

Audited Financial Statements (AFS) 2019-2020



Scottish Housing
Regulator

Landlord Name:	Fyne Homes
RSL Reg No.:	321
Report generated date:	14/10/2020 12:33:28

Approval

A1.1	Date approved	16/09/2020
A1.2	Approver	Colin Renfrew
A1.3	Approver job title	Chief Executive

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STATEMENT OF COMPREHENSIVE INCOME



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	Current Year	Prior Year
	£'000	£'000
Turnover	7,516.6	7,338.7
Operating costs	(6,011.3)	(5,845.7)
Gain/(loss) on disposal of property, plant and equipment	(0.5)	(56.4)
Exceptional items	0.0	0.0
Operating surplus/(deficit)	1,504.8	1,436.6
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	16.2	19.8
Interest payable	(716.0)	(734.1)
Other financing (costs)/income	12.4	0.0
Release of negative goodwill	0.0	0.0
Movement in fair value of financial instruments	0.0	0.0
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
Total	(687.4)	(714.3)
Surplus/(deficit) before tax	817.4	722.3
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	817.4	722.3
Actuarial (loss)/gain in respect of pension schemes	1,862.0	(1,136.0)
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	2,679.4	(413.7)

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STATEMENT OF CHANGES IN EQUITY



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	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	0.1	0.0	25,422.1	0.0	0.0
Issue of shares	0.0	0.0	0.0	0.0	0.0
Cancellation of shares	0.0	0.0	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	0.0	0.0	2,679.4	0.0	0.0
Transfer from revaluation reserve to revenue reserve	0.0	0.0	0.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0	0.0	0.0
Balance at end of the year	0.1	0.0	28,101.5	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	25,422.2	0.0	25,422.2
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	2,679.4	0.0	2,679.4
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	28,101.6	0.0	28,101.6

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STATEMENT OF FINANCIAL POSITION



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	Current Year	Prior Year
	£'000	£'000
<u>Non-current assets</u>		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	60,056.9	57,836.4
Negative goodwill	0.0	0.0
Net housing assets	60,056.9	57,836.4
Non-current investments	0.0	0.0
Other plant, property and equipment	407.2	435.9
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	60,464.1	58,272.3
Receivables due after more than one year	180.0	180.0
<u>Current assets</u>		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	1,331.8	1,744.4
Cash and cash equivalents	1,345.8	883.3
Total current assets	2,677.6	2,627.7
Payables: amounts falling due within one year	(2,672.3)	(2,867.7)
<u>Deferred income: amounts falling due within one year</u>		
Scottish housing grants (SHG)	(203.3)	(165.7)
Other grants	0.0	0.0
Total deferred income: amounts falling due within one year	(203.3)	(165.7)
Net current assets/(liabilities)	(198.0)	(405.7)
Total assets less current liabilities	60,446.1	58,046.6
Payables: amounts falling due after more than one year	(19,704.5)	(19,885.0)
Provisions	0.0	0.0
Pension asset/(liability)	(644.0)	(2,560.0)
<u>Deferred income: amounts falling due after more than one year</u>		
Scottish housing grants (SHG)	(11,996.0)	(10,179.4)
Other grants	0.0	0.0
Total deferred income: amounts falling due after more than one year	(11,996.0)	(10,179.4)
Total long term liabilities	(32,344.5)	(32,624.4)
Net assets	28,101.6	25,422.2
<u>Capital and reserves</u>		
Share capital	0.1	0.1
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	28,101.5	25,422.1
Total reserves	28,101.6	25,422.2

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STATEMENT OF CASH FLOWS



**Scottish Housing
Regulator**

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	2,700.8	1,981.0
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(3,642.7)	(4,216.2)
Purchase of other non-current assets	(80.7)	(113.4)
Sales of properties	296.8	50.0
Sales of other non-current assets	0.0	0.0
Capital grants received	1,934.7	1,914.8
Capital grants repaid	0.0	(75.3)
Interest received	16.2	19.8
Net cash inflow/(outflow) from investing activities	(1,475.7)	(2,420.3)
<u>Cash flow from financing activities</u>		
Interest paid	(657.0)	(678.2)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	774.6	500.0
Funding repaid	(880.2)	(849.9)
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	(762.6)	(1,028.1)
Net change in cash and cash equivalents	462.5	(1,467.4)
Cash and cash equivalents at beginning of the year	883.3	2,350.7
Cash and cash equivalents at end of the year	1,345.8	883.3

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

	Turnover £'000	Operating Costs £'000	Operating Surplus/(Deficit) £'000
Affordable letting activities	7,298.5	(5,793.2)	1,505.3
Other activities	218.1	(218.1)	0.0
Total	7,516.6	(6,011.3)	1,505.3

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

	Turnover £'000	Operating Costs £'000	Operating Surplus/(Deficit) £'000
Affordable letting activities			
Other activities			
Total			

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Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities

	General Needs Social Housing £'000	Supported Social Housing Accommodation £'000	Shared Ownership Housing £'000	Other £'000	Current Year Total £'000	Prior Year Total £'000
Rent receivable	6,961.1	119.0	98.4	0.0	7,178.5	6,817.3
Service charges	152.3	4.9	0.0	0.0	157.2	151.0
Gross income	7,113.4	123.9	98.4	0.0	7,335.7	6,968.3
Voids	(123.8)	0.0	0.0	0.0	(123.8)	(126.9)
Net income	6,989.6	123.9	98.4	0.0	7,211.9	6,841.4
Grants released from deferred income	80.4	0.0	0.0	0.0	80.4	165.7
Revenue grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other revenue grants	6.2	0.0	0.0	0.0	6.2	0.0
Total turnover: letting	7,076.2	123.9	98.4	0.0	7,298.5	7,007.1
Management and maintenance administration costs	(2,451.9)	(108.2)	(79.3)	0.0	(2,639.4)	(2,388.4)
Service costs	(194.2)	(4.9)	0.0	0.0	(199.1)	(194.3)
Planned maintenance	(501.2)	0.0	0.0	0.0	(501.2)	(574.3)
Reactive maintenance	(1,068.7)	0.0	0.0	0.0	(1,068.7)	(1,120.5)
Bad debts written (off)/back	(120.1)	0.0	0.0	0.0	(120.1)	(62.1)
Depreciation: housing	(1,234.8)	(10.8)	(19.1)	0.0	(1,264.7)	(1,174.5)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(5,570.9)	(123.9)	(98.4)	0.0	(5,793.2)	(5,514.1)
Operating surplus/(deficit)	1,505.3	0.0	0.0	0.0	1,505.3	1,493.0
Prior year						
Total turnover: letting	6,779.4	120.1	107.6	0.0		
Operating costs	(5,286.4)	(120.1)	(107.6)	0.0		
Operating surplus/(deficit)	1,493.0	0.0	0.0	0.0		

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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	97.3	0.0	0.0	0.0	97.3	(97.3)	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	44.4	44.4	(44.4)	0.0	0.0
Support activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Care activities	62.4	0.0	0.0	0.0	62.4	(62.4)	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	14.0	14.0	(14.0)	0.0	0.0
Developments for sale to RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Developments for sale to non-RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncapitalised development administration costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Year Total	159.7	0.0	0.0	58.4	218.1	(218.1)	0.0	
Prior Year Total	183.3	80.5	0.0	67.8	331.6	(331.6)	0.0	

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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	1531	30	40	0	1601	1613
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	1531	30	40	0	1601	1613

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,602	£3,607	£1,982		£1,649
Planned maintenance	£327	£0	£0		£313
Reactive maintenance	£698	£0	£0		£668
Total direct maintenance	£1,025	£0	£0		£981
Total management & maintenance	£2,627	£3,607	£1,982		£2,629

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					

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SUPPLEMENTARY ITEMS



**Scottish Housing
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	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	90.8	88.5
Total key management personnel emoluments	427.2	469.6
Total staff costs	1,871.5	1,821.7
External auditors' fees – audit	13.6	12.6
External auditors' fees – other	20.6	20.5
Capitalised maintenance costs	1,370.1	952.5
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	7,930.6	5,586.4
Receivables - net rental	183.0	190.0
Total Pension deficit recovery payments due	0.0	0.0
Housing loans due within one year	914.9	894.9
Housing loans due after more than one year	19,484.7	19,884.9
Other loans due within one year	54.9	0.0
Other loans due after more than one year	219.7	0.0
Overdraft / bridging finance	0.0	0.0
Intra-group loans due within one year	464.5	541.1
Intra-group loans due after more than one year	0.0	0.0
Intra-group lending	180.0	180.0
Intra-group receivables (trading)	600.8	545.1
Other intra-group payables (trading)	0.0	0.0

CONTEXTUAL INFORMATION



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CONTEXTUAL INFORMATION	
Accounting year end	March
Date financial statements authorised	16/09/2020
Are the financial statements qualified?	No
Were there any emphasis of matter points raised in the audit report?	No
External auditors' name	Azets
Number of years since a full procurement exercise was undertaken for the external auditor	8
Internal auditors' name	Scott-Moncrieff
Number of years since a full procurement exercise was undertaken for the internal auditor	8
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	<div>Legal action</div> <div>LSVT contract compliance</div> <div>Pension</div> <div>Repayment of SHG</div> <div>Other</div> <div>None</div>
SHAPS financial assessment risk rating	Low
Are you appealing this risk rating?	No
How many staff members not currently contributing to any scheme?	1

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RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	413.5%		404.8%
Gearing	70.4%		57.1%
Efficiency			
Voids	1.7%		0.6%
Arrears	2.5%		2.2%
Bad debts	1.7%		0.7%
Staff costs / turnover	24.9%		20.2%
Key management personnel / staff costs	22.8%		15.9%
Turnover per unit	£4,695		£5,121
Responsive repairs to planned maintenance ratio	1.8		1.8
Liquidity			
Current ratio	0.9		1.8
Profitability			
Gross surplus / (deficit)	20%		19.9%
Net surplus / (deficit)	10.9%		12.6%
EBITDA / revenue	18.6%		30.0%
Financing			
Debt burden ratio	2.8		2.1
Net debt per unit	£12,363		£6,784
Debt per unit	£13,203		£10,311
Diversification			
Income from non-rental activities	4.1%		18.0%

Comments

Page	Field	Comment
SOCI	Actuarial (loss)/gain in respect of pension schemes	amount correct as confirmed with Auditors
SOCE	Surplus/(deficit) from statement of comprehensive income - Non-controlling interest & Totals	correct - variance due to actuarial gain on pensions
SOFP	Receivables due after more than one year	repayments due to start 2021/22
SOFP	Scottish housing grants (SHG)	following recalculation by Auditors
SOCF	Sales of properties	more tranche sales in year
Analysis - Affordable Lettings	Grants released from deferred income	correct following calculation by Auditors
Analysis - Affordable Lettings	Bad debts written (off)/back	increase in provision as agreed with Auditors
Supplementary Items	Capitalised maintenance costs	increase in property improvements in year
Supplementary Items	Accumulated depreciation	additional improvements/completed schemes

