

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

Development Assumption ☒

Development Assumption Comment

A1.1	Date approved	30/06/2021
A1.2	Approver	Anne Smith
A1.3	Approver job title	Director of Finance and Corporate Services

STATEMENT OF COMPREHENSIVE INCOME						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	6,317.7	6,359.1	6,660.1	6,953.9	7,184.5	7,501.9
Service charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>Gross rents &amp; service charges</b>	6,317.7	6,359.1	6,660.1	6,953.9	7,184.5	7,501.9
Rent loss from voids	76.5	63.5	65.9	68.2	70.3	72.8
<b>Net rent &amp; service charges</b>	6,241.2	6,295.6	6,594.2	6,885.7	7,114.2	7,429.1
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	856.7	865.0	865.0	865.0	865.0	865.0
Grants from Scottish Ministers	261.5	116.0	102.0	104.0	106.1	108.2
Other grants	0.0	0.0	0.0	0.0	0.0	0.0
Other income	16.9	17.0	17.4	17.8	18.3	18.8
<b>TURNOVER</b>	7,376.3	7,293.6	7,578.6	7,872.5	8,103.6	8,421.1
Less:						
Housing depreciation	1,850.3	1,782.3	1,958.6	2,144.0	2,251.1	2,425.5
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	1,663.3	1,856.7	1,863.6	1,918.5	1,960.2	2,054.8
Service costs	135.5	176.1	173.7	178.4	183.3	188.4
Planned maintenance - direct costs	815.9	1,116.0	732.2	796.7	1,032.4	573.7
Re-active & voids maintenance - direct costs	677.1	762.8	826.6	862.2	890.5	929.0
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	(3.9)	158.9	165.7	172.5	178.0	185.3
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	37.7	38.2	39.0	39.8	40.6	41.4
Other costs	0.0	0.0	0.0	0.0	0.0	0.0
	3,325.6	4,108.7	3,800.8	3,968.1	4,285.0	3,972.6
<b>Operating Costs</b>	5,175.9	5,891.0	5,759.4	6,112.1	6,536.1	6,398.1
Gain/(Loss) on disposal of PPE	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	0.0	0.0	0.0	0.0	0.0	0.0
<b>OPERATING SURPLUS/(DEFICIT)</b>	2,200.4	1,402.6	1,819.2	1,760.4	1,567.5	2,023.0
Interest receivable and other income	42.3	11.0	27.2	41.1	40.0	30.5
Interest payable and similar charges	567.9	561.3	563.3	533.9	502.8	468.0
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	107.3	107.0	102.5	98.7	93.3	88.5
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX</b>	1,782.1	959.3	1,385.6	1,366.3	1,198.0	1,674.0
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
<b>SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX</b>	1,782.1	959.3	1,385.6	1,366.3	1,198.0	1,674.0
Actuarial (loss) / gain in respect of pension schemes	(936.0)	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	846.1	959.3	1,385.6	1,366.3	1,198.0	1,674.0

STATEMENT OF FINANCIAL POSITION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Current Assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	83,190.0	84,357.1	91,323.2	94,150.9	96,839.3	102,844.6
Less:						
Housing Depreciation	27,363.6	29,145.9	31,104.5	33,248.3	35,499.6	37,925.1
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET HOUSING ASSETS</b>	<b>55,826.4</b>	<b>55,211.2</b>	<b>60,218.7</b>	<b>60,902.6</b>	<b>61,339.7</b>	<b>64,919.5</b>
Non-Current Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Current Assets	516.0	522.1	500.6	490.0	479.4	476.3
<b>TOTAL NON-CURRENT ASSETS</b>	<b>56,342.4</b>	<b>55,733.3</b>	<b>60,719.3</b>	<b>61,392.6</b>	<b>61,819.1</b>	<b>65,395.8</b>
<b>Current Assets</b>						
Net rental receivables	25.0	25.7	26.4	27.1	27.9	28.6
Other receivables, stock & WIP	934.9	742.8	778.4	813.8	849.6	885.2
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	10,146.2	11,943.0	8,435.1	6,959.5	5,555.8	3,789.2
<b>TOTAL CURRENT ASSETS</b>	<b>11,106.1</b>	<b>12,711.5</b>	<b>9,239.9</b>	<b>7,800.4</b>	<b>6,433.3</b>	<b>4,703.0</b>
<b>Payables : Amounts falling due within One Year</b>						
Loans due within one year	1,288.5	1,499.8	1,499.8	1,499.8	1,499.8	1,499.8
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	977.0	885.0	690.9	700.6	699.0	697.3
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,265.5</b>	<b>2,384.8</b>	<b>2,190.7</b>	<b>2,200.4</b>	<b>2,198.8</b>	<b>2,197.1</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>8,840.6</b>	<b>10,326.7</b>	<b>7,049.2</b>	<b>5,600.0</b>	<b>4,234.5</b>	<b>2,505.9</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>65,183.0</b>	<b>66,060.0</b>	<b>67,768.5</b>	<b>66,992.6</b>	<b>66,053.6</b>	<b>67,901.7</b>
<b>Payables : Amounts falling due After One Year</b>						
Loans due after one year	21,733.7	22,318.1	20,819.6	19,321.1	17,822.4	16,323.9
Other long-term payables	1,175.1	1,068.1	965.6	866.9	773.6	685.1
Grants to be released	31,232.7	30,673.0	32,596.9	32,051.9	31,506.9	33,268.0
<b>TOTAL LONG TERM LIABILITIES</b>	<b>54,141.5</b>	<b>54,059.2</b>	<b>54,382.1</b>	<b>52,239.9</b>	<b>50,102.9</b>	<b>50,277.0</b>
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	761.0	579.0	386.4	386.4	386.4	386.4
<b>NET ASSETS</b>	<b>10,280.5</b>	<b>11,421.8</b>	<b>13,000.0</b>	<b>14,366.3</b>	<b>15,564.3</b>	<b>17,238.3</b>
<b>Capital &amp; Reserves</b>						
Share capital	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	(761.0)	(579.0)	(386.4)	(386.4)	(386.4)	(386.4)
Revenue reserves	11,041.5	12,000.8	13,386.4	14,752.7	15,950.7	17,624.7
<b>TOTAL CAPITAL &amp; RESERVES</b>	<b>10,280.5</b>	<b>11,421.8</b>	<b>13,000.0</b>	<b>14,366.3</b>	<b>15,564.3</b>	<b>17,238.3</b>
Intra Group Receivables - as included above	0.0	0.0	0.0	0.0	0.0	0.0
Intra Group Payables - as included above	0.0	0.0	0.0	0.0	0.0	0.0

STATEMENT OF CASHFLOWS						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net Cash from Operating Activities</b>						
Operating Surplus/(Deficit)	2,200.4	1,402.6	1,819.2	1,760.4	1,567.5	2,023.0
Depreciation & Amortisation	993.6	917.3	1,093.6	1,279.0	1,386.1	1,560.5
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	86.0	(92.0)	(195.0)	9.7	(1.6)	(1.7)
(Increase) / Decrease in Receivables	(357.5)	191.4	(36.3)	(36.1)	(36.6)	(36.3)
(Increase) / Decrease in Stock & WIP	0.0	0.0	0.0	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash adjustments	(1.9)	64.1	43.1	31.7	32.5	70.5
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,920.6</b>	<b>2,483.4</b>	<b>2,724.6</b>	<b>3,044.7</b>	<b>2,947.9</b>	<b>3,616.0</b>
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return on Investment and Servicing of Finance</b>						
Interest Received	42.3	11.0	27.2	41.1	40.0	30.5
Interest (Paid)	(567.9)	(593.1)	(562.0)	(532.6)	(501.5)	(466.7)
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>(525.6)</b>	<b>(582.1)</b>	<b>(534.8)</b>	<b>(491.5)</b>	<b>(461.5)</b>	<b>(436.2)</b>
<b>Capital Expenditure &amp; Financial Investment</b>						
Construction or acquisition of Housing properties	(255.8)	(640.0)	(5,268.1)	(640.0)	(640.0)	(4,990.0)
Improvement of Housing	(721.1)	(527.1)	(1,698.0)	(2,187.7)	(2,048.4)	(1,015.3)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	(50.0)	(84.9)	(20.7)	(21.3)	(21.9)	(67.4)
Sale of Social Housing Properties	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	419.6	320.0	2,788.9	320.0	320.0	2,626.1
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(607.3)</b>	<b>(932.0)</b>	<b>(4,197.9)</b>	<b>(2,529.0)</b>	<b>(2,390.3)</b>	<b>(3,446.6)</b>
<b>NET CASH BEFORE FINANCING</b>	<b>1,787.7</b>	<b>969.3</b>	<b>(2,008.1)</b>	<b>24.2</b>	<b>96.1</b>	<b>(266.8)</b>
<b>Financing</b>						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	0.0	2,159.2	0.0	0.0	0.0	0.0
Debt repayment	(1,021.1)	(1,331.7)	(1,499.8)	(1,499.8)	(1,499.8)	(1,499.8)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET CASH FROM FINANCING</b>	<b>(1,021.1)</b>	<b>827.5</b>	<b>(1,499.8)</b>	<b>(1,499.8)</b>	<b>(1,499.8)</b>	<b>(1,499.8)</b>
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>766.6</b>	<b>1,796.8</b>	<b>(3,507.9)</b>	<b>(1,475.6)</b>	<b>(1,403.7)</b>	<b>(1,766.6)</b>
<b>Cash Balance</b>						
Balance Brought Forward	9,379.6	10,146.2	11,943.0	8,435.1	6,959.5	5,555.8
Increase / (Decrease) in Net Cash	766.6	1,796.8	(3,507.9)	(1,475.6)	(1,403.7)	(1,766.6)
<b>CLOSING BALANCE</b>	<b>10,146.2</b>	<b>11,943.0</b>	<b>8,435.1</b>	<b>6,959.5</b>	<b>5,555.8</b>	<b>3,789.2</b>

ADDITIONAL INFORMATION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Number of units added during year to:</b>						
New Social Rent Properties added	4	8	41	8	8	37
New MMR Properties added	0	0	0	0	0	0
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	0	0	0	0
<b>Total number of new affordable housing units added during year</b>	<b>4</b>	<b>8</b>	<b>41</b>	<b>8</b>	<b>8</b>	<b>37</b>
<b>Number of units lost during year from:</b>						
Sales including right to buy	0	0	0	0	0	0
Demolition	0	0	0	0	0	0
Other	1	0	0	0	0	0
<b>Units owned:</b>						
Social Rent Properties	1,396	1,404	1,445	1,453	1,461	1,498
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	17	17	17	17	17	17
Properties - Other Tenures	0	0	0	0	0	0
<b>Number of units owned at end of period</b>	<b>1,413</b>	<b>1,421</b>	<b>1,462</b>	<b>1,470</b>	<b>1,478</b>	<b>1,515</b>
<b>Number of units managed at end of period (exclude factored units)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financed by:</b>						
Scottish Housing Grants	120.0	320.0	2,788.9	320.0	320.0	2,626.1
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	0.0	0.0	2,159.2	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	157.7	320.0	320.0	320.0	320.0	2,363.9
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total cost of new units</b>	<b>277.7</b>	<b>640.0</b>	<b>5,268.1</b>	<b>640.0</b>	<b>640.0</b>	<b>4,990.0</b>
<b>Assumptions:</b>						
General Inflation (%)	2.0	2.0	2.0	2.0	2.0	2.0
Rent increase - Margin above General Inflation (%)	0.0	0.7	0.7	0.7	0.7	0.7
Operating cost increase - Margin above General Inflation (%)	0.0	0.7	0.7	0.7	0.7	0.7
Direct maint. cost increase - Margin above General Inflation (%)	0.0	0.7	0.7	0.7	0.7	0.7
Actual / Assumed average salary increase (%)	1.6	0.7	0.7	0.7	0.7	0.7
Average cost of borrowing (%)	2.4	2.4	2.4	2.4	2.4	2.4
Employers Contributions for pensions (%)	16.3	16.3	16.3	16.3	16.3	16.3
Employers Contributions for pensions (£'000)	198.9	204.4	210.0	215.8	221.7	227.8
SHAPS Pensions deficit contributions (£'000)	180.7	180.7	186.1	186.1	0.0	0.0
Min. headroom cover on tightest interest cover covenant (£'000)	2,250.0	1,530.0	2,130.0	2,310.0	2,440.0	3,100.0
Minimum headroom cover on tightest gearing covenant (£'000)	15,000.0	15,000.0	19,000.0	21,000.0	24,000.0	28,000.0
Minimum headroom cover on tightest asset cover covenant (£'000)	2,300.0	3,600.0	5,000.0	6,400.0	7,800.0	9,200.0
<b>Total staff costs (including NI &amp; pension costs)</b>	<b>1,366.2</b>	<b>1,403.8</b>	<b>1,442.4</b>	<b>1,482.0</b>	<b>1,522.8</b>	<b>1,564.7</b>
<b>Full time equivalent staff</b>	<b>26.1</b>	<b>27.1</b>	<b>27.1</b>	<b>27.1</b>	<b>27.1</b>	<b>27.1</b>
<b>EESH Revenue Expenditure included above</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>EESH Capital Expenditure included above</b>	<b>454.5</b>	<b>281.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total capital &amp; revenue expenditure on maint. pre-1919 properties</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total capital &amp; revenue expenditure on maint. all other properties</b>	<b>1,916.1</b>	<b>1,878.8</b>	<b>3,292.8</b>	<b>3,846.6</b>	<b>3,971.3</b>	<b>2,518.0</b>

**RATIOS**

<b>Financial capacity</b>	<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Interest cover	521.729%	420.570%	489.644%	579.384%	595.793%	781.337%
Gearing	125.247%	103.967%	106.802%	96.486%	88.449%	81.415%
<b>Efficiency</b>						
Voids	1.211%	0.999%	0.989%	0.981%	0.978%	0.970%
Arrears	0.401%	0.408%	0.400%	0.394%	0.392%	0.385%
Bad debts	(0.062%)	2.524%	2.513%	2.505%	2.502%	2.494%
Staff costs / turnover	18.521%	19.247%	19.033%	18.825%	18.792%	18.581%
Turnover per unit	£5,220	£5,133	£5,184	£5,355	£5,483	£5,558
Responsive repairs to planned maintenance ratio	2.3	2.2	2.9	3.5	3.5	1.7
<b>Liquidity</b>						
Current ratio	4.9	5.3	4.2	3.5	2.9	2.1
<b>Profitability</b>						
Gross surplus / Deficit	29.831%	19.231%	24.004%	22.361%	19.343%	24.023%
Net surplus / Deficit	24.160%	13.153%	18.283%	17.355%	14.784%	19.879%
EBITDA / revenue	45.139%	36.440%	27.443%	21.806%	21.845%	40.769%
<b>Financing</b>						
Debt Burden ratio	3.1	3.3	2.9	2.6	2.4	2.1
Net debt per unit	£9,113	£8,357	£9,497	£9,430	£9,314	£9,264
Debt per unit	£16,293	£16,761	£15,266	£14,164	£13,073	£11,765
<b>Diversification</b>						
Income from non-rental activities	15.388%	13.683%	12.989%	12.535%	12.209%	11.780%

## Comments

Page	Field	Comment
SOCI	Gross rents	Rents from new units added included
SOCI	Grants from Scottish Ministers	Medical adaptations
SOCI	Other income	Factoring, sundry
SOCI	Management costs	Increase in year 1 primarily due to an increase in overheads (overheads low in 20/21 due to covid ) and an extra member of staff in Year 1
SOCI	Bad debts written off/(back)	Arrears reduced in 20/21 resulting in a credit to bad debts. Forecast remains at 2.5% which is very prudent
SOCI	Other activity costs	Factoring costs, repairs recharge write offs
SOCI	Interest payable and similar charges	Year 2 - new loan comes into effect
SOCI	Other Gains / (Losses)	Release of the breakage costs on the £10M loan which are being released to the SOCI over the period of the fix
SOFP	Housing properties - Gross cost or valuation	33 unit development included in Year 2 (although in practice this may be end of Year 1)
SOFP	Housing depreciation	Depreciation increases substantially in Year 2 due to the impact of depreciation on the Elm Grove development
SOFP	Loans due within one year	Increase in year 1 due to new financing which is being sought
SOFP	Loans due after one year	Loans increase in Year 1 as private finance will be secured for the 33 units at Elm Grove
SOFP	Other long-term payables	Breakage costs on the £10M loan which are being released to SOCI over the life of the fix (2032)
SOFP	Restricted reserves	Pension liability at 31/3/21 reducing in line with deficit payments
SOCF	Debt repayment	Increasing in line with new loan for Elm Grove 33 units
Additional Information	New Social Rent Properties added	8 off the shelf purchases assumed per year. Elm Grove +33 units 22/23 and further 29 units development (through partnership with Kingdom) in

Page	Field	Comment
		Year 5
Additional Information	Other	1 shared ownership property purchased by OV 100%, now included in OV social rented properties
Additional Information	Private finance	Private finance has been shown as part of the cost for 22/23 although completion is expected 21/22. This has been done to ensure new units are not accounted for in terms of rental income in 21/22 as it is expected properties will not be let until 22/23
Additional Information	Employers Contributions for pensions (%)	Maximum for those in DB scheme. 10% for those in DC scheme
Additional Information	Full time Equivalent Staff Curr Year	One new member of staff from April 21 (tenant engagement officer)