



**Alexander Sloan**  
Accountants and Business Advisers

# **Rural Stirling Housing Association Limited**

Report and Financial Statements

For the year ended 31 March 2020

Registered Social Landlord No. HAL232

FCA Reference No. 2376(S)

Scottish Charity No. SC037849

# **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

<b>Contents</b>	<b>Page</b>
Members of the Board of Management, Executives and Advisers	1
Report of the Board of Management	2 - 7
Report by the Auditors on corporate governance matters	8
Report of the Auditors	9
Statement of comprehensive income	11
Statement of financial position	12
Statement of cash flows	13
Statement of changes in equity	14
Notes to the financial statements	15 - 31

## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2020**

#### **Board of Management**

Mark Griffiths	Chairperson
Margaret Vass	Vice Chairperson
Fiona Boath	Vice Chairperson
Colin O'Brien	Resigned April 2020
Linda Anderson	
Theresa Elliot	
Alistair Miller	Resigned April 2019
Susan Macmillan	
Bob Moyes	Resigned September 2019
Phillip Ragsdell	Resigned April 2019
Malcolm Begg	
Alison Smith	
Martin Earl	
Anne Law	Elected September 2019
Cordelia Guidery	Elected September 2019
Lorna Cameron	Co-opted June 2020

#### **EXECUTIVE OFFICERS**

Donna Birrell	Chief Executive
Kirsty Brown	Deputy Chief Executive / Finance & Corporate Services Manager
Fiona Maguire	Asset & Development Manager
Jackie Leeds	Housing Services Manager

#### **REGISTERED OFFICE**

Stirling Road  
Doune  
Perthshire  
FK16 6AA

#### **EXTERNAL AUDITORS**

Alexander Sloan  
Accountants and Business Advisers  
180 St Vincent Street  
Glasgow  
G2 5SG

#### **INTERNAL AUDITORS**

Wylie & Bisset  
168 Bath Street  
Glasgow  
G2 4TP

#### **BANKERS**

Royal Bank of Scotland  
Units 22/23 Thistles Shopping Centre  
Stirling  
FK8 2EA

#### **SOLICITOR**

Hill & Robb  
3 Pitt Terrace  
Stirling  
FK7 2EY

## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020**

The Board of Management presents its report and the Financial Statements for the year ended 31 March 2020.

#### **Legal Status**

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.2376(S)), the Scottish Housing Regulator as a registered social landlord (No.HAL232) and as a registered Scottish Charity with the charity number SC037849.

#### **Principal Activities**

The principal activities of the Association are the provision and management of affordable rented accommodation.

#### **Review of Business and Future Developments**

##### **Housing stock**

At 31 March 2020, the Association owned 628 properties – 608 homes for rent, 15 for shared ownership and 5 properties were leased to our subsidiary company Venachar, for mid-market rent .

The Association also provided services to 40 factored properties.

These are all located within 18 settlements throughout the rural Stirling area. Nearly all the properties have been built by the Association during the past 30 years with a small number acquired/refurbished.

The average net weekly rent for an RSHA property during 2019/20 was £83.64 (including common landscaping and other service charges).

##### **Office and staffing**

The Association's staff team at the end of the year comprised 14.1 full time equivalents posts.

The staff team operate from the Association's office at Stirling Road, Doune. The office premises were refurbished over the course of 2019 year and the staff team were temporarily based at serviced office accommodation at Castle Business Park, Stirling, until August 2019.

The current CEO of the organisation has been in post since mid – December 2017 and is responsible for providing support and guidance to the governing body and providing leadership and direction to the staff team to protect and maintain standards of quality and performance to our customers and stakeholders.

##### **Performance**

The Association has reported a surplus for the year of £376,677 (2019 – £348,248). In addition, net assets have increased by £376,602 to £5,712,626. The Board is satisfied with these results. Rent losses from voids and bad debts remained low at 0.35% of gross rental and service charge income.

43 properties (6 new builds) were let during the year and it took 11.79 days (2018/19: 12.98 days) on average to re-let properties, which is well below the sector average.

Demand for housing remains strong with 225 new applications for housing received during the year and 728 live applications for housing on our list at 31/3/20.

##### **Development**

During the year the Association completed construction of the Woodyard Court, Doune development, providing 6 homes for rent.

## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020**

#### **Review of Business and Future Developments (Continued)**

The Association has an ongoing development programme for new homes.

We have one site under construction at Claish Farm, Callander which will provide 50 new homes and we now have planning permission for the development at Lampson Road, Killearn which will provide 11 new homes. Our Partner Developers have also received planning consent for developments at Gartness Road, Drymen, providing 30 new homes, along with Burngreen, Kippen, which will provide 9 new homes.

Progress is also being made to allow construction to commence later in the 2020/21 year at the Plantation Site, Balmaha, pending Scottish Government tender approval. This will provide 22 homes, being a mix of social housing, shared equity homes for sale, key worker accommodation and serviced plots for self-build.

There were no shared ownership properties acquired during the 2019/20 year. The Association was due to buy back the owner's share on one property towards the end of March 2020 however the COVID-19 crisis delayed this transaction and it did not complete until the end of April 2020.

#### **Property Maintenance**

RSHA seeks to maintain its properties to the highest standard and carries out regular reactive and cyclical maintenance to all its properties. In addition, the Association also has an ongoing component renewal programme to ensure that all its properties are kept to a high standard.

During the year the Association renewed electric heating in 13 properties, renewed gas boilers in 4 properties and renewed kitchens in a further 18 properties. A range of smaller projects were also carried out including garden drainage works and fencing works. Fire safety upgrade works started early in 2020 in order to achieve compliance by February 2021, however these had to be stopped mid-March due to the COVID-19 crisis.

1,508 reactive repairs were carried out during the year. The Association responds to repair requests within agreed target times for the particular category of repair (Emergency - 4 hours; Urgent - 3 days; Routine - 10 days). It took an average of 2.64 hours to attend to emergency repairs and 5.7 days for all other repairs. Repairs were completed 'Right First Time' 88.3% of the time and all gas safety checks, with the exception of 1, were carried out by their anniversary.

All those reporting a repair are sent a satisfaction form and this exercise indicates a continuing high level of satisfaction with the service received (93.4%).

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FOR THE YEAR ENDED 31 MARCH 2020

#### Review of Business and Future Developments (Continued)

#### Annual Return on the Charter (ARC)

The Association's performance against the Charter indicators in 2019/20 compared with the return for the two previous years can be seen below. The latest independent survey of tenant satisfaction, carried out by the Research Resource Ltd in June 2019, illustrated a decline in overall tenant satisfaction (indicators marked as ^). The reduction in SHQS compliance was due to 176 EPC's being commissioned during 2019-20, some of which were reclassified as Fails. Three SHQS Exemptions were also identified.

ARC Indicator	2017/18	2018/19	2019/20
Overall tenant satisfaction	97.40%	97.40%	90%^
% who feel landlord is good at keep them informed	98.70%	98.70%	96%^
% satisfaction with opportunities to participate in decisions	99.60%	99.60%	91%^
% of complaints responded to within timescales	96.90%	78.85%	89.85%
% of stock meeting SHQS	100.00%	98.66%	96.51%
Average time to complete emergency repairs	2.67 hours	2.48 hours	2.64 hours
Average time to complete non-emergency repairs	5.68 days	5.7 days	5.7 days
% of reactive repairs carried out right first time	87.59%	88.49%	88.30%
% of tenants who have had repairs carried out in the last 12 months that were satisfied with their repair and maintenance	96.00%	95.48%	93.40%
Rent collected as a % of rent due	100.10%	99.67%	100.90%
% of rent lost through empty properties	0.23%	0.30%	0.20%
Rent increase applied	2.00%	3.90%	2.40%
Gross rent arrears (including former tenants & bad debts)	5.16%	4.27%	3.90%
ASB cases resolved within targets	90.53%	89.40%	98.00%
Satisfaction with management of neighbourhood	99.12%	99.12%	91.00%
Average time to re-let properties	14.84 days	12.98 days	11.79 days

## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020**

#### **Board of Management and Executive Officers**

The members of the Board of Management and the Executive Officers are listed on Page 1.

Each member of the Board of Management holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Board of Management.

The members of the Board of Management are also Trustees of the charity. Members of the Board of Management are appointed by the members at the Association's Annual General Meeting.

#### **Statement of Board of Management's Responsibilities**

The Co-operative and Community Benefit Act 2014 requires the Board of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Board of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on Internal Financial Control.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

#### **Going Concern**

Based on its budgetary and forecasting processes the Board of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020**

#### **Statement on Internal Financial Control**

The Board of Management acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Board of Management's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Board of Management to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Management;
- the Board of Management receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2020. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

#### **Donations**

During the year the Association made charitable donations amounting to £100 (2019 - £3,150).

#### **Disclosure of Information to the Auditor**

The members of the Board of Management at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to auditors.

#### **Auditors**

A resolution to reappoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.



## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020**

**By order of the Board of Management**

  
**DONNA BIRKELL**

Secretary

13 August 2020

## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **REPORT BY THE AUDITORS TO THE MEMBERS OF RURAL STIRLING HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

#### **Basis of Opinion**

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

#### **Opinion**

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Management, and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Board of Management's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**ALEXANDER SLOAN**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
13 August 2020



**Alexander Sloan**  
Accountants and Business Advisers

## **RURAL STIRLING HOUSING ASSOCIATION LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RURAL STIRLING HOUSING ASSOCIATION LIMITED**

#### **Opinion**

We have audited the financial statements of Rural Stirling Housing Association Limited (the 'Association') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Board of Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RURAL STIRLING HOUSING ASSOCIATION LIMITED (Continued)

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the Board of Management

As explained more fully in the Statement of Board of Management's Responsibilities as set out on page 5, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorresponsibilities>. This description forms part of our audit report.

#### Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### ALEXANDER SLOAN

Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
13 August 2020



Alexander Sloan  
Accountants and Business Advisers

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020	2019
		£	£
Revenue	2	3,584,288	3,368,476
Operating costs	2	<u>2,859,735</u>	<u>2,701,175</u>
<b>OPERATING SURPLUS</b>		724,553	667,301
Gain on sale of housing stock	7	-	14,754
Interest receivable and other income		739	417
Interest payable and similar charges	8	(368,383)	(363,745)
Movement in fair value of financial instruments		19,857	39,121
Other Finance income/(charges)	10	<u>-</u>	<u>(9,600)</u>
		<u>(347,787)</u>	<u>(319,053)</u>
<b>SURPLUS FOR THE YEAR</b>		<u><b>376,766</b></u>	<u><b>348,248</b></u>

The results relate wholly to continuing activities.

The notes on pages 15 to 31 form an integral part of these financial statements.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED


### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	11		42,127,411		41,595,457
Other tangible assets	11		951,987		402,790
Investments	12		1		1
			<u>43,079,399</u>		<u>41,998,248</u>
<b>CURRENT ASSETS</b>					
Receivables	13	573,060		582,057	
Cash and cash equivalents	14	898,694		830,655	
		<u>1,471,754</u>		<u>1,412,712</u>	
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(1,596,597)</u>		<u>(1,186,602)</u>	
<b>(NET CURRENT LIABILITIES) / ASSETS</b>			<u>(124,843)</u>		<u>226,110</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			42,954,556		42,224,358
<b>CREDITORS: Amounts falling due after more than one year</b>	16		(10,544,267)		(10,436,182)
<b>DEFERRED INCOME</b>					
Social housing grants	18	(25,605,415)		(25,326,798)	
Other grants	18	(1,092,248)		(1,125,354)	
		<u>(26,697,663)</u>		<u>(26,452,152)</u>	
<b>NET ASSETS</b>			<u>5,712,626</u>		<u>5,336,024</u>
<b>EQUITY</b>					
Share capital	19		182		257
Revenue reserves			5,712,533		5,335,767
			<u>5,712,715</u>		<u>5,336,024</u>

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 13 August 2020.

  
Board Member

  
Board Member

  
Secretary

The notes on pages 15 to 31 form an integral part of these financial statements.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019
		£	£	£
<b>Surplus for the Year</b>			376,766	348,248
<i>Adjustments for non-cash items:</i>				
Depreciation of tangible fixed assets	11	1,308,728	1,252,871	
Amortisation of capital grants	18	(831,323)	(822,537)	
Gain on disposal of tangible fixed assets		-	(14,754)	
Transfer of interest to financial activities	-	367,733	363,328	
Unwinding of discount on financial instrument		-	(9,600)	
Change in market value of investments		-	(39,121)	
Share capital written off	19	(79)	(20)	
			<u>845,059</u>	<u>730,167</u>
<b>Operating cash flows before movements in working capital</b>			1,221,736	1,078,415
Change in debtors		36,752	(63,271)	
Change in creditors		307,226	(682,078)	
			<u>343,978</u>	<u>(745,349)</u>
<b>Net cash inflow from operating activities</b>			1,565,714	333,066
<b>Investing Activities</b>				
Acquisition and construction of properties		(1,806,708)	(2,688,824)	
Purchase of other fixed assets		(583,171)	(171,381)	
Social housing grant received		1,049,079	1,281,096	
Proceeds on disposal of housing properties		-	48,831	
			<u>(1,340,800)</u>	<u>(1,530,278)</u>
<b>Net cash outflow from investing activities</b>			(1,340,800)	(1,530,278)
<b>Financing Activities</b>				
Derivative movement		(19,857)	(39,121)	
Loan Advances Received		1,120,000	1,500,000	
Loan redemption payments		(604,664)	-	
Interest received on cash and cash equivalents		739	417	
Interest paid on loans		(364,604)	(406,226)	
Loan principal repayments		(288,404)	(276,016)	
Share capital issued	19	4	5	
			<u>(156,786)</u>	<u>779,059</u>
<b>Net cash (outflow) / inflow from financing activities</b>			(156,786)	779,059
<b>Increase/(decrease) in cash</b>	20		68,128	(418,153)
<b>Opening cash &amp; cash equivalents</b>			830,655	1,248,808
<b>Closing cash &amp; cash equivalents</b>			<u>898,783</u>	<u>830,655</u>
<b>Cash and cash equivalents as at 31 March</b>				
Cash	20		898,694	830,655
			<u>898,694</u>	<u>830,655</u>

The notes on pages 15 to 31 form an integral part of these financial statements.

## RURAL STIRLING HOUSING ASSOCIATION LIMITE

### STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020

	Share Capital	Revenue Reserve	Total
	£	£	£
<b>Balance as at 1 April 2018</b>	272	4,987,519	4,987,791
Issue of Shares	5	-	5
Cancellation of Shares	(20)	-	(20)
Surplus for the year	-	348,248	348,248
<b>Balance as at 31 March 2019</b>	<b>257</b>	<b>5,335,767</b>	<b>5,336,024</b>
<b>Balance as at 1 April 2019</b>	257	5,335,767	5,336,024
Issue of Shares	4	-	4
Cancellation of Shares	(79)	-	(79)
Surplus for the year	-	376,766	376,766
<b>Balance as at 31 March 2020</b>	<b>182</b>	<b>5,712,533</b>	<b>5,712,715</b>

The notes on pages 15 to 31 form an integral part of these financial statements.



# RURAL STIRLING HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACCOUNTING POLICIES

#### Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal accounting policies is set out below.

#### Revenue

Revenue comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

#### Going Concern

On the basis that the Board of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

#### Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

#### Derivative Financial Instrument

The Association uses an interest rate swap to manage its exposure to interest rate movements. The fair value of these contracts is recorded in the Statement of Financial Position and is determined by discounted future cashflow at the prevailing market rates at the Statement of Financial Position date.

The Association's interest rate swap is not designated as a hedging instrument.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Kitchen	Over 18 years
Bathrooms	Over 30 years
Boilers	Over 15 years
Heating Systems	Over 30 years
Windows	Over 40 years
External Doors	Over 30 years
Rewiring	Over 40 years
Roofs	Over 50 years
Structure	Over 50 years
Solar Panels	Over 25 years

##### Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	2%
Furniture & Fittings	10%
Motor Vehicles	25%
Office Equipment	20%

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

##### Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

Although social housing grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

##### Taxation

The Association is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### **Leases**

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives or the term of the lease whichever is shorter.

##### **Works to Existing Properties**

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

##### **Capitalisation Of Development Overheads**

Directly attributable development administration costs relating to ongoing development activities are capitalised.

##### **Borrowing Costs**

Interest and all other borrowing costs are expensed to the statement of comprehensive income using the effective interest rate method.

##### **Property Development Cost**

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

##### **Basis of Consolidation**

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The financial statements for Rural Stirling Housing Association Limited present information about it as an individual undertaking and not about the group.

##### **Financial Instruments - Basic**

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

##### **Cash and Liquid Resources**

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the the Association to exercise judgement in applying the it's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

##### Key Judgements

###### *a) Categorisation of Housing Properties*

In the judgement of the Board of Management the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

###### *b) Identification of cash generating units*

The Board of Management considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

###### *c) Financial instrument break clauses*

The Board of Management has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

###### *d) Advancement of Capital Developments*

The Board of Management has considered that the costs of ongoing capital developments at the year end will be wholly recoverable and the developments will be completed. This is due to the secured funding for some projects and the commitment of local and national government to help fund the other projects to completion. Thus, noting that the costs already incurred are development costs and not abortive costs in relation to these projects.

##### Estimation Uncertainty

###### *a) Rent Arrears - Bad Debt Provision*

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

###### *b) Life Cycle of Components*

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

###### *c) Useful life of properties, plant and equipment*

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

###### *d) Costs of shared ownership*

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	3,531,391	2,858,829	672,562	3,276,467	2,657,728	618,739
Other Activities	4	52,897	906	51,991	92,009	43,447	48,562
<b>Total</b>		<b>3,584,288</b>	<b>2,859,735</b>	<b>724,553</b>	<b>3,368,476</b>	<b>2,701,175</b>	<b>667,301</b>

### 3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared Ownership £	2020 Total £	2019 Total £
<b>Revenue from Lettings</b>				
Rent receivable net of service charges	2,649,092	29,076	2,678,168	2,456,827
Service charges receivable	9,137	-	9,137	9,141
<b>Gross income from rent and service charges</b>	<b>2,658,229</b>	<b>29,076</b>	<b>2,687,305</b>	<b>2,465,968</b>
Less: Rent losses from voids	8,110	-	8,110	11,159
<b>Income from rents and service charges</b>	<b>2,650,119</b>	<b>29,076</b>	<b>2,679,195</b>	<b>2,454,809</b>
Grants released from deferred income	798,217	33,106	831,323	799,375
Revenue grants from Scottish Ministers	20,873	-	20,873	22,283
Other revenue grants	-	-	-	-
<b>Total turnover from affordable letting activities</b>	<b>3,469,209</b>	<b>62,182</b>	<b>3,531,391</b>	<b>3,276,467</b>
<b>Expenditure on affordable letting activities</b>				
Management and maintenance administration costs	1,041,149	25,481	1,066,630	993,472
Service costs	52,564	-	52,564	36,041
Planned and cyclical maintenance, including major repairs	168,084	-	168,084	122,131
Reactive maintenance costs	297,657	-	297,657	271,557
Bad Debts - rents and service charges	(860)	-	(860)	28,966
Depreciation of affordable let properties	1,263,889	10,865	1,274,754	1,205,561
<b>Operating costs of affordable letting activities</b>	<b>2,822,483</b>	<b>36,346</b>	<b>2,858,829</b>	<b>2,657,728</b>
<b>Operating surplus on affordable letting activities</b>	<b>646,726</b>	<b>25,836</b>	<b>672,562</b>	<b>618,739</b>
2019	614,822	3,917		

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2020	Operating surplus / (deficit) 2019
	£	£	£	£	£	£	£	£
Income from subsidiary	-	-	25,481	25,481	-	-	25,481	28,342
Factoring	-	-	3,565	3,565	-	906	2,659	1,169
Agency or management services	-	-	-	-	-	-	-	(1,660)
Administration allowance for Stage 3 grants	-	-	-	-	-	-	-	4,429
Other activities	2,086	-	1,040	3,126	-	-	3,126	960
Solar Panel Tariffs	-	-	20,725	20,725	-	-	20,725	15,342
<b>Total From Other Activities</b>	<b>2,086</b>	<b>-</b>	<b>50,811</b>	<b>52,897</b>	<b>-</b>	<b>906</b>	<b>51,991</b>	<b>48,562</b>
<b>2019</b>	<b>4,429</b>	<b>41,160</b>	<b>46,420</b>	<b>92,009</b>	<b>-</b>	<b>43,447</b>	<b>48,562</b>	

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

<b>5. OFFICERS' EMOLUMENTS</b>		
	2020	2019
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of Management, managers and employees of the Association.		
One Officer of the Association received emoluments greater than £60,000.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	66,091	64,605
Pension contributions made on behalf on Officers with emoluments greater than £60,000	5,824	5,693
Emoluments payable to Chief Executive (excluding pension contributions)	66,091	64,605
Pension contributions paid on behalf of the Chief Executive	5,824	5,693
Total emoluments payable to the Chief Executive	71,915	70,298
Total emoluments paid to key management personnel	145,508	139,185
The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-		
	Number	Number
£60,001 to £70,000	1	1

<b>6. EMPLOYEE INFORMATION</b>		
	2020	2019
	No.	No.
Average monthly number of full time equivalent persons employed during the year	14	12
Average total number of employees employed during the year	16	15
Staff costs were:	£	£
Wages and salaries	525,905	485,399
National insurance costs	49,718	46,812
Pension costs	40,260	40,503
Temporary, agency and seconded staff	40,049	32,170
	655,932	604,884

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 7. GAIN ON SALE OF HOUSING STOCK

	2020	2019
	£	£
Sales proceeds	-	14,754
Cost of sales	-	-
Gain on sale of housing stock	<u>-</u>	<u>14,754</u>

#### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
On bank loans and overdrafts	<u>368,472</u>	<u>363,745</u>

#### 9. SURPLUS FOR THE YEAR

	2020	2019
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,308,728	1,218,794
Auditors' remuneration - audit services	9,120	8,520
(Loss) on sale of other non-current assets	<u>-</u>	<u>14,754</u>

#### 10. OTHER FINANCE INCOME / (CHARGES)

	2020	2019
	£	£
Unwinding of Discounted Liabilities	<u>-</u>	<u>(9,600)</u>



## RURAL STIRLING HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
<b>COST</b>				
At 1 April 2019	54,015,175	1,458,505	631,788	56,105,468
Additions	167,586	1,639,122	-	1,806,708
Disposals	(60,731)	-	-	(60,731)
Transfers	997,458	(997,458)	-	-
At 31 March 2020	<u>55,119,488</u>	<u>2,100,169</u>	<u>631,788</u>	<u>57,851,445</u>
<b>DEPRECIATION</b>				
At 1 April 2019	14,262,279	-	247,732	14,510,011
Charge for Year	1,263,889	-	10,865	1,274,754
Disposals	(60,731)	-	-	(60,731)
At 31 March 2020	<u>15,465,437</u>	<u>-</u>	<u>258,597</u>	<u>15,724,034</u>
<b>NET BOOK VALUE</b>				
At 31 March 2020	<u>39,654,051</u>	<u>2,100,169</u>	<u>373,191</u>	<u>42,127,411</u>
At 31 March 2019	<u>39,752,896</u>	<u>1,458,505</u>	<u>384,056</u>	<u>41,595,457</u>

Expenditure on Existing Properties	2020		2019	
	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	167,586	-	190,290	-
Amounts charged to the statement of comprehensive income	<u>465,741</u>	<u>-</u>	<u>487,438</u>	<u>-</u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £26,059,820 (2019 - £19,318,284)

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Machinery & Equipment £	Total £
<b>COST</b>				
At 1 April 2019	461,258	61,412	11,720	534,390
Additions	521,809	61,362	-	583,171
Eliminated on disposals	-	(17,755)	-	(17,755)
At 31 March 2020	<u>983,067</u>	<u>105,019</u>	<u>11,720</u>	<u>1,099,806</u>
<b>DEPRECIATION</b>				
At 1 April 2019	75,207	44,673	11,720	131,600
Charge for year	19,211	14,763	-	33,974
Eliminated on disposals	-	(17,755)	-	(17,755)
At 31 March 2020	<u>94,418</u>	<u>41,681</u>	<u>11,720</u>	<u>147,819</u>
<b>NET BOOK VALUE</b>				
At 31 March 2020	<u>888,649</u>	<u>63,338</u>	<u>-</u>	<u>951,987</u>
At 31 March 2019	<u>386,051</u>	<u>16,739</u>	<u>-</u>	<u>402,790</u>

#### 12. FIXED ASSET INVESTMENTS

	2020 £	2019 £
Subsidiary undertakings	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

#### Subsidiary Undertakings

The Association has a 100% owned subsidiary named Venachar Limited. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

In the opinion of the Board of Management the aggregate value of assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

During the year, Rural Stirling Housing Association Limited recharged staff costs and overheads to Venachar Limited, amounting to £4,421 (2019 - £9,462) and charged lease rentals totalling £21,060 (2019 - £18,380). At the year end the balance due from Venachar Limited to Rural Stirling Housing Association Limited was £20,652 (2019 - £26,114).

	2020		2019	
	Reserves £	Profit / (Loss) £	Reserves £	Profit / (Loss) £
Venachar Limited	<u>(1,971)</u>	<u>(611)</u>	<u>(1,360)</u>	<u>(3,858)</u>

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 13. RECEIVABLES

	2020	2019
	£	£
Gross arrears of rent and service charges	116,078	133,980
<b>Less:</b> Provision for doubtful debts	<u>(56,613)</u>	<u>(57,600)</u>
<i>Net arrears of rent and service charges</i>	59,465	76,380
Social housing grant receivable	429,460	401,705
Other receivables	63,483	77,858
Amounts due from group undertakings	<u>20,652</u>	<u>26,114</u>
	<u>573,060</u>	<u>582,057</u>

#### 14. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	898,601	830,551
Balances held in deposit accounts	<u>93</u>	<u>104</u>
	<u>898,694</u>	<u>830,655</u>

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans	358,094	245,449
Derivative financial instruments	25,345	39,000
Trade payables	14,180	477
Rent received in advance	119,681	90,718
Other payables	200,385	294,594
Accruals and deferred income	878,912	516,364
	<u>1,596,597</u>	<u>1,186,602</u>

At the balance sheet date there were pension contributions outstanding of £188 (2019 - £5,482)

#### 16. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans	10,336,267	10,221,980
Derivative Financial Instruments	208,000	214,202
	<u>10,544,267</u>	<u>10,436,182</u>

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 17. DEBT ANALYSIS - BORROWINGS

	2020	2019
	£	£
<b>Bank Loans</b>		
Amounts due within one year	358,094	245,449
Amounts due in one year or more but less than two years	368,211	303,018
Amounts due in two years or more but less than five years	748,241	729,001
Amounts due in more than five years	9,219,815	9,189,961
	<u>10,694,361</u>	<u>10,467,429</u>

The Association has a number of bank loans the principal terms of which are as follows:

<i>Lender</i>	<i>Number of Properties Secured</i>	<i>Effective Interest Rate</i>	<i>Maturity (Year) Variable or Fixed</i>
Nationwide BS	4	4.4%	2029 Variable
Nationwide BS	6	3.9%	2027 Variable
Nationwide BS	15	3.9%	2028 Variable
Nationwide BS	9	1.3%	2032 Variable
Nationwide BS	8	3.9%	2028 Variable
Nationwide BS	10	4.1%	2024 Variable
Nationwide BS	8	3.9%	2028 Variable
Nationwide BS	23	1.3%	2034 Variable
Nationwide BS	24	1.2%	2037 Variable
Nationwide BS	20	2.1%	2039 Variable
Bank of Scotland	1	6.3%	2025 Fixed
Bank of Scotland	8	1.4%	2033 Variable
Bank of Scotland	5	1.4%	2033 Variable
Bank of Scotland	13	4.1%	2032 Fixed
Bank of Scotland	29	4.1%	2033 Fixed
Bank of Scotland	45	5.7%	2027 Fixed
Bank of Scotland	111	3.6%	2034 Fixed
Bank of Scotland	35	2.4%	2035 Variable
Royal Bank of Scotland	30	5.4%	2029 Fixed
Royal Bank of Scotland	33	2.3%	2040 Variable
Royal Bank of Scotland	33	6.1%	2040 Fixed
Royal Bank of Scotland	11	2.3%	2040 Variable
Royal Bank of Scotland	18	2.9%	2040 Variable

All the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

In accordance with FRS 102 the Association's bank borrowings are valued using at amortised cost using the effective interest rate method.

#### Derivative financial instruments

Amounts due within one year	25,345	39,000
Amounts due in two years or more but less than five years	208,000	214,202
	<u>233,345</u>	<u>253,202</u>

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 18. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
<b>Capital grants received</b>			
At 1 April 2019	36,645,216	1,495,218	38,140,434
Additions in the year	1,076,834	-	1,076,834
At 31 March 2020	<u>37,722,050</u>	<u>1,495,218</u>	<u>39,217,268</u>
<b>Amortisation</b>			
At 1 April 2019	11,318,418	369,864	11,688,282
Amortisation in year	798,217	33,106	831,323
At 31 March 2020	<u>12,116,635</u>	<u>402,970</u>	<u>12,519,605</u>
<b>Net book value</b>			
At 31 March 2020	<u>25,605,415</u>	<u>1,092,248</u>	<u>26,697,663</u>
At 31 March 2019	<u>25,326,798</u>	<u>1,125,354</u>	<u>26,452,152</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2020 £	2019 £
Amounts due within one year	831,323	799,375
Amounts due in more than one year	26,166,340	25,652,777
	<u>26,997,663</u>	<u>26,452,152</u>

#### 19. SHARE CAPITAL

	2020 £	2019 £
<b>Shares of £1 each, issued and fully paid</b>		
At 1 April	257	272
Issued in year	4	5
Cancelled in year	(79)	(20)
At 31 March	<u>182</u>	<u>257</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 20. CASH FLOWS

##### Reconciliation of net cash flow to movement in net debt

	2020		2019
	£	£	£
Increase / (decrease) in cash	68,039	(418,153)	
Change in liquid resources	-	-	
Cashflow from change in net debt	<u>(226,932)</u>	<u>(1,223,984)</u>	
Movement in net debt during the year		(158,893)	(1,642,137)
Net debt at 1 April		<u>(9,636,774)</u>	<u>(7,994,637)</u>
Net debt at 31 March		<u>(9,795,667)</u>	<u>(9,636,774)</u>

	At 01 April 2019	Cashflows	Other Changes	At 31 March 2020
	£	£	£	£
Cash and cash equivalents	<u>830,655</u>	<u>68,039</u>	<u>-</u>	<u>898,694</u>
	830,655	68,039	-	898,694
Debt: Due within one year	<u>(245,449)</u>	<u>(226,932)</u>	<u>114,287</u>	<u>(358,094)</u>
Due after more than one year	<u>(10,221,980)</u>	<u>-</u>	<u>(114,287)</u>	<u>(10,336,267)</u>
Net debt	<u>(9,636,774)</u>	<u>(158,893)</u>	<u>-</u>	<u>(9,795,667)</u>

#### 21. CAPITAL COMMITMENTS

	2020	2019
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	<u>9,008,406</u>	<u>1,107,977</u>

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

#### 22. COMMITMENTS UNDER OPERATING LEASES

	2020	2019
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	1,581	1,521
Expiring later than one year and not later than five years	<u>3,103</u>	<u>3,732</u>

## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 23. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is Stirling Road, Doune, Perthshire, FK16 6AA.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Stirling.

#### 24. BOARD OF MANAGEMENT MEMBER EMOLUMENTS

Board of Management members received £2,721 (2019 - £2,324) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Management members in respect of their duties to the Association.

#### 25. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Opening fair value of derivative financial instruments	253,202	292,323
Change in fair value of derivative financial instruments	(19,857)	(39,121)
	<u>233,345</u>	<u>253,202</u>

##### *Interest rate risk*

Bank borrowings are in accordance with the Association's Treasury Management policy and interest rate risk is managed by having a suitable balance of variable and fixed rate borrowings. The interest rate swap forms part of that strategy.

#### 26. HOUSING STOCK

	2020	2019
	No.	No.
The number of units of accommodation in management at the year end was:-		
General needs	600	594
Supported housing	13	13
Shared ownership	15	15
	<u>628</u>	<u>622</u>



## RURAL STIRLING HOUSING ASSOCIATION LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 27. RELATED PARTY TRANSACTIONS

Members of the Board of Management are related parties of the Association as defined by Financial Reporting Standard 102.

Any transactions between the Association and any entity with which a Board of Management member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Board of Management members (and their close family) were as follows:

	2020	2019
	£	£
Rent received from tenants on the Board of Management and their close family members	<u>12,765</u>	<u>21,404</u>

At the year end total rent arrears owed by the tenant members on the Board of Management (and their close family) were £0 (2019 - £836).

Members of the Board of Management who are tenants	3	4
Members of the Board of Management who are local authority employees	1	1

#### 28. EVENTS AFTER THE REPORTING DATE

##### Covid-19

At the time of approving the Financial Statements the United Kingdom is impacted by the Coronavirus pandemic. While the Association's strong financial position means that it is well placed to manage the impact on operations, it continues to monitor the position and update its plans accordingly. Like most businesses, however, the virus is likely to have some impact in the forthcoming year.