

Landlord Name:	Ochil View Housing Association Ltd
RSL Reg No.:	213
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Approval

A1.1	Date approved	30/07/2020
A1.2	Approver	Anne Smith
A1.3	Approver job title	Director of Finance and Corporate Services

Audited Financial Statements (AFS) 2019-2020

STATEMENT OF COMPREHENSIVE INCOME



Scottish Housing
Regulator

	Current Year	Prior Year
	£'000	£'000
Turnover	7,153.2	6,939.7
Operating costs	(5,263.9)	(5,155.7)
Gain/(loss) on disposal of property, plant and equipment	42.2	38.4
Exceptional items	0.0	0.0
Operating surplus/(deficit)	1,931.5	1,822.4
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	75.0	63.0
Interest payable	(585.9)	(625.1)
Other financing (costs)/income	78.1	103.1
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
Total	(432.8)	(459.0)
Surplus/(deficit) before tax	1,498.7	1,363.4
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	1,498.7	1,363.4
Actuarial (loss)/gain in respect of pension schemes	1,166.0	(655.0)
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	2,664.7	708.4

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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	0.0	(1,243.0)	8,012.7	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	1,166.0	1,498.7	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	77.0	(77.0)	0.0	0.0
Balance at end of the year	0.0	0.0	9,434.4	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	6,769.7	0.0	6,769.7
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	2,664.7	0.0	2,664.7
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	9,434.4	0.0	9,434.4

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STATEMENT OF FINANCIAL POSITION



Scottish Housing
Regulator

	Current Year	Prior Year
	£'000	£'000
Non-current assets		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	56,725.9	56,285.5
Negative goodwill	0.0	0.0
Net housing assets	56,725.9	56,285.5
Non-current investments	0.0	0.0
Other plant, property and equipment	505.5	451.5
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	57,231.4	56,737.0
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	602.4	474.0
Cash and cash equivalents	9,379.6	9,261.7
Total current assets	9,982.0	9,735.7
Payables: amounts falling due within one year	(1,804.5)	(1,723.6)
Deferred income: amounts falling due within one year		
Scottish housing grants (SHG)	(844.1)	(852.1)
Other grants	(20.9)	(21.9)
Total deferred income: amounts falling due within one year	(865.0)	(874.0)
Net current assets/(liabilities)	7,312.5	7,138.1
Total assets less current liabilities	64,543.9	63,875.1
Payables: amounts falling due after more than one year	(24,304.6)	(25,324.1)
Provisions	0.0	0.0
Pension asset/(liability)	0.0	(1,243.0)
Deferred income: amounts falling due after more than one year		
Scottish housing grants (SHG)	(30,110.5)	(29,821.7)
Other grants	(694.4)	(716.6)
Total deferred income: amounts falling due after more than one year	(30,804.9)	(30,538.3)
Total long term liabilities	(55,109.5)	(57,105.4)
Net assets	9,434.4	6,769.7
Capital and reserves		
Share capital	0.0	0.0
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	9,434.4	6,769.7
Total reserves	9,434.4	6,769.7

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STATEMENT OF CASH FLOWS



	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	2,757.2	2,782.8
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(2,185.3)	(1,018.6)
Purchase of other non-current assets	(88.4)	(28.2)
Sales of properties	42.3	38.4
Sales of other non-current assets	0.0	0.0
Capital grants received	1,206.0	230.7
Capital grants repaid	(83.5)	0.0
Interest received	75.0	63.0
Net cash inflow/(outflow) from investing activities	(1,033.9)	(714.7)
<u>Cash flow from financing activities</u>		
Interest paid	(585.9)	(625.1)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	0.0	0.0
Funding repaid	(1,019.5)	(902.2)
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	(1,605.4)	(1,527.3)
Net change in cash and cash equivalents	117.9	540.8
Cash and cash equivalents at beginning of the year	9,261.7	8,720.9
Cash and cash equivalents at end of the year	9,379.6	9,261.7

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

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	7,125.4	(5,205.5)	1,919.9
Other activities	27.8	(58.4)	(30.6)
Total	7,153.2	(5,263.9)	1,889.3

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	6,101.2	0.0	45.6	0.0	6,146.8	5,913.5
Service charges	0.0	0.0	0.0	0.0	0.0	0.0
Gross income	6,101.2	0.0	45.6	0.0	6,146.8	5,913.5
Voids	(27.8)	0.0	0.0	0.0	(27.8)	(28.4)
Net income	6,073.4	0.0	45.6	0.0	6,119.0	5,885.1
Grants released from deferred income	854.9	0.0	10.0	0.0	864.9	874.0
Revenue grants from Scottish Ministers	141.5	0.0	0.0	0.0	141.5	107.6
Other revenue grants	0.0	0.0	0.0	0.0	0.0	0.0
Total turnover: letting	7,069.8	0.0	55.6	0.0	7,125.4	6,866.7
Management and maintenance administration costs	(1,727.9)	0.0	(23.1)	0.0	(1,751.0)	(1,585.2)
Service costs	(138.4)	0.0	(9.6)	0.0	(148.0)	(140.7)
Planned maintenance	(800.2)	0.0	0.0	0.0	(800.2)	(791.2)
Reactive maintenance	(659.9)	0.0	0.0	0.0	(659.9)	(728.3)
Bad debts written (off)/back	(90.6)	0.0	0.0	0.0	(90.6)	(55.2)
Depreciation: housing	(1,744.2)	(11.6)	0.0	0.0	(1,755.8)	(1,742.8)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(5,161.2)	(11.6)	(32.7)	0.0	(5,205.5)	(5,043.4)
Operating surplus/(deficit)	1,908.6	(11.6)	22.9	0.0	1,919.9	1,823.3
Prior Year						
Total turnover: letting	6,798.5	0.0	68.2	0.0		
Operating costs	(4,994.4)	0.0	(49.0)	0.0		
Operating surplus/(deficit)	1,804.1	0.0	19.2	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	14.7	14.7	(14.9)	(0.2)	0.5
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	6.0	6.0	(3.7)	2.3	0.9
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	7.1	7.1	(39.8)	(32.7)	(40.7)
Current Year Total	0.0	0.0	0.0	27.8	27.8	(58.4)	(30.6)	
Prior Year Total	0.0	0.0	0.0	73.0	73.0	(112.3)	(39.3)	

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	1398	0	18	0	1416	1403
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	1398	0	18	0	1416	1403

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,236		£1,283		£1,237
Planned maintenance	£572		£0		£565
Reactive maintenance	£472		£0		£466
Total direct maintenance	£1,044		£0		£1,031
Total management & maintenance	£2,280		£1,283		£2,268

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	69.0	67.3
Total key management personnel emoluments	261.8	242.0
Total staff costs	1,154.0	1,147.7
External auditors' fees – audit	11.4	10.7
External auditors' fees – other	0.0	0.0
Capitalised maintenance costs	179.6	379.1
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	25,800.4	24,775.5
Receivables - net rental	26.9	22.5
Total Pension deficit recovery payments due	462.6	520.2
Housing loans due within one year	913.5	913.5
Housing loans due after more than one year	23,022.1	25,324.1
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	0.0	0.0
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	30/07/2020	
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	Scott-Moncrieff	
Number of years since a full procurement exercise was undertaken for the internal auditor	5	
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	Low	
Are you appealing this risk rating?	No	
How many staff members not currently contributing to any scheme?	1	
Staff Pension Schemes		
Which scheme(s) are you members of?	How many participating members in each scheme?	
SHAPS CARE 70th	17	
SHAPS DC	9	

RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	483.4%		404.8%
Gearing	154.3%		57.1%
Efficiency			
Voids	0.5%		0.6%
Arrears	0.4%		2.2%
Bad debts	1.5%		0.7%
Staff costs / turnover	16.1%		20.2%
Key management personnel / staff costs	22.7%		15.9%
Turnover per unit	£5,052		£5,121
Responsive repairs to planned maintenance ratio	1.5		1.8
Liquidity			
Current ratio	3.7		1.8
Profitability			
Gross surplus / (deficit)	27%		19.9%
Net surplus / (deficit)	21%		12.6%
EBITDA / revenue	49%		30.0%
Financing			
Debt burden ratio	3.3		2.1
Net debt per unit	£10,280		£6,784
Debt per unit	£16,904		£10,311
Diversification			
Income from non-rental activities	14.5%		18.0%

Comments

Page	Field	Comment
SOCl	Gain/(loss) on disposal of property plant and equipment	Gain on disposal of shared ownership property
SOCl	Exceptional items	Exceptional item has been reported after operating surplus in Accounts and is included below under "Other financing (costs)/income"
SOCl	Other financing (costs)/income	exceptional item £106.1k less other finance charges (pension) of £28K. The exceptional item relates to release of breakage costs embedded into the fixed loan rate
SOCl	Actuarial (loss)/gain in respect of pension schemes	Year end pension valuation position improved due to the increase in corporate bond yield used to discount the liabilities. This resulted in a pension asset of £48K which has not been recognised in the annual accounts in accordance with guidance received.
SOCE	Balance at beginning of the year - Funds & Reserves	Pension Reserve included under "Revenue Reserve Restricted Fund"
SOCE	Surplus/(deficit) from statement of comprehensive income - Non-controlling interest & Totals	Includes pension adjustments in relation to the improved position in share of assets and liabilities at 31/3/20 - mainly due to the increase in corporate bond yields which are used as a discount factor
SOCE	Transfer from revaluation reserve to revenue reserve - Non-controlling interest & Totals	0
SOCE	Transfer of restricted expenditure from unrestricted reserve - Non-controlling interest & Totals	0
SOCF	Acquisition and construction of properties	Includes £1.9M for development of 11 units in Sauchie in conjunction with Kingdom HA
SOCF	Purchase of other non-current assets	Increase mainly due to £42K spent on new office windows
SOCF	Sales of properties	Shared ownership disposal

Page	Field	Comment
SOCF	Capital grants received	Includes £966K for SHG for 11 units inn Sauchie.
Analysis - Affordable Lettings	Grants from Scottish Ministers	Increased grant allocated for mdeical adaptations in 2019/20
Analysis - Affordable Lettings	Management and maintenance administration costs	Increase due to pension service cost £72K (year end adjustment via The Pensions Trust), Increase in salaries following staff restructure £45K and also a general increas ein overheads of £47K - primarily as a result of costs of the new mobile working strategy - IT equipment, depreciaiton, data and telephone costs etc)
Analysis - Affordable Lettings	Service costs	Small increase due to repair costs increasing on white goods supplied
Analysis - Affordable Lettings	Planned maintenance	this does fluctuate year on year - there was substantial expenditure of £120K on an external painitng programme this year, plus £143K spent on upgrading to comply with the new fire safety regulation
Analysis - Affordable Lettings	Reactive maintenance	Fewer expensive voids this year and a general downturn in reactive repair costs
Analysis - Affordable Lettings	Bad debts written (off)/back	substantial increase this year due to the continued increase in arrears we are seeing as a result of tenants moving on to universal credit
Analysis - Affordable Lettings	Depreciation: housing	No major change to depreciation as depreciaiton for the 11 new units in Sauchie will not commence until 2020/21
Analysis - Other Activities	Factoring	Slight change to salary allocaiton for new member of staff who is focussing on factoring
Analysis - Other Activities	Contracted out services undertaken for others	Management service for NHT2 project in Coalsnaughton - this ceased in June 2019
Analysis - Other Activities	Other activities	Sundry other income and recharge repair write offs
Supplementary Items	Capitalised maintenance costs	Component replacements vary year on year in line with the asset life cycles and corresponding maintenance requirements
Supplementary	Receivables - net rental	Net receivable will increase in line with rent increase

Page	Field	Comment
Items		and also as a result of property additions during the year and a larger rent debit - also as a result of arrears increasing due to universal credit - not all of which is provided for
Supplementary Items	Total Pension deficit recovery payments due	Based on current recovery nplan ceasing in Sept 22