

## Abbeyfield Scotland Ltd

### Regulatory Status:

We have not included a regulatory status in this box. After we receive the first annual Assurance Statements in October 2019 from all landlords and complete our annual risk assessment we will give landlords a regulatory status in line with our Regulatory Framework.

### Why we are engaging with Abbeyfield Scotland Ltd (Abbeyfield Scotland)

We are engaging with Abbeyfield Scotland about its **governance** and **financial health**.

Abbeyfield Scotland has revised its business model and established a new subsidiary Crandeen to provide private renting and out-reach services in Aberdeen City and Aberdeenshire. We need to engage with Abbeyfield Scotland about its governance arrangements for the group and about the financial implications of the business model. Abbeyfield Scotland has commissioned an independent assessment of its future strategic options and we need to engage with Abbeyfield Scotland in this period of change to get assurance about its governance, financial health and future strategic direction.

### What Abbeyfield Scotland must do

Abbeyfield Scotland must send us:

- the strategic options appraisal as soon as this is available;
- by 31 January 2020:
  - its approved business plan and updated risk register;
  - 30 year financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
  - a comparison of projected financial loan covenants against current covenant requirements;
  - financial sensitivity analysis which considers the key risks and compares the resulting covenants with the actual current covenant requirements; risk mitigation strategies for each of the key risks considered should also be provided;
  - report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance; and
  - evidence of how it demonstrates affordability for its tenants.
- for Crandeen by 31 January 2020:
  - the approved business plan;

- the financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
- financial sensitivity analysis which considers the key risks and compares the resulting covenants with the actual current covenant requirements (where applicable) including risk mitigation strategies; and
- reports to the Board of Crandeen Ltd and Abbeyfield Scotland in respect of the approved financial projections and sensitivity analysis;
- for Crandeen by 31 July 2019 and quarterly thereafter quarterly management accounts including end of year projections.

## What we will do

We will:

- review the strategic options appraisal and meet with Abbeyfield Scotland to discuss;
- review the business plan and financial projections;
- provide feedback during quarter four 2019/20 on the business plan and financial projections; and
- review the management accounts for Crandeen Ltd and follow up on any issues.

## Regulatory returns

Abbeyfield Scotland must provide us with the following annual regulatory returns and alert us to notifiable events as appropriate:

- Annual Assurance Statement;
- audited financial statements and external auditor's management letter;
- loan portfolio return;
- five year financial projections;
- Annual Return on the Charter; and
- the return on the Energy Efficiency Standard for Social Housing.



[Read more about Abbeyfield Scotland>](#)

### Our lead officer for Abbeyfield Scotland Ltd is:

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