable housing units added during year	0	50	71	29	0	0
Number of units lost during year from:						
Sales including right to buy	0	0	10	0	0	0
Demolition	0	0	0	0	0	0
Other	0	0	0	0	0	0
Units owned						
Social Rent Properties	609	659	720	749	749	749
MMR Properties	5	6	6	6	6	6
Low Costs Home Ownership Properties	14	13	13	13	13	13
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	628	678	739	768	768	768
Number of units managed at end of period (excl. factored units)	627	677	738	767	767	767
Financed by:						
Scottish Housing Grants	0.0	6,999.0	7,486.0	2,497.0	0.0	0.0
Other public subsidy	0.0	0.0	345.2	0.0	0.0	0.0
Private finance	0.0	2,550.0	3,312.0	1,275.0	0.0	0.0
Sales	0.0	0.0	1,960.8	0.0	0.0	0.0
Cash reserves	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	10.0	0.0	0.0	0.0
Total cost of new units	0.0	9,549.0	13,114.0	3,772.0	0.0	0.0
Assumptions:						
General Inflation (%)	1.0	1.0	1.5	2.0	2.5	2.5
Rent increase - Margin above General Inflation (%)	1.4	0.0	0.0	0.0	0.5	0.5
Operating cost increase - Margin above General Inflation (%)	0.2	0.2	0.2	0.2	0.2	0.2
Direct maint. cost increase - Margin above General Inflation (%)	0.5	0.5	0.5	0.5	0.5	0.5
Actual / Assumed average salary increase (%)	1.6	0.8	1.7	2.2	2.7	2.7
Average cost of borrowing (%)	3.0	3.2	3.5	3.5	3.8	3.9
Employers Contributions for pensions (%)	9.0	9.0	9.0	9.0	9.0	9.0
Employers Contributions for pensions (£'000)	39.7	57.4	59.0	59.4	56.1	56.1
SHAPS Pensions deficit contributions (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Min. headroom cover on tightest interest cover covenant (£'000)	32.4	41.3	57.0	61.5	64.5	64.3
Minimum headroom cover on tightest gearing covenant (£'000)	9.9	6.8	2.6	3.3	4.0	5.1
Minimum headroom cover on tightest asset cover covenant (£'000)	5,885.8	623.8	935.9	1,256.7	1,587.0	1,921.1
Total staff costs (including NI & pension costs)	681.4	798.4	802.4	807.5	763.6	763.6
Full time equivalent staff	13.9	17.4	17.4	17.4	17.4	17.4
ESSH Revenue Expenditure included above	0.0	0.0	0.0	0.0	0.0	0.0
ESSH Capital Expenditure included above	0.0	525.0	126.6	127.3	255.8	128.5
Total capital and revenue expenditure on maintenance of pre-1919 properties	0.0	0.0	0.0	0.0	0.0	0.0
Total capital and revenue expenditure on maintenance of all other properties	883.2	1,960.0	1,037.4	1,361.1	1,197.9	988.4

RATIOS

Financial capacity	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Interest cover	417.984%	156.413%	229.745%	272.807%	267.647%	281.199%
Gearing	152.073%	196.254%	256.588%	240.831%	219.367%	194.470%
Efficiency						
Voids	0.438%	1.110%	1.112%	0.833%	0.743%	0.742%
Arrears	2.103%	2.995%	2.997%	2.988%	2.988%	2.989%
Bad debts	1.718%	1.872%	1.872%	1.402%	1.245%	1.244%
Staff costs / turnover	-	20.157%	12.756%	16.728%	15.429%	15.092%
Turnover per unit	£5,859	£5,842	£8,512	£6,286	£6,444	£6,588
Responsive repairs to planned maintenance ratio	2.0	5.3	2.5	3.1	2.5	1.8
Liquidity						
Current ratio	1.2	4.3	1.4	1.1	0.9	1.0
Profitability						
Gross surplus / Deficit	18.717%	12.540%	10.808%	21.111%	21.802%	23.049%
Net surplus / Deficit	9.852%	2.121%	1.744%	8.375%	8.763%	10.333%
EBITDA / revenue	45.357%	17.051%	31.816%	44.300%	48.959%	53.483%
Financing						
Debt Burden ratio	2.8	3.9	2.8	3.6	3.4	3.2
Net debt per unit	£14,875	£18,221	£22,410	£21,658	£20,966	£19,910
Debt per unit	£16,662	£22,862	£23,622	£22,640	£21,775	£20,892
Diversification						
Income from non-rental activities	25.191%	26.922%	29.171%	27.477%	26.829%	26.268%

Comments

Page	Field	Comment
SOCI	Gross rents	Increase due to new units
SOCI	Developments for sale income	NSSE, Community Housing & Plot Sales at Balmaha
SOFP	Housing depreciation	Year 1 uplift - depreciation on 50 new units
SOFP	Non-Current Investments	0
SOFP	Loans due after one year	Loan drawdowns in years 0, 1, 2 & 3
SOFP	Intra Group Receivables - as included above	Amount due from subsidiary - this balance is cleared on an annual basis each year. Transactions are similar on an annual basis so we assume most recent position going forward.
Additional Information	New Properties - Other Tenures added	Balmaha homes for sale
Additional Information	Sales including right to buy	Balmaha homes for sale
Additional Information	Scottish Housing Grants	Of the HAG stated, £1.6m was received prior to year 0 (the 2020/21 year)
Additional Information	Other public subsidy	HIFF Funding
Additional Information	Private finance	Debt drawdown includes amounts to cover some investment in current stock (estimates for EESSH2 compliance etc.)
Additional Information	Sales	NSSE sales, community housing and private plot sales
Additional Information	Rent increase - Margin above General Inflation (%)	Increase in rental income is due to new units added through development
Additional Information	Minimum headroom cover on tightest gearing covenant (£'000)	Debt per unit < £25k is tightest
Additional Information	Full time Equivalent Staff Curr Year	Restructure completed in 2020/21 and new staff recruited over Quarter 4 - this was to increase staff numbers