

To: The Management Committee

From: Finance Manager

Subject: Five Year Financial Projections Return 31/05/2025

1. Introduction

1.1 The purpose of this report is to obtain Committee's approval for the submission of the 'Five Year Financial Projections' (FYFP) return to the Scottish Housing Regulator.

2. Background

2.1 Rosehill reviews its business plan on an annual basis. The business plan includes financial projections spanning a 30-year period. These projections are used by Committee when considering decisions that have a financial impact on Rosehill. The 30-year financial projections were last updated and subsequently approved by Committee in March 2025.

2.2 Whilst the 30-year financial projections included within the business plan remain the key documents used by Committee to measure Rosehill's financial viability; the Regulator requires all RSLs to submit financial projections in a standardised format on an annual basis.

2.3 The Regulator considers the financial projections as part of its annual review of the financial health of RSLs and in making decisions on the level of engagement that they have with individual RSLs. They also use the information to identify developing trends, patterns and emerging issues across the sector.

3. Financial information included in the FYFP

3.1 The information included in the return is essentially the same as which was included in the 30-year projections.

3.2 The Year 0 outturn is representative of the most recent management account figures to the 31st of March 2025. There will be some minor adjustments to the management account figures for the Statutory Accounts figures, however, this is allowable by the Scottish Housing regulator in that the Year 0, does not need to reflect the Audited Financial Statements.

3.3 The FYFP attached includes the following information:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cashflows
- Additional information, including the assumptions used.
- Ratios and Trends

4. Risk

4.1 By preparing 30-year projections, we are ensuring that we have internal controls, processes, and financial strength in place to manage and control our finances and operations effectively and have the capacity to conduct our short-, medium- and long-term strategic objectives.

Risk Category	Mitigating Measure
Strategic, Financial, and Operational Management <ul style="list-style-type: none">• Lose control over Expenditure.• Breach of Loan Covenants.• Failure to achieve value for money.• Jeopardise financial viability• Subjection to regulatory intervention• Failure to adequately invest and maintain stock.• Failure to be prepared for net zero standards, should they be obligatory.	<ul style="list-style-type: none">• Robust budgets set with oversight and scrutiny of plans using a near zero base approach.• Sensitivity analysis is conducted to stress test projections and assumptions to understand critical factors of success.• Use of prudent assumptions within projections from professional resources where appropriate.• Mid-year and annual review of 30- year models to inform return.• Supplier and procurement procedures are scrutinised to ensure value for money and shield the Association from detrimental financial impacts the do not go to plan.

5. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
<ul style="list-style-type: none">• FYFP return	<ul style="list-style-type: none">3. Deliver value for money.6. Use of resources efficiently and effectively.7. Achieve the highest standards in all that we do.

6. Application of our Core Values

Area	Related Core Value(s)
<ul style="list-style-type: none">• FYFP return	<ul style="list-style-type: none">1. Engaged and responsive2. Accountable and compliant3. Efficient and responsible4. Excellent and committed

7. Compliance and Assurance

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs	<p>Standard 3 - The RSL manages its resources to ensure its financial wellbeing, while maintaining rents at a level that tenants can afford to pay.</p> <p>Guidance 3.7 – The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.</p>

8. Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none">• FYFP return	<ul style="list-style-type: none">• Standard 3• Guidance 3.7

9. Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

10. Recommendations

- 10.1 Committee is asked to consider and, subject to any changes agreed following discussion at the meeting. Approve the Five Year Financial Projections Return for submission to the Scottish Housing Regulator by the deadline.

Landlord Name:	Rosehill Housing Association Limited
RSL Reg No.:	174
Report generated date:	15/05/2025 15:10:56

Approval

A1.1	Date approved	
A1.2	Approver	
A1.3	Approver job title	
A1.9	General Comment	



STATEMENT OF COMPREHENSIVE INCOME

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	4,925.0	5,172.7	5,494.3	5,669.0	5,849.3	6,035.3
Service charges	7.1	16.0	16.8	17.2	17.5	17.9
Gross rents & service charges	4,932.1	5,188.8	5,511.1	5,686.2	5,866.8	6,053.2
Rent loss from voids	51.3	51.8	36.7	37.9	39.1	40.4
Net rent & service charges	4,880.8	5,137.0	5,474.4	5,648.3	5,827.7	6,012.8
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	86.0	124.3	142.5	164.7	190.9	221.1
Grants from Scottish Ministers	67.4	50.0	52.5	53.6	54.6	55.7
Other grants	0.0	0.0	0.0	0.0	0.0	0.0
Other income	52.7	40.0	42.0	42.8	43.6	44.5
TURNOVER	5,086.8	5,351.3	5,711.4	5,909.3	6,116.9	6,334.1
Less:						
Housing depreciation	1,391.9	1,363.6	1,377.7	1,413.9	1,463.3	1,522.9
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	1,473.9	1,867.1	1,999.2	2,027.7	2,068.6	2,126.2
Service costs	26.6	16.0	16.8	17.2	17.5	17.9
Planned maintenance - direct costs	141.0	247.9	136.5	429.6	193.1	259.0
Re-active & voids maintenance - direct costs	957.7	493.7	389.5	398.1	406.8	424.4
Maintenance overhead costs	257.8	199.5	187.5	199.2	210.5	212.5
Bad debts written off / (back)	15.1	51.8	73.5	75.8	78.2	80.7
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	0.0	0.0	0.0	0.0	0.0	0.0
Other costs	248.5	62.6	64.2	64.9	65.6	66.3
	3,120.6	2,938.7	2,867.2	3,212.5	3,040.4	3,187.0
Operating Costs	4,512.5	4,302.3	4,244.9	4,626.4	4,503.7	4,709.9
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
OPERATING SURPLUS/(DEFICIT)	574.3	1,049.0	1,466.5	1,282.9	1,613.2	1,624.2
Interest receivable and other income	418.5	227.0	147.1	234.8	196.3	145.1
Interest payable and similar charges	70.5	59.6	50.9	393.1	364.1	335.0
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	922.3	1,216.4	1,562.7	1,124.6	1,445.4	1,434.3
Tax on surplus on ordinary activities	42.8	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	879.5	1,216.4	1,562.7	1,124.6	1,445.4	1,434.3
Actuarial (loss) / gain in respect of pension schemes	0.0	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
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	879.5	1,216.4	1,562.7	1,124.6	1,445.4	1,434.3



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	46,507.5	49,348.7	50,721.1	54,563.3	59,779.4	66,045.2
Less:						
Housing Depreciation	13,362.7	14,674.3	16,014.6	17,093.3	17,946.0	18,640.0
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	33,144.8	34,674.4	34,706.5	37,470.0	41,833.4	47,405.2
Non-Current Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Current Assets	378.6	394.0	399.8	406.2	413.4	443.7
TOTAL NON-CURRENT ASSETS	33,523.4	35,068.4	35,106.3	37,876.2	42,246.8	47,848.9
Current Assets						
Net rental receivables	119.0	125.0	131.2	137.8	144.6	151.9
Other receivables, stock & WIP	1,011.7	561.7	514.0	513.1	512.1	539.6
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	13,372.5	13,664.8	15,024.7	24,595.7	20,710.0	15,546.2
TOTAL CURRENT ASSETS	14,503.2	14,351.5	15,669.9	25,246.6	21,366.7	16,237.7
Payables : Amounts falling due within One Year						
Loans due within one year	163.0	169.1	161.1	866.4	866.4	866.4
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	991.1	864.0	864.0	864.0	864.0	864.0
TOTAL CURRENT LIABILITIES	1,154.1	1,033.1	1,025.1	1,730.4	1,730.4	1,730.4
NET CURRENT ASSETS/(LIABILITIES)	13,349.1	13,318.4	14,644.8	23,516.2	19,636.3	14,507.3
TOTAL ASSETS LESS CURRENT LIABILITIES	46,872.5	48,386.8	49,751.1	61,392.4	61,883.1	62,356.2
Payables : Amounts falling due After One Year						
Loans due after one year	1,165.4	996.2	835.2	11,409.1	10,542.6	9,676.2
Other long-term payables	487.0	386.3	290.0	188.9	82.8	0.0
Grants to be released	4,399.2	4,986.9	5,044.4	5,079.7	5,088.8	5,067.8
TOTAL LONG TERM LIABILITIES	6,051.6	6,369.4	6,169.6	16,677.7	15,714.2	14,744.0
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	0.0	0.0	0.0	0.0	0.0	0.0
NET ASSETS	40,820.9	42,017.4	43,581.5	44,714.7	46,168.9	47,612.2
Capital & Reserves						
Share capital	1.0	1.0	1.0	1.0	1.0	1.0
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	40,819.9	42,016.4	43,580.5	44,713.7	46,167.9	47,611.2
TOTAL CAPITAL & RESERVES	40,820.9	42,017.4	43,581.5	44,714.7	46,168.9	47,612.2
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
Net Cash from Operating Activities							
Operating Surplus/(Deficit)		574.3	1,049.0	1,466.5	1,282.9	1,613.2	1,624.2
Depreciation & Amortisation		1,391.9	1,363.6	1,377.7	1,413.9	1,463.3	1,522.9
Impairments / (Revaluation Enhancements)		0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables		(132.1)	77.4	(104.4)	604.3	(106.1)	(111.5)
(Increase) / Decrease in Receivables		(190.6)	(100.0)	41.4	(5.7)	(5.9)	(6.1)
(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		0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM OPERATING ACTIVITIES		1,643.5	2,390.0	2,781.2	3,295.4	2,964.5	3,029.5
Tax (Paid) / Refunded		(42.8)	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance							
Interest Received		418.5	227.0	148.8	243.5	205.0	153.9
Interest (Paid)		(70.5)	(59.6)	(50.9)	(393.1)	(364.1)	(335.0)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		348.0	167.4	97.9	(149.6)	(159.1)	(181.1)
Capital Expenditure & Financial Investment							
Construction or acquisition of Housing properties		0.0	(100.0)	(100.0)	(3,713.4)	(3,713.4)	(3,713.4)
Improvement of Housing		(1,445.0)	(2,939.9)	(1,309.8)	(635.3)	(2,311.3)	(3,632.4)
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		(48.7)	0.0	(148.3)	0.0	0.0	0.0
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		67.4	709.3	200.0	200.0	200.0	200.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(1,426.3)	(2,330.6)	(1,358.1)	(4,148.7)	(5,824.7)	(7,145.8)
NET CASH BEFORE FINANCING		522.4	226.8	1,521.0	(1,002.9)	(3,019.3)	(4,297.4)
Financing							
Equity drawdown		0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown		0.0	0.0	0.0	11,440.3	0.0	0.0
Debt repayment		(183.5)	(169.1)	(161.1)	(866.4)	(866.4)	(866.4)
Working Capital (Cash) - Drawn / (Repaid)		0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING		(183.5)	(169.1)	(161.1)	10,573.9	(866.4)	(866.4)
INCREASE / (DECREASE) IN NET CASH		338.9	57.7	1,359.9	9,571.0	(3,885.7)	(5,163.8)
Cash Balance							
Balance Brought Forward		13,033.7	13,607.1	13,664.8	15,024.7	24,595.7	20,710.0
Increase / (Decrease) in Net Cash		338.9	57.7	1,359.9	9,571.0	(3,885.7)	(5,163.8)
CLOSING BALANCE		13,372.6	13,664.8	15,024.7	24,595.7	20,710.0	15,546.2



ADDITIONAL INFORMATION						
Number of units added during year to:	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
New Social Rent Properties added	0	2	2	17	17	18
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
Transfers in	0	0	0	0	0	0
Total number of new affordable housing units added during year	0	2	2	17	17	18
Units developed for sale:						
Number of units developed for sale to RSLs	0	0	0	0	0	0
Number of units developed for sale to non-RSLs	0	0	0	0	0	0
Development Assumption Indicator	No					
Number of units lost during year from:						
Sales including right to buy	0	0	0	0	0	0
Demolition	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Other	0	0	0	0	0	0
Number of units managed at end of period (exclude factored units)	1,047	1,049	1,051	1,053	1,055	1,101
Units owned:						
Social Rent Properties	1,047	1,049	1,051	1,068	1,085	1,103
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	0	0	0	0	0	0
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	1,047	1,049	1,051	1,068	1,085	1,103
Financed by:						
Scottish Housing Grants	0.0	0.0	0.0	0.0	0.0	0.0
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	0.0	0.0	0.0	3,813.4	3,813.4	3,813.4
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	100.0	100.0	100.0	100.0	100.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total cost of new units	0.0	100.0	100.0	3,913.4	3,913.4	3,913.4
Development cost per unit	0.0	50.0	50.0	230.2	230.2	217.4
Assumptions:						
General Inflation (%)	5.0	5.0	5.0	2.0	2.0	2.0
Rent increase - Margin above/below General Inflation (%)	0.0	1.0	1.0	1.0	1.0	1.0
Operating cost increase - Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint cost increase-Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Actual / Assumed average salary increase (%)	5.0	4.0	4.0	2.0	2.0	2.0
Average cost of borrowing (%)	5.9	5.5	3.3	3.3	3.3	3.3
Employers Contributions for pensions (%)	18.0	18.0	18.0	18.0	18.0	18.0
Employers Contributions for pensions (£'000)	87.7	104.0	108.2	110.3	112.5	114.8
SHAPS Pensions deficit contributions (£'000)	0.0	0.0	0.0	0.0	0.0	0.0



Min. headroom cover on tightest interest cover covenant (£'000)	621.9	983.5	1,410.4	850.4	1,212.7	1,255.8
Minimum headroom cover on tightest gearing covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Minimum headroom cover on tightest asset cover covenant (£'000)	6,498.8	6,434.0	6,635.0	4,920.0	6,000.0	7,085.0
Total staff costs (including NI & pension costs) (£'000)	1,090.6	1,146.6	1,192.4	1,216.3	1,240.6	1,265.4
Full time equivalent staff	20.0	21.0	21.0	21.0	21.0	21.0
ESSH Revenue Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
ESSH Capital Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Total capital & revenue expend on maint pre-1919 properties	0.0	0.0	0.0	0.0	0.0	0.0
Total capital & revenue expend on maint all other properties (£'000)	2,823.4	3,036.9	1,181.2	4,262.2	1,881.5	3,235.0

Estimated decarbonisation cost indicator	Yes	
Estimated decarbonisation cost (£'000)	16,000,000	

TRENDS & COMPARATORS

RATIOS	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	National Median
	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	
Financial capacity									
Interest cover	8,205.4%	2,425.4%	2,924.823%	4,390.940%	5,756.385%	900.254%	870.503%	950.269%	307.9%
Gearing	(28.1%)	(28.8%)	(29.505%)	(29.748%)	(32.189%)	(27.553%)	(20.146%)	(10.509%)	43.1%
Efficiency									
Voids	1.0%	1.7%	1.041%	0.998%	0.667%	0.667%	0.667%	0.667%	0.7%
Arrears	1.5%	1.8%	2.438%	2.433%	2.397%	2.440%	2.481%	2.526%	1.9%
Bad debts	(0.2%)	0.3%	0.309%	1.008%	1.342%	1.342%	1.342%	1.342%	0.5%
Staff costs / turnover	19.2%	20.7%	21.440%	21.427%	20.878%	20.583%	20.282%	19.978%	20.4%
Turnover per unit	£4,286	£6,743	£4,858	£5,101	£5,434	£5,533	£5,638	£5,743	£5,846
Responsive repairs to planned maintenance	3.5	1.8	1.7	6.5	3.7	2.7	6.2	9.2	1.6
Liquidity									
Current ratio	10.6	10.7	12.6	13.9	15.3	14.6	12.3	9.4	1.7
Profitability									
Gross surplus / (deficit)	30.1%	14.5%	11.290%	19.603%	25.677%	21.710%	26.373%	25.642%	15.6%
Net surplus / (deficit)	30.0%	17.6%	17.290%	22.731%	27.361%	19.031%	23.630%	22.644%	9.0%
EBITDA / revenue	14.1%	13.9%	10.246%	(9.853%)	26.865%	34.886%	12.510%	(7.662%)	24.9%
Financing									
Debt Burden	0.4	0.2	0.3	0.2	0.2	2.1	1.9	1.7	1.6
Net debt per unit	(£10,606)	(£11,045)	(£11,503)	(£11,916)	(£13,348)	(£11,536)	(£8,572)	(£4,536)	£6,680
Debt per unit	£1,579	£1,304	£1,269	£1,111	£948	£11,494	£10,515	£9,558	£9,524
Diversification									
Income from non-rental activities	3.7%	4.5%	4.050%	4.005%	4.150%	4.417%	4.728%	5.073%	17.6%
INDICATORS									
Turnover	4,452.7	7,060.4	5,086.8	5,351.3	5,711.4	5,909.3	6,116.9	6,334.1	
Operating costs	2,133.9	4,084.4	3,120.6	2,938.7	2,867.2	3,212.5	3,040.4	3,187.0	
Net housing assets	32,212.6	33,060.5	33,144.8	34,674.4	34,706.5	37,470.0	41,833.4	47,405.2	
Cash & current investments	12,659.5	12,929.4	13,372.5	13,664.8	15,024.7	24,595.7	20,710.0	15,546.2	
Debt	1,640.3	1,365.0	1,328.4	1,165.3	996.3	12,275.5	11,409.0	10,542.6	
Net assets / capital & reserves	39,268.8	40,096.8	40,820.9	42,017.4	43,581.5	44,714.7	46,168.9	47,612.2	

Comments

Page	Field	Comment
SOFP	Housing depreciation	Housing depreciation shown here, whilst depreciation on other non current assets shown accumulatively in the PL.
SOCF	Increase / (Decrease) in Payables	Movement is correct.
SOCF	(Increase) / Decrease in Receivables	Movement is correct.
SOCF	Debt repayment	two facilities are paid in full year 1. Loans are all variable and saving made in base rate reduction from year zero.
SOCF	Balance Brought Forward	Balance brought forward
SOCF	Increase / (Decrease) in Net Cash	Due to opening balance adjustment
Additional Information	'Total cost of new units' / 'Total number of new affordable housing units added during year'	Revision to development plans increased unit numbers (6). Provided for additional two units per year off shelf (10).
Additional Information	Development Assumption	Land aquired and feasibility being investigated
Additional Information	Scottish Housing Grants	Expect to receive but no gaurantee so not included yet.
Additional Information	Other public subsidy	Grant on construction not forecast, although will be sought once plans are finalised. Grants received relate to refurb programme through GCC
Additional Information	Private finance	Finance drawn in Year 3, Construction programme likely to be phased and reflects this.
Additional Information	Development cost per unit	Provision for off shelf acquisitions
Additional Information	Rent increase - Margin above General Inflation (%)	Margin correct
Additional Information	Minimum headroom cover on tightest gearing covenant (£'000)	No gearing covenant

Page	Field	Comment
Additional Information	Full time Equivalent Staff Current Year	Additional staff member, NI increases, and pension assumes all staff will enter at the highest contribution rate.
Additional Information	Estimated decarbonisation cost	Provisional only and not full funding. This is to test what is possible with current resources. Expectation of Grant funding, but not included in assumptions.