

Landlord Name:	Hillcrest Homes (Scotland) Limited
RSL Reg No.:	125
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**Approval**

A1.1	Date approved	30/05/2025
A1.2	Approver	Mark Percival
A1.3	Approver job title	Director of Finance and Property
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	46,386.1	51,046.4	53,738.5	55,838.7	59,120.9	62,342.0
Service charges	2,048.5	2,123.7	2,221.4	2,318.0	2,417.6	2,521.8
<b>Gross rents &amp; service charges</b>	<b>48,434.6</b>	<b>53,170.1</b>	<b>55,959.9</b>	<b>58,156.7</b>	<b>61,538.5</b>	<b>64,863.8</b>
Rent loss from voids	1,072.1	1,020.2	974.7	1,109.7	1,157.3	1,207.1
<b>Net rent &amp; service charges</b>	<b>47,362.5</b>	<b>52,149.9</b>	<b>54,985.2</b>	<b>57,047.0</b>	<b>60,381.2</b>	<b>63,656.7</b>
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	4,549.8	4,708.6	4,712.7	4,781.2	4,828.2	5,081.2
Grants from Scottish Ministers	1,500.6	1,595.6	1,633.9	1,669.3	1,705.4	1,746.8
Other grants	113.1	400.0	412.0	424.4	432.8	441.5
Other income	5,122.3	3,977.8	4,075.8	4,195.5	4,352.0	4,561.3
<b>TURNOVER</b>	<b>58,648.3</b>	<b>62,831.9</b>	<b>65,819.6</b>	<b>68,117.4</b>	<b>71,699.6</b>	<b>75,487.5</b>
Less:						
Housing depreciation	11,111.4	11,646.0	11,916.5	12,336.8	12,943.3	13,793.9
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	10,349.4	11,566.9	11,830.7	12,317.2	12,803.8	13,305.0
Service costs	4,518.8	5,426.5	5,502.6	5,753.7	5,959.2	6,173.7
Planned maintenance - direct costs	3,214.7	3,229.5	3,023.2	3,139.6	3,518.5	4,147.0
Re-active & voids maintenance - direct costs	8,676.1	8,776.9	9,040.2	9,540.9	9,921.7	10,317.7
Maintenance overhead costs	516.8	1,312.9	1,206.5	1,238.5	1,274.2	1,311.1
Bad debts written off / (back)	194.0	420.4	442.6	460.0	486.9	513.4
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	1,686.1	1,697.7	1,726.5	1,774.8	1,825.0	1,876.7
Other costs	5,435.1	5,693.1	5,916.7	6,137.8	6,135.8	6,072.1
	34,591.0	38,123.9	38,689.0	40,362.5	41,925.1	43,716.7
<b>Operating Costs</b>	<b>45,702.4</b>	<b>49,769.9</b>	<b>50,605.5</b>	<b>52,699.3</b>	<b>54,868.4</b>	<b>57,510.6</b>
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>	<b>12,945.9</b>	<b>13,062.0</b>	<b>15,214.1</b>	<b>15,418.1</b>	<b>16,831.2</b>	<b>17,976.9</b>
Interest receivable and other income	100.0	78.9	67.5	67.5	67.5	67.5
Interest payable and similar charges	11,216.4	11,925.9	12,791.0	13,027.5	15,134.0	16,053.0
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
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX</b>	<b>1,829.5</b>	<b>1,215.0</b>	<b>2,490.6</b>	<b>2,458.1</b>	<b>1,764.7</b>	<b>1,991.4</b>
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>	<b>1,829.5</b>	<b>1,215.0</b>	<b>2,490.6</b>	<b>2,458.1</b>	<b>1,764.7</b>	<b>1,991.4</b>
Actuarial (loss) / gain in respect of pension schemes	305.6	100.0	100.0	100.0	100.0	100.0
Change in Fair Value of hedged financial instruments.	190.0	100.0	100.0	100.0	100.0	100.0
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,325.1</b>	<b>1,415.0</b>	<b>2,690.6</b>	<b>2,658.1</b>	<b>1,964.7</b>	<b>2,191.4</b>

STATEMENT OF FINANCIAL POSITION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-Current Assets</b>						
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	876,699.6	941,308.9	971,434.4	987,370.1	1,040,366.4	1,094,375.9
Less:						
Housing Depreciation	130,914.9	142,560.9	154,477.4	166,814.2	179,757.5	193,551.4
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET HOUSING ASSETS</b>	<b>745,784.7</b>	<b>798,748.0</b>	<b>816,957.0</b>	<b>820,555.9</b>	<b>860,608.9</b>	<b>900,824.5</b>
Non-Current Investments	2,833.4	2,833.4	2,833.4	2,833.4	2,833.4	2,833.4
Other Non Current Assets	10,680.3	11,115.4	11,337.8	11,564.5	11,795.8	12,031.7
<b>TOTAL NON-CURRENT ASSETS</b>	<b>759,298.4</b>	<b>812,696.8</b>	<b>831,128.2</b>	<b>834,953.8</b>	<b>875,238.1</b>	<b>915,689.6</b>
<b>Current Assets</b>						
Net rental receivables	1,603.7	1,651.9	1,701.4	1,752.5	1,805.0	1,859.2
Other receivables, stock & WIP	8,749.7	12,869.5	13,400.8	13,953.9	14,529.6	15,128.8
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	6,843.0	3,000.1	3,000.3	3,000.2	2,999.8	2,999.8
<b>TOTAL CURRENT ASSETS</b>	<b>17,196.4</b>	<b>17,521.5</b>	<b>18,102.5</b>	<b>18,706.6</b>	<b>19,334.4</b>	<b>19,987.8</b>
<b>Payables : Amounts falling due within One Year</b>						
Loans due within one year	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	20,984.5	21,827.9	22,761.1	23,731.5	24,740.8	25,790.4
<b>TOTAL CURRENT LIABILITIES</b>	<b>22,484.5</b>	<b>23,327.9</b>	<b>24,261.1</b>	<b>25,231.5</b>	<b>26,240.8</b>	<b>27,290.4</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>(5,288.1)</b>	<b>(5,806.4)</b>	<b>(6,158.6)</b>	<b>(6,524.9)</b>	<b>(6,906.4)</b>	<b>(7,302.6)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>754,010.3</b>	<b>806,890.4</b>	<b>824,969.6</b>	<b>828,428.9</b>	<b>868,331.7</b>	<b>908,387.0</b>
<b>Payables : Amounts falling due After One Year</b>						
Loans due after one year	279,891.1	306,273.3	320,548.0	322,261.1	342,618.8	362,900.9
Other long-term payables	243.7	441.6	450.5	459.5	468.7	478.1
Grants to be released	388,053.0	414,412.9	415,654.4	414,869.4	432,574.6	450,279.7
<b>TOTAL LONG TERM LIABILITIES</b>	<b>668,187.8</b>	<b>721,127.8</b>	<b>736,652.9</b>	<b>737,590.0</b>	<b>775,662.1</b>	<b>813,658.7</b>
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	2,955.0	3,170.8	3,234.2	3,298.9	3,364.8	3,432.1
<b>NET ASSETS</b>	<b>82,867.5</b>	<b>82,591.8</b>	<b>85,082.5</b>	<b>87,540.0</b>	<b>89,304.8</b>	<b>91,296.2</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	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	82,867.5	82,591.8	85,082.5	87,540.0	89,304.8	91,296.2
<b>TOTAL CAPITAL &amp; RESERVES</b>	<b>82,867.5</b>	<b>82,591.8</b>	<b>85,082.5</b>	<b>87,540.0</b>	<b>89,304.8</b>	<b>91,296.2</b>
Intra Group Receivables - as included above	648.2	648.2	648.2	648.2	648.2	648.2
Intra Group Payables - as included above	899.2	899.2	899.2	899.2	899.2	899.2

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)	12,945.9	13,062.0	15,214.1	15,418.1	16,831.2	17,976.9
Depreciation & Amortisation	6,561.6	6,937.4	7,203.8	7,555.5	8,115.2	8,712.7
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	81.8	4,168.0	580.9	604.1	628.3	653.4
(Increase) / Decrease in Receivables	(176.8)	(843.4)	(933.1)	(970.4)	(1,009.3)	(1,049.6)
(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
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>19,412.5</b>	<b>23,324.0</b>	<b>22,065.7</b>	<b>22,607.3</b>	<b>24,565.4</b>	<b>26,293.4</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	100.0	78.9	67.5	67.5	67.5	67.5
Interest (Paid)	(11,216.4)	(11,925.9)	(12,791.0)	(13,027.5)	(15,134.0)	(16,053.0)
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>(11,116.4)</b>	<b>(11,847.0)</b>	<b>(12,723.5)</b>	<b>(12,960.0)</b>	<b>(15,066.5)</b>	<b>(15,985.5)</b>
<b>Capital Expenditure &amp; Financial Investment</b>						
Construction or acquisition of Housing properties	(35,202.8)	(33,516.2)	(24,627.8)	(9,851.0)	(45,392.4)	(46,262.4)
Improvement of Housing	(2,558.0)	(7,659.9)	(5,497.7)	(6,084.8)	(7,603.9)	(7,747.1)
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	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Social Housing Properties	698.1	325.0	340.9	351.2	361.7	372.5
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	14,296.8	365.7	6,168.0	4,224.3	22,777.5	23,047.1
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(22,765.9)</b>	<b>(40,485.4)</b>	<b>(23,616.6)</b>	<b>(11,360.3)</b>	<b>(29,857.1)</b>	<b>(30,589.9)</b>
<b>NET CASH BEFORE FINANCING</b>	<b>(14,469.8)</b>	<b>(29,008.4)</b>	<b>(14,274.4)</b>	<b>(1,713.0)</b>	<b>(20,358.2)</b>	<b>(20,282.0)</b>
<b>Financing</b>						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	25,000.0	26,640.5	21,749.6	9,187.9	42,957.8	21,932.0
Debt repayment	(8,475.0)	(1,475.0)	(7,475.0)	(7,475.0)	(22,600.0)	(1,650.0)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET CASH FROM FINANCING</b>	<b>16,525.0</b>	<b>25,165.5</b>	<b>14,274.6</b>	<b>1,712.9</b>	<b>20,357.8</b>	<b>20,282.0</b>
<b>INCREASE / (DECREASE) IN NET CASH</b>	<b>2,055.2</b>	<b>(3,842.9)</b>	<b>0.2</b>	<b>(0.1)</b>	<b>(0.4)</b>	<b>0.0</b>
<b>Cash Balance</b>						
Balance Brought Forward	4,787.8	6,843.0	3,000.1	3,000.3	3,000.2	2,999.8
Increase / (Decrease) in Net Cash	2,055.2	(3,842.9)	0.2	(0.1)	(0.4)	0.0
<b>CLOSING BALANCE</b>	<b>6,843.0</b>	<b>3,000.1</b>	<b>3,000.3</b>	<b>3,000.2</b>	<b>2,999.8</b>	<b>2,999.8</b>

<b>ADDITIONAL INFORMATION</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>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Number of units added during year to:</b>						
New Social Rent Properties added	212	251	0	210	175	175
New MMR Properties added	111	0	0	35	75	75
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
<b>Total number of new affordable housing units added during year</b>	<b>323</b>	<b>251</b>	<b>0</b>	<b>245</b>	<b>250</b>	<b>250</b>
<b>Units developed for sale:</b>						
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	Yes					
<b>Number of units lost during year from:</b>						
Sales including right to buy	31	10	10	10	10	10
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)	9,229	9,470	9,460	9,695	9,935	10,175
<b>Units owned:</b>						
Social Rent Properties	7,615	7,856	7,846	8,046	8,211	8,376
MMR Properties	1,416	1,416	1,416	1,451	1,526	1,601
Low Costs Home Ownership Properties	198	198	198	198	198	198
Properties - Other Tenures	0	0	0	0	0	0
<b>Number of units owned at end of period</b>	<b>9,229</b>	<b>9,470</b>	<b>9,460</b>	<b>9,695</b>	<b>9,935</b>	<b>10,175</b>
<b>Financed by:</b>						
Scottish Housing Grants	21,000.0	21,000.0	0.0	21,746.3	22,633.9	23,086.6
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	30,680.0	19,160.0	0.0	19,840.9	20,650.8	21,063.8
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total cost of new units</b>	<b>51,680.0</b>	<b>40,160.0</b>	<b>0.0</b>	<b>41,587.2</b>	<b>43,284.7</b>	<b>44,150.4</b>
<b>Development cost per unit</b>	<b>160.0</b>	<b>160.0</b>	<b>0.0</b>	<b>169.7</b>	<b>173.1</b>	<b>176.6</b>
<b>Assumptions:</b>						
General Inflation (%)	4.0	2.4	2.2	2.0	2.0	2.0
Rent increase - Margin above/below General Inflation (%)	3.7	2.5	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 (%)	(1.0)	1.7	0.7	1.0	0.0	0.0
Actual / Assumed average salary increase (%)	4.0	2.6	2.2	2.0	2.0	2.0
Average cost of borrowing (%)	4.9	4.7	4.7	4.7	5.2	5.2
Employers Contributions for pensions (%)	8.5	8.5	8.5	8.5	8.5	8.5
Employers Contributions for pensions (£'000)	523.0	540.8	550.8	562.6	573.8	585.3
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)	687.6	662.6	685.3	837.5	329.1	684.9
Minimum headroom cover on tightest gearing covenant (£'000)	135,879.1	140,804.3	154,001.1	157,865.3	161,591.6	165,773.7
Minimum headroom cover on tightest asset cover covenant (£'000)	14,318.8	14,318.8	14,318.8	14,318.8	14,318.8	14,318.8
Total staff costs (including NI & pension costs) (£'000)	10,349.4	11,566.9	11,830.7	12,317.2	12,803.8	13,305.0
Full time equivalent staff	232.5	238.3	238.3	243.1	247.9	252.9
EESH Revenue Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
EESH Capital Expenditure included above (£'000)	24.0	24.0	24.0	24.0	24.0	24.0
Total capital & revenue expend on maint pre-1919 properties	3,133.9	3,927.0	3,605.7	3,827.7	4,205.0	4,417.2
Total capital & revenue expend on maint all other properties (£'000)	17,758.9	22,253.1	20,432.2	21,690.5	23,828.5	25,030.6

Estimated decarbonisation cost indicator	Yes
Estimated decarbonisation cost (£'000)	1,815.7

**TRENDS & COMPARATORS**

<b>RATIOS</b>	<b>Year -2</b>	<b>Year -1</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>	<b>National Median</b>
	<b>Actual</b>	<b>Actual</b>	<b>Outturn</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	
<b>Financial capacity</b>									
Interest cover	195.7%	170.6%	173.964%	196.236%	173.037%	174.053%	162.765%	164.212%	307.9%
Gearing	289.3%	323.4%	331.310%	369.011%	374.986%	366.416%	381.972%	395.856%	43.1%
<b>Efficiency</b>									
Voids	2.6%	2.1%	2.214%	1.919%	1.742%	1.908%	1.881%	1.861%	0.7%
Arrears	3.7%	3.7%	3.386%	3.168%	3.094%	3.072%	2.989%	2.921%	1.9%
Bad debts	0.2%	0.6%	0.410%	0.806%	0.805%	0.806%	0.806%	0.807%	0.5%
Staff costs / turnover	20.1%	19.0%	17.647%	18.409%	17.974%	18.082%	17.858%	17.625%	20.4%
Turnover per unit	£5,397	£5,724	£6,355	£6,635	£6,958	£7,026	£7,217	£7,419	£5,846
Responsive repairs to planned maintenance	1.1	1.2	0.7	1.2	0.9	1.0	1.1	1.2	1.6
<b>Liquidity</b>									
Current ratio	0.5	0.5	0.8	0.8	0.7	0.7	0.7	0.7	1.7
<b>Profitability</b>									
Gross surplus / (deficit)	17.8%	20.4%	22.074%	20.789%	23.115%	22.635%	23.475%	23.814%	15.6%
Net surplus / (deficit)	7.3%	1.9%	3.119%	1.934%	3.784%	3.609%	2.461%	2.638%	9.0%
EBITDA / revenue	29.8%	29.2%	36.658%	27.133%	32.867%	31.813%	30.922%	31.825%	24.9%
<b>Financing</b>									
Debt Burden	5.1	5.1	4.8	4.9	4.9	4.8	4.8	4.8	1.6
Net debt per unit	£26,758	£28,737	£29,748	£32,183	£33,726	£33,085	£34,335	£35,519	£6,680
Debt per unit	£27,536	£29,265	£30,490	£32,500	£34,043	£33,395	£34,637	£35,813	£9,524
<b>Diversification</b>									
Income from non-rental activities	17.2%	17.3%	19.243%	17.001%	16.461%	16.252%	15.786%	15.673%	17.6%
<b>INDICATORS</b>									
Turnover	47,405.1	51,878.4	58,648.3	62,831.9	65,819.6	68,117.4	71,699.6	75,487.5	
Operating costs	29,334.0	31,744.4	34,591.0	38,123.9	38,689.0	40,362.5	41,925.1	43,716.7	
Net housing assets	683,123.3	718,055.2	745,784.7	798,748.0	816,957.0	820,555.9	860,608.9	900,824.5	
Cash & current investments	6,834.2	4,787.8	6,843.0	3,000.1	3,000.3	3,000.2	2,999.8	2,999.8	
Debt	241,386.9	264,800.0	281,391.1	307,773.3	322,048.0	323,761.1	344,118.8	364,400.9	
Net assets / capital & reserves	81,248.3	80,542.6	82,867.5	82,591.8	85,082.5	87,540.0	89,304.8	91,296.2	

## Comments

Page	Field	Comment
SOCF	Increase / (Decrease) in Payables	Total Current Liabilities in Year 1 in line with Year 0 and future years, difference due to timing
SOCF	(Increase) / Decrease in Receivables	Total Current Assets in Year 1 in line with Year 0 and future years, difference due to timing
Additional Information	'Total cost of new units' / 'Total number of new affordable housing units added during year'	Increasing in Housing Units in line with Development Programme
Additional Information	Other public subsidy	Difference is due to the timing of developments
Additional Information	Private finance	Difference is due to the timing of developments
Additional Information	Full time Equivalent Staff Curr Year	Additional staff required to support increase in housing stock
Additional Information	Estimated decarbonisation cost	£1,814.7k from Year 1 to Year 5 £220.0k Year 0 cost