

**SANCTUARY SCOTLAND HOUSING ASSOCIATION LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

<b>Scottish Registered Charity:</b>	<b>SC024549</b>
<b>Scottish Housing Regulator:</b>	<b>HEP302</b>
<b>Industrial and Provident Society Number:</b>	<b>2508RS</b>

**Annual Report and Financial Statements for the year ended 31 March 2014**

<b>Contents</b>	<b>Page</b>
Committee of Management and Advisors	2
The Committee of Management's Report	3
Independent Auditors' Report to the Members of Sanctuary Scotland Housing Association Limited	10
Income and Expenditure Account	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Financial Statements	15

**Sanctuary Scotland Housing Association Limited**

---

**Committee of Management and advisors**

**Members of the Committee of Management**

Mr J Holcombe (Chairperson)  
Mr J Payne (Vice Chairperson)  
Mr I Blackwood  
Mr J Coleman  
Mrs S Hunter (Community Member)  
Mrs M Miller  
Mrs S Moradi (Community Member)  
Mrs C Vine

**Corporate members**

Sanctuary Housing Association  
Spiral (Number 2) Housing Association Limited

**Secretary**

Craig Moule

**Independent registered auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

**Internal auditors**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

**Bankers**

Bank of Scotland plc	Barclays Bank plc
Bank of Scotland Commercial	Barclays Corporate
New Uberior House	Social Housing Team
11 Earl Grey Street	Level 27
Edinburgh	1 Churchill Place
EH3 9BN	London
	E14 5HP

**Legal advisors**

TC Young  
7 West George Street  
Glasgow  
G2 1AB

**Registered address**

Sanctuary House  
7 Freeland Drive  
Glasgow  
G53 6PG

**Scottish registered charity number**

SC024549

## Sanctuary Scotland Housing Association Limited

### The Committee of Management's report

The Committee of Management (the Committee) presents its Annual Report and the audited financial statements for the year ended 31 March 2014.

### Principal activity

Sanctuary Scotland Housing Association Limited (the Association) was registered under the Industrial and Provident Societies Act 1965 for the purpose of developing, managing and maintaining housing for people in housing need.

The Association is registered with the Scottish Housing Regulator, number HEP302.

The Association's ultimate parent undertaking is Sanctuary Housing Association and it forms part of the Sanctuary Group of entities (the Group).

The Association is registered under the Industrial and Provident Societies Act 1965, number 2508RS, and is a Scottish Registered Charity, number SC024549.

### Review of business activities

The Association has the following strategic aims:

- To provide good quality affordable housing both for rent and for sale for those less able to compete in their sections of the housing market.
- To provide housing and associated services for those with more specific housing requirements, such as older people and those with long-term disabilities.
- To provide value for money services and advice to individuals and organisations working to provide social housing.
- To ensure that any investment made by the Association in Scotland provides sustainable benefits for local communities.

The table below highlights the performance by income streams:

	Turnover		Operating surplus	
	2014 £000	2013 £000	2014 £000	2013 £000
General needs	10,754	9,498	4,854	4,693
Sheltered and supported housing	699	686	260	200
Other activities	1,122	382	(43)	244
<b>Totals</b>	<b>12,575</b>	<b>10,566</b>	<b>5,071</b>	<b>5,137</b>

The Executive Team and the Committee of Management use a number of key indicators to monitor the outcome of the Association's objectives. A selection of these indicators and results for the year, are as follows:

Indicator	Actual for year 2014	Actual for year 2013
Current tenant arrears as a % of gross annual rent	3.45%	3.02%
Void loss as a % of gross annual rent	0.23%	0.16%



**Sanctuary Scotland Housing Association Limited**

**The Committee of Management's report continued**

**Review of business activities continued**

**Accommodation in management**

	<b>2014</b>	<b>2013</b>
<b>Social housing accommodation:</b>		
General needs housing	2,780	2,521
Sheltered & supported housing accommodation	136	128
<b>Total units in management</b>	<b>2,916</b>	<b>2,649</b>
Not available for letting	(92)	(32)
<b>Total stock available for letting</b>	<b>2,824</b>	<b>2,617</b>

At the Balance Sheet date, 90 (2013: 32) properties at Anderston in Glasgow were being held as vacant pending phased demolition as part of the major regeneration project in that area. These properties are classified as assets under construction within the financial statements. 2 (2013: nil) supported living properties are not currently in use and cannot be reused for another purpose due to the grant conditions tied to them.

24 (2013: 24) units owned by the Association were being managed by a third party, external to the Group, at the Balance Sheet date. No Supported Housing Management Grant was payable during the year in respect of these properties. These units of accommodation are managed on behalf of the Association by Margaret Blackwood Housing Association in Edinburgh.

210 (2013: 152) units owned by the Association were being managed by Cumbernauld Housing Partnership Limited, a Group company, at the Balance Sheet date.

*Housing management*

The Association has maintained its performance in a range of key indicators such as void loss for general needs properties which was 0.14% (2013: 0.13%). Void loss for supported housing properties increased to 2.46% (2013: 0.54%) due to a higher level of turnover. As a result of lack of demand for some supported housing properties, decisions have been taken to dispose of a small number of such properties. The level of current tenant rent arrears at the year end increased to 3.45% (2013: 3.02%) of the annual rental amount. An increase of around 0.5% had been anticipated as a result of welfare reforms. The level of former tenant rent arrears increased marginally to 0.65% (2013: 0.59%).

*Community initiatives*

A number of local community events and activities were supported during the year both by the Association and by Sanctuary Group, which provided direct funding for a wide range of such events. These events and projects can make a very real difference to the quality of life in the estates and communities which the Association serves.

The service provided by the Association's Welfare Rights Officer has become increasingly important. Despite a change in staffing over the year, the service continued to offer assistance to tenants in maximising their incomes, including claims for Discretionary Housing Payments to mitigate the impacts of welfare reforms. This service will be of increasing significance as the further reforms to the welfare system are implemented.

*Property maintenance*

During the year, the Association's delivery of maintenance services changed fundamentally through the appointment of Sanctuary Maintenance Contractors Limited to deliver both reactive and voids maintenance and estates services (grounds maintenance, cleaning of communal areas, etc) from September 2013. These services are now provided mainly by Group staff with support from specialist external contractors.



## Sanctuary Scotland Housing Association Limited

---

### The Committee of Management's report continued

#### Review of business activities continued

##### *Property maintenance continued*

The successful implementation of this model by the Group in England in previous years contributed to a successful transition to the new in-house services. Initial feedback from tenants suggests that the new services are appreciated and meeting their expectations.

The largest improvement contract undertaken by the Association during the year was the first full phase of bathroom and kitchen renewals to 70 foam-slag constructed properties in the Priesthill area of Glasgow. A further phase of these works is planned for 2014/2015. Other capital works carried out during the year included remedial works to gardens in the Shortroods area of Paisley to address drainage issues and internal improvements to properties acquired under the auspices of Access Apna Ghar Housing Association Limited. Significant sums were expended on one-off replacements of building components, such as central heating boilers, which failed during the year. The Association also continued, with welcome funding support from Glasgow City Council and the Scottish Government, its programme of medical aids and adaptations for tenants with particular needs.

The Association anticipates meeting the requirements of the Scottish Housing Quality Standard by the due date of 31 March 2015. A small number of exemptions are likely to be required for properties in blocks where other owners are unable or unwilling to participate in communal improvement projects.

##### *Support services*

The Sheltered Housing Support Service provided by the Association at its two sheltered housing developments in Dundee receives funding from Dundee City Council under the Supporting People Programme. This funding has again been confirmed for 2014/2015, albeit the amount of funding has again been frozen.

An announced short notice inspection of the sheltered housing support service was carried out by the Care Inspectorate in March 2014. Grades of 5 ("very good") were awarded for all quality themes inspected. The formal report contained no requirements or recommendations.

##### *Risk management policy*

The Association maintains a detailed risk map which is monitored and updated on a regular basis. The risk map identifies risks which the Association might face, the likelihood of such risks occurring and their impact on the Association if they do occur. The risk map also identifies action taken by the Association to mitigate such risks occurring or to minimise their impact. The risk map is utilised by both the Committee and the Executive Team to ensure that the Association minimises, and controls as far as possible, the level of risk to which it is exposed.

The two principal risks identified in the most recent (April 2014) risk map are:

- Welfare reforms – the likely impact of measures such as the under occupancy charge and Universal Credit on the Association and its tenants.
- Planned changes to the Group's information systems platform and systems in 2015.

#### Corporate governance

The Association has a Committee who are members of the Association. Persons are admitted into membership of the Association in one of two categories – National Membership or Community Membership. National Members of the Committee are appointed by the parent undertaking and Community Members of the Committee are elected by the community membership, which comprises tenants of the Association or residents in its estates. At present there are eight National Members and two Community Members on the Committee.



## **The Committee of Management's report continued**

### **Corporate governance continued**

One Member of the Committee, Mrs C Humphrey, resigned from membership on 17 January 2014.

Specific training on governance issues was provided for Committee Members by an independent consultant in November 2013. The Committee again completed a process of self-appraisal and development during the year, the outcome of which will be considered by the Committee in June 2014. This process will inform future training provision for Committee Members and the desired skills/experience mix of any new Committee Members to be recruited as vacancies for National Members arise.

During the year a new Sub Committee – the Operations Sub Committee - was established to replace the previous Policy and Performance Sub Committee. The new Sub Committee has assisted in achieving a greater focus on the consideration of both strategic and operational matters.

The Association's former subsidiary, Access Apna Ghar Housing Association Limited, transferred its engagements to the Association in the year. To ensure a continued focus on equalities and diversity issues a new Sub Committee has been established to oversee and promote the development of services to people from BME and other backgrounds across the Association more generally.

John Holcombe was again elected as Chairperson of the Association in August 2013 for his third year in office. Jack Payne, a former Chairperson, was re-elected as Vice-Chairperson of the Association, also in August 2013.

### **Statement of the Committee of Management's responsibilities**

The Committee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Friendly and Industrial and Provident Societies Act 1968 and registered social housing legislation require the Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing these financial statements, the Committee is required to:

- select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Friendly and Industrial and Provident Societies Act 1968 and the Determination of Accounting Requirements 2012.

The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **The Committee of Management's report continued**

### **Statement of the Committee of Management's responsibilities continued**

In the case of each of the persons who are Committee Members at the date the Committee of Management's Report is approved, that:

- (a) so far as each of the Committee Members is aware, there is no relevant audit information of which the Association's auditors are unaware; and
- (b) each of the Committee Members has taken all the steps that he/she ought to have taken as a Committee Member in order to make himself/herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

### **Statement of internal control**

The Committee of Management is ultimately responsible for ensuring that the Association maintains a system of internal control that is appropriate to the various business environments in which it operates. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed. The controls by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The Committee of Management has established key procedures to provide internal control and there are clear lines of responsibility for the establishment and maintenance of the procedures through the designated senior executives. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Association or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

Major business risks are identified through a system of continuous monitoring. The financial control framework includes the following key features:

- The Committee is directly responsible for strategic risk management;
- The adoption of formal policies and procedures including documentation of key systems and rules relating to a delegation of authorities which allows the monitoring of controls and restricts the unauthorised use of the Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures ensure standards of performance are maintained;
- Executives monitor the key business risks and financial objectives allowing the Association to progress towards its financial plans set for the year and the medium term. Regular management accounts are prepared promptly providing relevant, reliable and up-to-date financial and other information including significant variances from budgets and forecasts which are investigated as necessary;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures; and
- The Group Audit Committee reviews reports from management, KPMG (internal auditors) and from the in-house assurance team to provide reasonable assurance that control procedures are in place and are being followed. The Group Audit Committee receives an annual report on internal controls from the Executive Committee. The Group Audit Committee make regular reports to the Group Board and relevant points are communicated to the Association. The Association follows formal procedures for ensuring appropriate actions are taken to correct weaknesses identified from the above reports.

The Group Audit Committee has met with KPMG, the internal auditors, and PricewaterhouseCoopers LLP, the statutory auditors, to discuss their work throughout the year.



## Sanctuary Scotland Housing Association Limited

---

### The Committee of Management's report continued

#### Statement of internal control continued

On behalf of the Committee of Management, the Group Audit Committee has reviewed the effectiveness of the system of internal control in existence in the Association for the year ended 31 March 2014 and is not aware of any material changes at the date of signing the financial statements.

#### Future developments and corporate issues

The year to 31 March 2014 saw a continued high level of development activity with a total of 275 new homes (2013: 164) for social rent or affordable home ownership (through the shared equity model) being completed on projects at Ardler in Dundee, Gallowhill in Paisley, Kildrum in Cumbernauld, Priesthill in Glasgow and Braille Crescent in Renfrew. The new homes built at Ardler marked the completion of the major regeneration of the area, which commenced in 2000. Towards the end of the year, the first new homes were also completed in the third phase of the ongoing Anderston regeneration project in central Glasgow.

As a result of its strong and positive relationships with grant funders and other key stakeholders, the Association has a strong forward programme of development projects. Projects at Anniesland and Shawlands in Glasgow, at Shortroods in Paisley, at Woodilee in Lenzie are already under way and further sites at Maryhill and Nitshill in Glasgow and at Cumbernauld have been acquired. The Association has also agreed to develop three sites in Aberdeenshire which had originally been included in the programme of its sibling organisation, Tenants First Housing Co-operative Limited, but which Tenants First Housing Co-operative Limited is no longer able to develop in its own right.

The increase in the amount of Housing Association Grant for new housing for social rent which was announced by the Scottish Government during the year was very welcome and has contributed to the viability of new projects. Challenges in the funding and valuation framework, however, remain and the Association will continue to carefully appraise the viability of all new projects.

During the year, the Association participated in new private funding arrangements (a further bond issue and a facility with the European Investment Bank) arranged by the parent undertaking. These new facilities ensure continued access to affordable private funding to support the Association's development activities.

Over 2014/2015 the Association will explore the potential benefits for its tenants which might accrue from it formally merging with the two other Group social housing organisations in Scotland – Cumbernauld Housing Partnership Limited (Sanctuary Cumbernauld) and Tenants First Housing Co-operative Limited. The three organisations already share operating structures to a significant degree and it is envisaged that a merger of all or some of these organisations might yield further efficiencies and operational enhancements which will be of benefit to tenants.

#### Financial risk management

The Association's operations expose it to a variety of financial risks that include the effects of cash flow risk, liquidity risk and interest rate risk. The Association has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Association by monitoring levels of debt finance and related finance costs.

##### *Cash flow risk*

At 31 March 2014, 100.00% of the Association's debt was on fixed rate terms (2013: 82.84%). Further to this the Association seeks to minimise the risk of uncertain funding in its operations by borrowing within a spread of maturity periods. At the year end, 0.27% (2013: 17.91%) of debt was payable within one year. The Association does not use derivative financial instruments to manage interest rate costs.

##### *Liquidity risk*

The Association actively maintains a level of debt finance that is designed to ensure that the Association has sufficient available funds for its operations.



**Sanctuary Scotland Housing Association Limited**

---

**The Committee of Management's report continued**

**Financial risk management continued**

*Interest rate risk*

The Association has interest bearing liabilities, which are maintained at a fixed rate to ensure certainty of future interest cash flows.

**Results**

The financial affairs of the Association remained satisfactory and a surplus for the year was achieved of £342,000 (2013: £1,140,000). The Association has £5,726,000 (2013: £5,384,000) of revenue reserves and support via £1,883,773 (2013: £22,011,867) of loan funding from the Association's parent undertaking, Sanctuary Housing Association and £108,166,377 (2013: £81,241,646) from Sanctuary Treasury Limited, a fellow Group undertaking.

**Committee Members**

The Committee Members are listed on page 2.

National Members of the Committee are required to hold one share in the Association during their time in office which is cancelled or transferred on their resignation from the Committee. Members of the Committee who are also tenants have tenancies on normal commercial terms and cannot use their position to gain advantage in relation to tenancy agreements.

**Political and charitable donations**

The Association made no donations to political or charitable organisations in the year or the prior year.

**Health and safety**

The Committee is aware of its responsibilities on all matters relating to health and safety. The Association's risk appraisal and management processes aim to address all health and safety matters in relation to property, tenants and staff. A report on health and safety matters is submitted to each meeting of the Committee.

**Going concern**

The Committee confirms it has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the Association's financial statements.

**Auditors**

A resolution concerning the appointment of auditors will be proposed at the Annual General Meeting.

By order of the Committee of Management.



Craig Moule  
Secretary  
24 June 2014



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANCTUARY SCOTLAND HOUSING ASSOCIATION**

### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Association's affairs as at 31 March 2014 and of the Association's surplus and cash flows for the year then ended; and
- have been properly prepared in accordance with the Friendly and Industrial Provident Societies Act 1968, the Housing Scotland Act 2010, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Determination of Accounting Requirements 2012.

This opinion is to be read in the context of what we say in the remainder of this report.

### **What we have audited**

The financial statements, which are prepared by Sanctuary Scotland Housing Association Limited, comprise:

- the Association Balance Sheet as at 31 March 2014;
- the Association Income and Expenditure Account for the year then ended;
- the Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANCTUARY SCOTLAND HOUSING ASSOCIATION CONTINUED**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records, system of control and information and explanations received**

Under the Friendly and Industrial and Provident Societies Act 1968 and Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account.

We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the Board**

As explained more fully in the Statement of Board's Responsibilities set out on pages 6 and 7, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Association's members as a body in accordance with Section 70 of the Housing (Scotland) Act 2010, Section 44 of the Charities and Trustees Investment Act (Scotland) 2005, Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and Section 9 of the Friendly and Industrial Provident Societies Act 1968 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
27 June 2014



**Sanctuary Scotland Housing Association Limited**

**Income and Expenditure Account for the Year Ended 31 March 2014**

	Note	2014 £'000	2013 £'000
<b>Turnover</b>	2	12,575	10,566
Operating costs	2	(7,504)	(5,429)
<b>Operating surplus</b>	2,4	<u>5,071</u>	<u>5,137</u>
Surplus on sale of fixed assets	4	108	106
Interest payable and similar charges	7	(4,835)	(4,103)
Loss on business combinations	20	(2)	-
<b>Surplus for the year</b>	16	<u><u>342</u></u>	<u><u>1,140</u></u>

The above results relate wholly to continuing activities.

There is no material difference between the surplus for the year stated above and the historical cost equivalent.

The Association has no recognised surpluses and deficits other than those included in the Income and Expenditure Account above and therefore no separate Statement of Total Recognised Surpluses and Deficits has been presented.

The notes on pages 15 to 28 form part of these financial statements.

Sanctuary Scotland Housing Association Limited

Balance Sheet as at 31 March 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Housing properties – depreciated cost	8	274,574	251,324
Less: Housing Association Grant and other public grants	8	(149,326)	(133,829)
		<u>125,248</u>	<u>117,495</u>
Other fixed assets	9	622	585
Investments	10	-	-
Investments in subsidiaries	19	-	-
		<u>125,870</u>	<u>118,080</u>
<b>Current assets</b>			
Debtors due within one year	11	1,834	2,665
Assets held for sale	12	390	1,014
Cash at bank and in hand		1,956	316
		<u>4,180</u>	<u>3,995</u>
<b>Creditors: Amounts falling due within one year</b>	13	(5,170)	(24,268)
<b>Net current liabilities</b>		<u>(990)</u>	<u>(20,273)</u>
<b>Total assets less current liabilities</b>		<b>124,880</b>	<b>97,807</b>
<b>Creditors: amounts falling due after more than one year</b>	14	(119,154)	(92,423)
<b>Net assets</b>		<u><b>5,726</b></u>	<u><b>5,384</b></u>
<b>Capital and reserves</b>			
Share capital	15	-	-
Revenue reserve	16	5,726	5,384
<b>Total funds</b>		<u><b>5,726</b></u>	<u><b>5,384</b></u>

The notes on pages 15 to 28 form part of these financial statements.

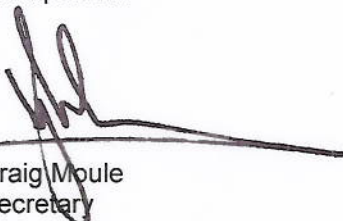
The financial statements were approved by the Committee of Management on 10 June 2014 and signed on its behalf by:



John Holcombe  
Chairperson



Jack Payne  
Vice-Chairperson



Craig Moule  
Secretary



Sanctuary Scotland Housing Association Limited

Cash Flow Statement for the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities	18(a)	5,865	5,904
Servicing of finance and returns on investments	18(b)	(5,097)	(4,666)
Cash inflow on transfer of engagement	20	3	-
Capital expenditure and financial investment	18(b)	(5,696)	(20,354)
<b>Cash outflow before use of liquid resources and financing</b>		<b>(4,925)</b>	<b>(19,116)</b>
Financing	18(b)	6,565	16,069
<b>Increase/(decrease) in cash in the year</b>	18(c)	<b>1,640</b>	<b>(3,047)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
	Note	2014 £'000	2013 £'000
<b>Increase/(decrease) in cash in the year</b>	18(c)	1,640	(3,047)
Cash inflow from increase in debt and lease financing	18(b)	(6,565)	(16,069)
<b>Change in net debt resulting from cash flows</b>	18(c)	<b>(4,925)</b>	<b>(19,116)</b>
Non-cash	18(c)	(296)	571
<b>Movement in net debt in the year</b>		<b>(5,221)</b>	<b>(18,545)</b>
<b>Net debt at start of year</b>	18(c)	<b>(112,273)</b>	<b>(93,728)</b>
<b>Net debt at end of year</b>	18(c)	<b>(117,494)</b>	<b>(112,273)</b>

## Notes to the Financial Statements for the year ended 31 March 2014

### 1. Principal Accounting Policies

#### Basis of accounting

The Association's financial statements have been prepared in accordance with applicable Financial Reporting Standards in the United Kingdom, the Friendly and Industrial and Provident Societies Act 1968, the Housing (Scotland) Act 2010, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice for Registered Social Landlords issued in March 1999 and updated in 2005, 2008 and 2010 (the "SORP") and the Determination of Accounting Requirements 2012. The principal accounting policies are set out below.

The Association's financial statements have been prepared on both a going concern basis and the historical cost basis.

#### Consolidation and related party transactions

The Association is a wholly owned subsidiary of Sanctuary Housing Association and is included in the consolidated financial statements of the Group, which are publicly available. Consequently the Association has taken advantage of the exemption from preparing consolidated financial statements under the terms of FRS 2. The Association is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Group and are wholly owned.

#### Turnover

Turnover represents rental and service charge income receivable, net of void losses, income from developments for resale (including first tranche shared ownership sales) and management fees receivable (net of VAT). Turnover is recognised as it falls due, either daily, weekly or monthly.

Where the Association uses managing agents to run supported housing but overall control and risk of financial loss is retained, the income from the supported housing is included in turnover.

#### Value Added Tax (VAT)

The majority of the Association's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to a small amount of VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

#### Corporation tax

The Association is recognised by Her Majesty's Revenue and Customs as an exempt Scottish Registered Charity for tax purposes. The Association is therefore not liable to Corporation Tax on surpluses.

#### Service charges

Service charges are calculated annually with reference to associated costs incurred in the previous 12 month period. Tenants are consulted if there are to be any changes to the services provided. Factored service charges are variable, therefore any shortfall or overspend by the end of the year is recovered or refunded by adjustment to the following year's service charge. All other service charges are fixed, therefore there are no adjustments in the following period.



**Notes to the Financial Statements for the year ended 31 March 2014 continued**

**1. Principal Accounting Policies continued**

**Tangible fixed assets and depreciation**

Properties:

Housing properties comprise properties for rent and shared ownership. Housing properties are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of such properties includes the following:

- a) Cost of acquiring land and buildings;
- b) Construction costs including internal equipment and fitting;
- c) Directly attributable development administration costs;
- d) Cost of capital employed during the development period;
- e) Expenditure incurred in respect of improvements and extensions to existing properties; and
- f) Construction costs incurred but not yet certified at the Balance Sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Expenditure on housing properties which is either capable of generating increased future rents, extends their useful life, or significantly reduces future maintenance costs, is capitalised. All other repairs and maintenance are charged to the Income and Expenditure Account during the financial year in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Structure	40 - 125 years
Door and door entry systems	10 - 40 years
Bathrooms	15 - 40 years
External works	15 - 20 years
Heating system	15 - 40 years
Kitchens	30 years
Lifts	10 years
Renewables	25 years
Roof covering	50 years
Windows	40 years
Electrical wiring	30 years

The acquisition and disposal of properties is accounted for on the date when completion takes place.

*Other operating assets*

Other operating assets are stated at cost less depreciation, which is charged on a straight line basis to write-off assets over their expected economic useful lives as follows:

Freehold land and buildings	10 - 40 years
Improvements to freehold properties	15 years
Furniture and equipment	4 - 8 years
Motor vehicles	4 - 5 years



**Notes to the Financial Statements for the year ended 31 March 2014 continued**

**1. Principal Accounting Policies continued**

*Impairment*

In accordance with the SORP, a review of the indicators of impairment is performed annually. When an indicator is identified, an impairment review is performed at an income generating unit level using an assessment of future discounted cash flows. Provisions are made to write down the carrying amount of assets where it is considered that properties have suffered diminution in value.

*Transfers of fixed assets*

Transfers of fixed assets to or from other Group entities are made at net book value. For housing assets this is net of grants in relation to the transferred assets.

*Works to existing components*

Expenditure on housing properties which is either capable of generating increased future rents, extends their useful lives, or significantly reduces future maintenance costs, is capitalised. All other expenditure incurred in respect of general repairs to the Association's housing stock is charged to the Income and Expenditure Account in the year in which it is incurred.

**Capitalisation of interest and development administration costs**

Interest on the Association's borrowings to finance developments is capitalised in fixed asset properties under construction to the extent it accrues in respect of the period of development. The interest is either on borrowings specifically financing a scheme (after deduction of interest on Housing Association Grant received in advance) or the weighted average borrowing rate across net borrowings deemed to be financing a scheme. Where a scheme has Housing Association Grant in excess of costs, interest receivable is accrued against the balance.

Directly attributable development administration costs capitalised are the labour costs of the employees recharged to the Association arising directly from the construction or acquisition of a property, and the incremental costs that would have been avoided only if the property had not been constructed or acquired.

**Sales of housing properties**

Where properties built for sale are disposed of during the year, the disposal proceeds are included in turnover, and the attributable costs included in cost of sales. The surplus or deficit on disposal of housing properties held as fixed assets, including second or subsequent tranches of shared ownership properties, is accounted for in the Income and Expenditure Account.

**Shared Equity Housing**

Properties developed under the Scottish Government's shared equity initiative are funded by grant and ultimate sales proceeds. For properties commenced and completed before 1 April 2008, the net investment in shared equity properties is shown on the face of the Balance Sheet as investments and carried at historical cost with the linked finance cost, being the grant received, deducted from the gross amount of the shared equity asset. Shared equity properties under construction are shown as assets held for sale, while completed properties commenced and completed after 1 April 2008 are not disclosed in the financial statements, as any interest in the completed property is held by the Scottish Government.

**Housing Association Grant (HAG) and other public grant**

Where developments have been financed wholly or partly by HAG and/or other public grant, the amount of grant received is offset against the cost of developments on the Balance Sheet. In instances where grant for the development programme exceeds development costs, an amount equal to the excess is held in creditors. Similarly if grant is receivable for the development programme in arrears the amount is accrued in debtors.



**Sanctuary Scotland Housing Association Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2014 continued**

**1. Principal Accounting Policies continued**

**Provisions against tenant arrears**

The Association provides fully for former tenant arrears. Specific categories of current tenant debt and specific tenant balances are provided for where the likelihood of settlement in full or in part is unlikely.

**Provisions against sundry debtors**

The Association provides for specific categories of sundry debtor balances and specific sundry debtor balances where the likelihood of settlement in full or in part is unlikely.

**Financing costs**

Costs which are incurred directly in connection with the raising of private finance are deducted from the liability and amortised over the term of the loan on a consistent periodic rate of charge. Premiums or discounts on financial instruments are amortised using the effective interest rate basis or a straight line basis where it can be demonstrated that there is no material difference between the two methods.

**Impairment of current and unlisted investments**

Current and unlisted investments are stated at the lower of cost and net realisable value. The Association considers whether an impairment exists in this respect of all such balances at each Balance Sheet date and provides if appropriate.

**Transfers of engagements**

Where the assets and liabilities of an entity within the Group are transferred into another Group entity via a transfer of engagements, the transfers are treated as an acquisition in the receiving entity with assets and liabilities being fair valued using external data available and any gains on business combinations presented in the receiver. There is no consideration paid.

**2. Turnover, Operating Costs and Operating Surplus**

	2014 Turnover	2014 Operating costs	2014 Operating Surplus/ (deficit)	2013 Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings	11,453	(6,339)	5,114	4,893
Other social housing activities	1,122	(1,165)	(43)	244
<b>Total</b>	<u>12,575</u>	<u>(7,504)</u>	<u>5,071</u>	<u>5,137</u>
<b>Total for previous year</b>	<u>10,566</u>	<u>(5,429)</u>	<u>5,137</u>	

Development administration expenditure and other directly attributable costs capitalised during the year amounted to £1,529,762 (2013: £1,377,307).

Notes to the Financial Statements for the year ended 31 March 2014 continued

3a. Income and Expenditure from Social Housing Lettings

	Rented housing £'000	Supported housing £'000	2014 Total £'000	2013 Total £'000
<b>Income from lettings</b>				
Rents receivable net of service charges	10,658	535	11,193	9,907
Service charges	111	176	287	293
<b>Gross income from rents and service charges</b>	<b>10,769</b>	<b>711</b>	<b>11,480</b>	<b>10,200</b>
Less voids	(15)	(12)	(27)	(16)
<b>Net income from rents and service charges</b>	<b>10,754</b>	<b>699</b>	<b>11,453</b>	<b>10,184</b>
<b>Expenditure on lettings</b>				
Management and maintenance administration costs	(2,866)	(140)	(3,006)	(2,576)
Services costs	(389)	(114)	(503)	(587)
Reactive maintenance	(788)	(87)	(875)	(583)
Planned and cyclical maintenance	(465)	(48)	(513)	(497)
Bad debt charges – rents and service charges	(105)	3	(102)	(17)
Depreciation of social housing	(1,287)	(53)	(1,340)	(1,031)
<b>Operating costs from social letting activities</b>	<b>(5,900)</b>	<b>(439)</b>	<b>(6,339)</b>	<b>(5,291)</b>
<b>Operating surplus from social letting activities</b>	<b>4,854</b>	<b>260</b>	<b>5,114</b>	<b>4,893</b>
<b>Operating surplus from social letting activities for previous year</b>	<b>4,658</b>	<b>235</b>	<b>4,893</b>	

3b. Income and Expenditure from Other Activities

	Other income £'000	Other operating costs £'000	Operating surplus £'000	2013 Operating Surplus £'000
Other	131	(174)	(43)	227
Supporting People contract income	76	(76)	-	-
Management services for Registered Providers	915	(915)	-	17
<b>Total from other activities</b>	<b>1,122</b>	<b>(1,165)</b>	<b>(43)</b>	<b>244</b>
Total from other activities for the previous year	<b>382</b>	<b>(138)</b>	<b>244</b>	



## Notes to the Financial Statements for the year ended 31 March 2014 continued

**4. Operating Surplus**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
The operating surplus is arrived at after charging:		
Depreciation of properties	1,340	986
Depreciation of operating assets (note 9)	59	59
Surplus on sale of fixed assets	108	106
Auditors' remuneration – audit	10	9
	<u>10</u>	<u>9</u>

There have been no non-audit services in the year or the prior year.

The net surplus on sale of fixed assets consists of £391,793 proceeds (2013: £332,826) less £284,230 cost (2013: £227,250).

**5. Committee of Management Members' Emoluments**

The Members of the Committee of Management were reimbursed for expenses necessarily incurred in the conduct of their duties amounting to £3,069 (2013: £3,357).

**6. Employee Information**

There were no employees of the Association during the year (2013: none). The Association's management and administration is carried out under contract by its parent undertaking Sanctuary Housing Association.

**7. Interest Payable and Similar Charges**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans, overdrafts and other loans:		
Repayable by instalments	254	54
Interest charges on non-instalment debt	394	394
Interest on loans from group undertakings	5,006	4,162
Less: amounts transferred to housing properties in the course of construction	(819)	(507)
	<u>4,835</u>	<u>4,103</u>

Notes to the Financial Statements for the year ended 31 March 2014 continued

8. Fixed assets – properties

	Rented properties £'000	Under construction £'000	Total £'000
<b>Cost</b>			
At 1 April 2013	220,826	38,376	259,202
Additions during year	2,963	22,077	25,040
Transfer on completion	29,745	(29,745)	-
Disposals	(790)	-	(790)
Transfer to other operating assets	(67)	-	(67)
<b>At 31 March 2014</b>	<b>252,677</b>	<b>30,708</b>	<b>283,385</b>
<b>Accumulated depreciation</b>			
At 1 April 2013	7,878	-	7,878
Charge for year	1,125	-	1,125
Disposals	(192)	-	(192)
<b>At 31 March 2014</b>	<b>8,811</b>	<b>-</b>	<b>8,811</b>
<b>Depreciated cost</b>	<b>243,866</b>	<b>30,708</b>	<b>274,574</b>
<b>Housing association grant</b>			
At 1 April 2013	116,684	17,145	133,829
Receivable during year	2,508	13,179	15,687
Transfer on completion	13,046	(13,046)	-
Disposals	(190)	-	(190)
<b>At 31 March 2014</b>	<b>132,048</b>	<b>17,278</b>	<b>149,326</b>
<b>Net book amount</b>			
<b>At 31 March 2014</b>	<b>111,818</b>	<b>13,430</b>	<b>125,248</b>
At 31 March 2013	96,264	21,231	117,495

There are no amounts for properties under construction for shared ownership (2013: £nil).

Of the total net book value of housing stock, £125,248,064 is freehold (2013: £117,495,095).

During the year £1,049,189 (2013: £655,572) was capitalised in respect of works to existing properties. A total of £1,354,602 (2013: £1,126,405) is recognised in the Income and Expenditure Account in respect of maintenance costs incurred on existing properties.



Sanctuary Scotland Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2014 continued

9. Fixed assets – other operating assets

	Freehold land and buildings £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 April 2013	656	132	48	836
Additions	-	12	34	46
Transfer from housing assets	67	-	-	67
Disposals	(3)	(80)	(48)	(131)
<b>At 31 March 2014</b>	<b>720</b>	<b>64</b>	<b>34</b>	<b>818</b>
<b>Accumulated depreciation</b>				
At 1 April 2013	114	105	32	251
Charge for year	40	10	9	59
Disposals	-	(79)	(35)	(114)
<b>At 31 March 2014</b>	<b>154</b>	<b>36</b>	<b>6</b>	<b>196</b>
<b>Net Book Amount</b>				
<b>At 31 March 2014</b>	<b>566</b>	<b>28</b>	<b>28</b>	<b>622</b>
At 31 March 2013	542	27	16	585

10. Investments

	2014 £'000	2013 £'000
Shared Equity		
- Investment	1,545	1,545
- Grant	(1,545)	(1,545)
	-	-

Properties developed under the Scottish Government's shared equity initiative are funded by grant and ultimate sales proceeds. The net investment in shared equity properties is carried at historical cost with the linked finance cost, being the grant received, deducted from the gross amount of the shared equity asset in line with the SORP for Registered Social Landlords 2010.

Notes to the Financial Statements for the year ended 31 March 2014 continued

11. Debtors

	2014 £'000	2013 £'000
Current tenant rental debtors	573	419
Bad debt provision – rental debtors	(132)	(76)
Amounts due from group undertakings	239	76
Prepayments and other debtors	1,154	2,246
	<u>1,834</u>	<u>2,665</u>

Amounts due from group undertakings are trading in nature and do not bear interest.

12. Assets Held For Sale

	£'000
Shared equity properties:	
Cost of properties as at 1 April 2013	17,061
Additions	4,967
Disposals	(4,041)
Cost of properties as at 31 March 2014	<u>17,987</u>
Grant received as at 1 April 2013	16,047
Receivable during year	1,550
Grant received as at 31 March 2014	<u>17,597</u>
<b>Balance as at 31 March 2014</b>	<u><b>390</b></u>
Balance as at 31 March 2013	<u>1,014</u>

Shared Equity Housing (also known as Homestake) is a scheme run by Sanctuary Scotland Housing Association Limited and funded through government grants. The cost of the properties is shown in assets held for sale net of grants received in accordance with the SORP.



Notes to the Financial Statements for the year ended 31 March 2014 continued

13. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts due to parent undertaking	519	20,431
Amounts due to fellow subsidiaries	1,275	864
Trade creditors	198	478
Other creditors and accruals	3,178	2,495
	<u>5,170</u>	<u>24,268</u>

Of the amounts disclosed as due to the parent undertaking £374,777 (2013: £283,283) is trading in nature. Of those due to subsidiaries £176,946 (2013: £267,646) is trading in nature. These amounts are non-interest bearing.

The remaining amount due to the parent undertaking relates to a loan, of which £nil (2013: £20,000,000) is charged at a variable rate (2013: 1.51%) and £134,810 (2013: £124,011) is charged at a fixed rate of 5.69% (2013: 5.69%). Interest payable to the parent amounts to £9,495 (2013: £23,469).

In the amount due to fellow subsidiaries are loans totalling £188,293 (2013: £144,186), less setup costs of £14,624 (2013: £6,696). The remaining amount due to subsidiaries of £924,253 (2013: £458,812) relates to interest payable on loans.

Prior year figures have been reclassified due to a change in the split of setup costs.

14. Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts due to parent undertaking	1,742	1,877
Amounts due to fellow subsidiary	107,532	80,790
Bank loans	9,880	9,756
	<u>119,154</u>	<u>92,423</u>

The amounts due to the parent undertaking are in relation to a loan, which is repayable over the next 10 years and which bears a fixed interest rate of 5.69%.

The amounts due to the fellow subsidiary are in relation to loans which bear fixed interest rates of between 4.88% and 6.69%.

The bank loans bear a fixed interest rate of 3.95% (2013: 3.95%).

Prior year figures have been reclassified due to a change in the split of setup costs.

Notes to the Financial Statements for the year ended 31 March 2014 continued

14. Creditors: amounts falling due after more than one year continued

The bank and intercompany loans fall due for payment as follows:

	2014 £'000
Due within one year	296
Due in more than one year but less than two years	234
Due in more than two years but less than five years	18,934
Due in more than five years	99,986
	<u>119,450</u>

The Association provided security on loans with charges on property for loans totalling £120,050,150 at the Balance Sheet date. Amounts due after one year are net of £576,906 (2013: £562,474) of setup costs. Of the amounts due after five years, £29,078,026 is due to be repaid by instalments with £70,908,574 treated as non-instalment debt. The remaining figure relates to set up costs.

15. Called up share capital

	2014 £	2013 £
Each member holds one share of £1 in the Association		
Allotted, issued and fully paid		
At 1 April	20	22
Redeemed in the year	-	(2)
At 31 March	<u>20</u>	<u>20</u>

Each share carries voting rights but not rights to dividends, distributions on winding up or rights of redemption.

16. Reserves

	Revenue reserve £'000
At 1 April 2013	5,384
Surplus for year	342
At 31 March 2014	<u>5,726</u>



Notes to the Financial Statements for the year ended 31 March 2014 continued

17. Capital commitments

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure contracted	24,620	25,018
Authorised expenditure not contracted	30,903	14,304
	<u>55,523</u>	<u>39,322</u>

£30,981,333 (2013: £29,616,215) of the capital commitments will be financed by grant and other public finances with the remainder being financed from existing funds, largely from the parent undertaking or Sanctuary Treasury Limited.

18. Notes to the Cash Flow Statement

a) Reconciliation of operating surplus to net cash inflow from operating activities

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Operating surplus	5,071	5,137
Depreciation on fixed assets (note 4)	1,399	1,045
(Increase)/decrease in debtors	(287)	500
Decrease in creditors	(318)	(778)
<b>Net cash inflow from operating activities</b>	<u>5,865</u>	<u>5,904</u>

b) Detailed analysis of cash flows

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Servicing of finance and returns on investments</b>		
Interest paid	(5,097)	(4,666)
	<u>(5,097)</u>	<u>(4,666)</u>
<b>Capital expenditure and financial investment</b>		
Acquisition and construction of housing properties	(27,360)	(32,437)
Purchase of other fixed assets and investments	(97)	(24)
Capital grants received	17,328	11,774
Sales of housing properties	4,415	333
Sales of other fixed assets	18	-
	<u>(5,696)</u>	<u>(20,354)</u>
<b>Financing</b>		
Loan advances received	36,743	24,990
Loan principal repayments	(30,178)	(8,921)
<b>Net cash inflow from financing</b>	<u>6,565</u>	<u>16,069</u>

Sanctuary Scotland Housing Association Limited

Notes to the Financial Statements for the year ended 31 March 2014 continued

18. Notes to the Cash Flow Statement continued

c) Analysis of net debt

	At 1 April 2013 £'000	Cash flows £'000	Non-cash changes £'000	At 31 March 2014 £'000
Cash at bank and in hand	316	1,640	-	1,956
Debt due less than one year	(20,166)	30,178	(10,308)	(296)
Debt due after more than one year	(92,423)	(36,743)	10,012	(119,154)
	<u>(112,273)</u>	<u>(4,925)</u>	<u>(296)</u>	<u>(117,494)</u>

19. Investments in subsidiaries

As at 1 April 2013	£ 12
Investment eliminated through transfer of engagement	(12)
As at 31 March 2014	<u>-</u>

The engagements of Access Apna Ghar Housing Association Limited were transferred into Sanctuary Scotland Housing Association Limited on the 23 December 2013.



**Sanctuary Scotland Housing Association Limited**

**Notes to the Financial Statements for the year ended 31 March 2014 continued**

**20. Business combinations**

Loss on business combination has arisen from transfer of engagement of Access Apna Ghar Housing Association Limited. On 23 December 2013, the assets and liabilities of Access Apna Ghar Housing Association Limited were transferred into the Association through a transfer of engagement.

The transfer has been incorporated into the Association's financial statements using the acquisition method of accounting.

The assets and liabilities of the entity as at the date of transfer into the Association are set out below.

Access Apna Ghar Housing Association Limited:

	£'000
<b>Assets</b>	
Cash at bank	3
	<u>3</u>
<b>Liabilities</b>	
Creditors less than one year	(5)
	<u>(5)</u>
Net current liabilities	<u>(2)</u>
Consideration	-
Loss on business combination	<u>(2)</u>

**21. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking and controlling party is Sanctuary Housing Association, registered in England as an Industrial and Provident Society (Number 19059R) and with the Homes and Communities Agency (Number L0247). A copy of the Group financial statements can be obtained from Sanctuary Housing Association, Chamber Court, Castle Street, Worcester, WR1 3ZQ.