

# Audited Financial Statements (AFS) 2019-2020

## STATEMENT OF COMPREHENSIVE INCOME



Scottish Housing  
Regulator

	Current Year	Prior Year
	£'000	£'000
Turnover	10,805.0	10,132.0
Operating costs	(5,818.0)	(5,777.0)
Gain/(loss) on disposal of property, plant and equipment	17.0	0.0
Exceptional items	0.0	0.0
<b>Operating surplus/(deficit)</b>	<b>5,004.0</b>	<b>4,355.0</b>
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	1.0	3.0
Interest payable	(1,313.0)	(1,444.0)
Other financing (costs)/income	(274.0)	0.0
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	0.0	0.0
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
<b>Total</b>	<b>(1,586.0)</b>	<b>(1,441.0)</b>
<b>Surplus/(deficit) before tax</b>	<b>3,418.0</b>	<b>2,914.0</b>
Tax (payable)/recoverable	0.0	0.0
<b>Surplus/(deficit) for the year</b>	<b>3,418.0</b>	<b>2,914.0</b>
Actuarial (loss)/gain in respect of pension schemes	0.0	0.0
Change in fair value of hedged financial instruments	0.0	0.0
<b>Total comprehensive income for the year</b>	<b>3,418.0</b>	<b>2,914.0</b>

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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
<b>Balance at beginning of the year</b>	0.0	0.0	12,652.0	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	3,418.0	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
<b>Balance at end of the year</b>	0.0	0.0	16,070.0	0.0	0.0

	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest
	£'000	£'000	£'000
<b>Balance at beginning of the year</b>	12,652.0	0.0	12,652.0
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	3,418.0	0.0	3,418.0
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
<b>Balance at end of the year</b>	16,070.0	0.0	16,070.0

# Audited Financial Statements (AFS) 2019-2020



Scottish Housing  
Regulator

## STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
<b>Non-current assets</b>		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	80,307.0	71,345.0
Negative goodwill	0.0	0.0
<b>Net housing assets</b>	<b>80,307.0</b>	<b>71,345.0</b>
Non-current investments	0.0	0.0
Other plant, property and equipment	684.0	81.0
Investments in joint ventures and associates	0.0	0.0
<b>Total non-current assets</b>	<b>80,991.0</b>	<b>71,426.0</b>
Receivables due after more than one year	0.0	0.0
<b>Current assets</b>		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	1,203.0	700.0
Cash and cash equivalents	351.0	1,387.0
<b>Total current assets</b>	<b>1,554.0</b>	<b>2,087.0</b>
Payables: amounts falling due within one year	(3,086.0)	(2,973.0)
<b>Deferred income: amounts falling due within one year</b>		
Scottish housing grants (SHG)	(193.0)	(193.0)
Other grants	(28.0)	(28.0)
<b>Total deferred income: amounts falling due within one year</b>	<b>(221.0)</b>	<b>(221.0)</b>
<b>Net current assets/(liabilities)</b>	<b>(1,753.0)</b>	<b>(1,107.0)</b>
<b>Total assets less current liabilities</b>	<b>79,238.0</b>	<b>70,319.0</b>
Payables: amounts falling due after more than one year	(34,260.0)	(28,201.0)
Provisions	0.0	0.0
Pension asset/(liability)	0.0	(1,868.0)
<b>Deferred income: amounts falling due after more than one year</b>		
Scottish housing grants (SHG)	(26,424.0)	(25,226.0)
Other grants	(2,484.0)	(2,372.0)
<b>Total deferred income: amounts falling due after more than one year</b>	<b>(28,908.0)</b>	<b>(27,598.0)</b>
<b>Total long term liabilities</b>	<b>(63,168.0)</b>	<b>(57,667.0)</b>
<b>Net assets</b>	<b>16,070.0</b>	<b>12,652.0</b>
<b>Capital and reserves</b>		
Share capital	0.0	0.0
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	16,070.0	12,652.0
<b>Total reserves</b>	<b>16,070.0</b>	<b>12,652.0</b>

# Audited Financial Statements (AFS) 2019-2020

## STATEMENT OF CASH FLOWS



	Current Year	Prior Year
	£'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>	4,786.0	2,735.0
<b>Tax (paid)/refunded</b>	0.0	0.0
<b><u>Cash flow from investing activities</u></b>		
Acquisition and construction of properties	(8,313.0)	(5,502.0)
Purchase of other non-current assets	(631.0)	(22.0)
Sales of properties	0.0	0.0
Sales of other non-current assets	0.0	0.0
Capital grants received	1,510.0	5,339.0
Capital grants repaid	0.0	0.0
Interest received	1.0	2.0
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(7,433.0)</b>	<b>(183.0)</b>
<b><u>Cash flow from financing activities</u></b>		
Interest paid	(1,230.0)	(1,433.0)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	5,309.0	570.0
Funding repaid	(2,468.0)	(2,270.0)
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
<b>Net cash inflow/(outflow) from financing activities</b>	<b>1,611.0</b>	<b>(3,133.0)</b>
<b>Net change in cash and cash equivalents</b>	<b>(1,036.0)</b>	<b>(581.0)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,387.0</b>	<b>1,968.0</b>
<b>Cash and cash equivalents at end of the year</b>	<b>351.0</b>	<b>1,387.0</b>

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	10,598.0	(5,448.0)	5,150.0
Other activities	207.0	(370.0)	(163.0)
<b>Total</b>	10,805.0	(5,818.0)	4,987.0

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			
<b>Total</b>			

**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	10,197.0	180.0	0.0	0.0	10,377.0	9,650.0
Service charges	39.0	0.0	0.0	0.0	39.0	45.0
<b>Gross income</b>	10,236.0	180.0	0.0	0.0	10,416.0	9,695.0
Voids	(20.0)	0.0	0.0	0.0	(20.0)	(18.0)
<b>Net income</b>	10,216.0	180.0	0.0	0.0	10,396.0	9,677.0
Grants released from deferred income	198.0	2.0	0.0	0.0	200.0	209.0
Revenue grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other revenue grants	2.0	0.0	0.0	0.0	2.0	0.0
<b>Total turnover: letting</b>	10,416.0	182.0	0.0	0.0	10,598.0	9,886.0
Management and maintenance administration costs	(2,167.0)	(49.0)	0.0	0.0	(2,216.0)	(2,194.0)
Service costs	(429.0)	(103.0)	0.0	0.0	(532.0)	(409.0)
Planned maintenance	(582.0)	(23.0)	0.0	0.0	(605.0)	(733.0)
Reactive maintenance	(869.0)	(11.0)	0.0	0.0	(880.0)	(778.0)
Bad debts written (off)/back	(55.0)	0.0	0.0	0.0	(55.0)	9.0
Depreciation: housing	(1,139.0)	(21.0)	0.0	0.0	(1,160.0)	(1,265.0)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating costs</b>	(5,241.0)	(207.0)	0.0	0.0	(5,448.0)	(5,370.0)
<b>Operating surplus/(deficit)</b>	5,175.0	(25.0)	0.0	0.0	5,150.0	4,516.0
<b>Prior Year</b>						
<b>Total turnover: letting</b>	9,716.0	170.0	0.0	0.0		
<b>Operating costs</b>	(5,215.0)	(155.0)	0.0	0.0		
<b>Operating surplus/(deficit)</b>	4,501.0	15.0	0.0	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	131.0	0.0	0.0	0.0	131.0	(265.0)	(134.0)	(131.0)
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	73.0	73.0	(105.0)	(32.0)	(33.0)
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	0.0	0.0	0.0	3.0	3.0	0.0	3.0	3.0
<b>Current Year Total</b>	131.0	0.0	0.0	76.0	207.0	(370.0)	(163.0)	
<b>Prior Year Total</b>	167.0	0.0	0.0	79.0	246.0	(407.0)	(161.0)	

# Audited Financial Statements (AFS) 2019-2020

## 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	2265	41	0	0	2306	2201
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
<b>Total units owned / managed</b>	2265	41	0	0	2306	2201

## COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£957	£1,195	-	-	£961
Planned maintenance	£257	£561	-	-	£262
Reactive maintenance	£384	£268	-	-	£382
Total direct maintenance	£641	£829	-	-	£644
<b>Total management &amp; maintenance</b>	£1,597	£2,024	-	-	£1,605

## 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					
<b>Total management &amp; maintenance</b>					



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

	<b>Current Year</b>	<b>Prior Year</b>
	<b>£'000</b>	<b>£'000</b>
Chief Executive emoluments excluding pension contributions	102.0	100.0
Total key management personnel emoluments	237.0	260.0
Total staff costs	1,496.0	1,529.0
External auditors' fees – audit	20.0	20.0
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	1,803.0	2,040.0
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	16,790.0	15,717.0
Receivables - net rental	758.0	127.0
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	0.0	0.0
Housing loans due after more than one year	26,000.0	26,000.0
Other loans due within one year	0.0	0.0
Other loans due after more than one year	0.0	0.0
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	6,859.0	2,300.0
Intra-group lending	0.0	0.0
Intra-group receivables (trading)	0.0	0.0
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	07/08/2020	
Are the financial statements qualified?	No	
Were there any emphasis of matter points raised in the audit report?	No	
External auditors' name	KPMG	
Number of years since a full procurement exercise was undertaken for the external auditor	3	
Internal auditors' name	Internal	
Number of years since a full procurement exercise was undertaken for the internal auditor	10+	
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	
<b>Staff Pension Schemes</b>		
Which scheme(s) are you members of?	How many participating members in each scheme?	
Legal & General (DC)	39	



**RATIOS**

	<b>Current Year</b>	<b>Prior Year</b>	<b>Prior Year Sector Median</b>
<b>Financial capacity</b>			
Interest cover	389.2%		404.8%
Gearing	202.3%		57.1%
<b>Efficiency</b>			
Voids	0.2%		0.6%
Arrears	7.3%		2.2%
Bad debts	0.5%		0.7%
Staff costs / turnover	13.8%		20.2%
Key management personnel / staff costs	15.8%		15.9%
Turnover per unit	£4,686		£5,121
Responsive repairs to planned maintenance ratio	2.7		1.8
<b>Liquidity</b>			
Current ratio	0.5		1.8
<b>Profitability</b>			
Gross surplus / (deficit)	46.3%		19.9%
Net surplus / (deficit)	31.6%		12.6%
EBITDA / revenue	40.4%		30.0%
<b>Financing</b>			
Debt burden ratio	3		2.1
Net debt per unit	£14,097		£6,784
Debt per unit	£14,249		£10,311
<b>Diversification</b>			
Income from non-rental activities	3.8%		18.0%

## Comments

Page	Field	Comment
SOCI	Gain/(loss) on disposal of property plant and equipment	Relates to sale of office property
SOCI	Other financing (costs)/income	One off cost associated with loan refinancing
SOFP	Other plant, property and equipment	Includes £657k in relation to the installation of LD2 smoke alarm systems
SOFP	Investments	N/A
SOFP	Trade and other receivables due within one year	Increase largely due to timing of Housing Benefit receipts
SOFP	Payables: amounts falling due after more than one year	Loan funding & cessation costs associated with exit from DB pension scheme
SOFP	Scottish housing grants (SHG)	Increased development activity
SOCF	Acquisition and construction of properties	Increased development activity
SOCF	Purchase of other non-current assets	LD2 smoke alarm systems
SOCF	Funding drawn down	Used to fund development activity
Analysis - Affordable Lettings	Service costs	Increased communal works following Fire Risk Assessment
Analysis - Affordable Lettings	Planned maintenance	Programme based on cyclical replacement dates
Analysis - Affordable Lettings	Reactive maintenance	Increased void costs as larger proportion of homes being vacated in poor condition
Analysis - Affordable Lettings	Bad debts written (off)/back	Over provision released in previous year
Analysis - Other Activities	Care and repair	Relates to disabled adaptations which were only partly grant funded in the year.
Analysis - Other Activities	Other activities	Income from one commercial unit - no directly attributable costs
Supplementary Items	Receivables - net rental	increase largely attributable to timing of Housing Benefit
Supplementary Items	Intra-group loans due after more than one year	Used to fund development activity