

Viewpoint Housing Association Limited

Financial Statements

for the year ended 31 March 2014

Register of Housing Associations NO. HEP 199

Register of Co-operative and Community Benefit Societies No. 1228 RS

Charity registered with OSCR No. SCO05619

Viewpoint Housing Association Limited
Financial Statements
For the year ended 31 March 2014

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Viewpoint Housing Association Limited
Board of Trustees, Executives and Advisors
31 March 2014

Board of Trustees

Mr R Rae	(Chairman)
Dr R G Smith	(Retired 24/09/13)
Mr G Anderson	
Mrs N Donaldson	
Mr V Stewart	
Mr R McNeill	
Ms J Simpson	(Chair of the Remuneration Committee)
Mr R Stewart	(Chair of the Audit Committee)
Ms J Macrae	
Mr I Thompson	
Miss M Murray	(Resigned 22/08/13)
Dr W Campbell	(co-opted 13/02/14)
Mrs A M Cumber	(co-opted 16/05/13)

Executive Officers

Chief Executive/Secretary	Mrs Dorry McLaughlin
Director of Housing and Property Services	Ms Sandra Brydon
Director of Finance and ICT	Mrs Jenni Fairbairn
Director of Care Services	Mrs Donna Macleod

Registered Office

4 South Oswald Road
EDINBURGH
EH9 2HG

Registration Numbers

Register of Housing Associations No. HEP 199
Financial Conduct Authority Mutuals Register No. 1228 RS
Charity registered with OSCR No. SCO05619

Solicitors

T C Young
Melrose House
69a George Street
Edinburgh
EH2 2JG

External Auditor

Chiene + Tait
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Shoosmiths
20 Castle Terrace;
Edinburgh;
EH1 2EN

Bankers

The Royal Bank of Scotland
36 St Andrew Square
EDINBURGH
EH2 2YB

Internal Auditors

BDO LLP
4 Atlantic Quay
70 York Street
GLASGOW
G2 8JX
(From 1 April 2014)

Baker Tilly
Fountainbridge
EDINBURGH
EH3 9 QG

Viewpoint Housing Association Limited

Report of the Board

31 March 2014

The Board of Trustees (the Board) presents its report and the audited financial statements for the year ended 31 March 2014.

Principal Activities

Viewpoint Housing Association Ltd (Viewpoint) was formed for the benefit of the community with the primary objective of providing high quality accommodation and services. Viewpoint is a Registered Social Landlord and Care Home provider specialising in housing, support and care homes with nursing. Although its main client group is older people it also provides mainstream housing.

Viewpoint's Head Office is in Edinburgh and its properties and services are largely in Edinburgh and Fife. Viewpoint has 3 care homes with nursing (121 bed spaces) and 1329 housing properties. The accommodation and services range from amenity housing through to enhanced sheltered housing with higher levels of support for older people, general needs flats and a number of specialist projects managed in partnership with support organisations.

Viewpoint works in partnership with many other organisations including Impact Arts, Carr Gomm, KiTE, The Action Group and local authorities and the NHS.

Financial Performance

The results for the year are shown in the Income and Expenditure Account on page 12. The surplus of £2,900k (2013: £1,962k) shows an increase on the previous year's performance. The surplus generated from housing activities of £1,515k is down from the previous year (£1,889k) as a result of increased voids and costs. The care homes surplus of £435k increased by £133k from £302k, this was mainly due to increased occupancy and therefore income. During the year Viewpoint disposed of a housing complex at Newbattle Terrace and also car parking spaces at Northumberland Street. The total gain on disposal of fixed assets during the year was £1,261k. Designated reserves levels have been reviewed and are considered sufficient to cover the next three to five years' expenditure needs on properties. At 31 March 2014 balances of £6,892k (2013: £6,608k) have been designated for future maintenance of properties, this is shown in note 6.

Viewpoint has continued to invest in its properties, with capital spend of £773k on housing properties and £110k on care homes. Significant investments of £6.6m are planned over the next five years including continued compliance with the Scottish Housing Quality Standard (SHQS).

The out-turn for the year was within budgeted levels which again evidences the stability of operations and will enable Viewpoint to meet its strategic aspirations for growth and services development.

Structure, Governance and Management

Viewpoint was incorporated under the Industrial and Provident Societies Act 1965 (consolidated with other Industrial and Provident Society Acts into the Co-operative and Community Benefit Societies Act 2014 with effect from 1 August 2014) and is registered with the Financial Conduct Authority as a Friendly Society. Viewpoint is also registered with the Office of the Scottish Charity Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord. Viewpoint's care services are regulated by the Care Inspectorate. Viewpoint continues to be assessed as low risk by the Scottish Housing Regulator.

Viewpoint has a fully owned subsidiary, Viewpoint Scotland Ltd (previously Benview Trading) whose purpose is to manage housing/homes funded by a Special Needs Capital Grant. Viewpoint provides management and development services to Viewpoint Scotland for which they are charged. The results of Viewpoint Scotland Ltd for the year ended 31 March 2014 have not been consolidated into Viewpoint Housing Association Limited as these are of an immaterial nature to the results of Viewpoint.

Viewpoint is governed by a voluntary Board of Trustees (Board) whose members are elected by the membership and are unpaid. During the year the Board reviewed its Governance Policies. The Chairman conducted appraisals of each Board member and the Board continues to monitor the effectiveness of its governance arrangements.

Two Board members resigned during the year (Dr R G Smith-Chairman, and Miss M Murray). Mr R H Rae (existing member) was elected Chairman. There was one new elected appointment (Ms A M Cumber) and one co-option (Dr W Campbell).

The Board is supported by an Audit Committee and a Remuneration Committee. Day to day management is delegated by the Board to the Executive Team. This Team comprises the Chief Executive, Director of Finance & ICT, Director of Housing & Property Services and Director of Care.

The Board meets six weekly and in between meetings receives mailings related to its strategy and operating environment. The Board held an away day during the year to review Viewpoint's Strategic Plan. Board members also attended training including Awareness of Dementia, Governance and various Regulatory and Legislative updates.

Viewpoint Housing Association Limited
Report of the Board
31 March 2014

Each member of the Board holds one fully paid share of £1 in Viewpoint. The Chief Executive and Executive Team members hold no interest in Viewpoint's share capital, and despite not having the legal status of directors, act as Executives within the authority delegated by the Board.

Viewpoint maintains insurance to cover its Board and Officers against liabilities in relation to their duties carried out on behalf of Viewpoint, as authorised by Viewpoint's rules.

Resident and Tenant Involvement

Viewpoint developed its approach to Tenant Scrutiny during the year with the assistance of the Tenant Information Service. A Repairs Scrutiny Group was established to review the repairs services. A number of other reviews and projects have been agreed for 2014/5.

The Viewpoint Tenants Representative Group (VTRG) continues to work closely with Viewpoint and meets senior staff regularly and also informally with the Board twice a year. The Fife Forum also meets regularly and provides valuable feedback on services to Viewpoint.

Viewpoint carried out local surveys of its tenants during the year and involved tenants in a number of service reviews including establishing a café at Croft an Rìgh. Tenants were involved in the recruitment and selection of staff including Housing Coordinators and Housing Officers.

Care home residents and stakeholders are encouraged to participate in the running of the homes. Customer surveys at each of the homes are carried out bi-annually and continue to show high levels of satisfaction which exceeded the target of 80%.

Strategy, Objectives and Business Review

Viewpoint continues to operate in a dynamic environment as many national and local policies and strategies as well as legislative changes are implemented.

Policy agenda for older people

The Scottish Government's priority, Reshaping Care for Older People, is to support people to remain at home for as long as possible, rather than in care homes or hospital settings. The Government set up a Change Fund to support initiatives that help shift this balance of care from acute interventions to "at home" prevention. To add further weight to this agenda the new Public Bodies (Joint Working) (Scotland) Act was granted Royal Assent on 1 April 2014 giving statutory weight to the integration of health and social care from strategic commissioning to delivery.

A number of other developments are also informing the direction of travel including:

The 2014 publication *The Future of Residential Care for Older People in Scotland*

The vision of the work of the task force which developed this publication is ~ "To support older people in Scotland, now and in the future, to live in homes where they feel safe and respected as members of their communities". This publication explores how this can be achieved from the development of new types of accommodation and services through to strategic commissioning and workforce planning.

Social Care (Self-directed Support) (Scotland) Act 2013

Although not affecting services for older people directly, it is anticipated that the principles of personalisation will extend to older peoples' services in the future. With control over money and more choice, older people will be in the driving seat of shaping policies and strategies for older people.

Against this backdrop of change, and implementation of the Social Housing Charter and Welfare Reform, Viewpoint undertook a major review of its Strategy in November 2013 and as a result a new vision, as well as Strategic Aims, Objectives and Values were approved. In the six months following this review a new logo was developed.

Whilst the words describing the new Strategic Objectives changed, the essence of Viewpoint's Strategic direction remains unchanged.

Viewpoint's major achievements were as follows:

- ✓ The work to enable the conversion of Head Office to provide 12 additional bedspaces for St. Raphael's continued apace with tenders agreed and the contract to commence in July 2014.
- ✓ Drummond Place was refurbished and leased to Carr Gomm in an innovative partnership between Viewpoint, Carr Gomm, Edinburgh City Council and NHS Lothian.

Viewpoint Housing Association Limited
Report of the Board
31 March 2014

- ✓ Neighbourhood Housing Teams were established and Housing Officers now work from sheltered housing complexes.
- ✓ A dementia wing at St. Raphael's was completed with a grant from the Viewpoint Trust .
- ✓ The partnership with Impact Arts progressed with the implementation of a second Craft Café at Lennox House funded through the Change Fund.
- ✓ Substantial investment in accommodation resulted in replacement boilers at Lynedoch and Mansionhouse, lift replacements or refurbishment at Gillespie, City Park and Croft an Righ and cavity wall insulation at numerous sites to mention just a few examples.
- ✓ A series of Healthy Living Road Shows in a number of sheltered housing complexes were provided in partnership with a range of local agencies.
- ✓ The Housing Support Service achieved Grade 5's following a Care Inspectorate inspection.
- ✓ A Health event was held for staff to promote and encourage well-being at work and in general.
- ✓ Investors in Diversity accreditation was achieved Viewpoint signed up to the Happy to Translate service.
- ✓ It was decided to cease letting the loanstock accommodation at all complexes with the exception of Kilravock where loanstock will be provided through Viewpoint Scotland Ltd.
- ✓ Law at Work were appointed to provide employee relations advice allowing the HR team to focus on learning and development and employee engagement.
- ✓ The Viewpoint Voices singing group was introduced involving staff and care home residents .
- ✓ Tenant Scrutiny work was developed with a Repairs Scrutiny Group progressing a review of all aspects of Viewpoint's repairs service.
- ✓ Viewpoint continued to support tenants' access to IT and the set-up of Computer Clubs.
- ✓ The Care Inspection grades in the care homes were largely maintained with improved performance at Marian House.
- ✓ All financial targets were achieved and bank covenants met.
- ✓ The Scottish Housing Regulator requirements in relation to the Scottish Housing Quality Standard were largely met a year early with only minimal and low cost work left to fully achieve the standard by March 2015.
- ✓ A further staff engagement survey showed increased levels of satisfaction with 90% of staff indicating that they would recommend Viewpoint as a good place to work.
- ✓ Viewpoint was proud to retain the Investors in People award during the year, and to achieve the Silver Award, post year end.
- ✓ The Chief Executive represented the Coalition of Care and Support Providers in Scotland on the Scottish Government's Future of Residential Care Task Force.
- ✓ The Complaints Handling Policy was embedded to meet requirements of the Scottish Public Services Ombudsman.

Viewpoint Housing Association Limited
Report of the Board
31 March 2014

Viewpoint continues to use Key Performance Indicators to assess its performance and the results during the year are shown in the following tables.

	Target	2013/14	2012/13
Care Homes			
Average Occupancy Rate in care homes	97%	93%	92%
Care home arrears as % income receivable	<5%	4%	3%
Human Resources			
Sick hours as % total hours	<5%	5%	4.5%
Annualised turnover of staff	<30%	30%	25%
Agency hours as % all hours	<8%	8%	11%
Qualitative			
Resident satisfaction with overall care home service	>85%	96%	92%
Requirements/recommendations from inspection reports dealt with within six months	100%	100%	100%
Housing and Property Services			
Void loss as % rent and service charge receivable	3%	2%	2%
Arrears as % rent and s/c income	2%	3%	2%
Average void turnaround time (supported housing)	40 days	63	71
Average void turnaround time (general needs housing)	30 days	78	47
% of stock meeting SHQS	100%	99.9%	71%
Routine repairs completed within 15 days	>95%	98%	92%
Urgent repairs responded to within 3 days	100%	95%	92%
Emergency repairs responded to within 2 hours	100%	95%	97%
Resident satisfaction with repairs	>85%	85%	88%

The Future

Viewpoint has a new Vision, Strategy and Values. This is an exciting time as we move forward to embrace growth opportunities by harnessing our financial strength and the creativity of employees and stakeholders.

Vision

Creating joy in later years.

Strategic Aims

OUR PEOPLE - Positive, passionate, always learning and ready to challenge 'the way we do it' to create better ways to achieve our vision.

OUR CULTURE - Welcoming, creative, stretching and empowering – supporting each other, combining work with fun and always improving what we do.

OUR PLACES - Inspirational, enriching, joyous, healthy and vibrant communities where people can enjoy life to the fullest – with support when, how and where they want it.

OUR SERVICES - Shaped by the wisdom and ambitions of our customers because we walk with them each step of the way and, listen and act on their ideas.

OUR BUSINESS SUSTAINABILITY - Well managed and commercially strong, giving great value for money and continually investing in our vision.

Strategic Objectives

- ✓ Our people make great things happen.
- ✓ We are proud to listen, learn, develop and stretch towards our vision.
- ✓ We provide places that are safe, warm and affordable to heat.

Viewpoint Housing Association Limited
Report of the Board
31 March 2014

- ✓ We empower people to live as independently as they choose with modern and accessible places and with the progressive use of technology e.g. CCTV, telehealth, telecare and ICT.
- ✓ We always believe society can do better for people in later years and will assert our influence on local and national policies and strategies to create an ever-improving environment around the aspirations of older people.
- ✓ To increase our turnover by 10% and generate a surplus of 10%.
- ✓ We will always put our customers' first and ensure that is they that influence our strategies, policies and local services.
- ✓ To exceed everything the regulators seek, and more.

Values

- ✓ Infect with positive smiles and words.
- ✓ Say - yes I can and I will.
- ✓ Celebrate age, experience and wisdom.
- ✓ Do according to our customers' wishes and ambitions.
- ✓ Treat people (everyone is a VIP) as we would a 'loved one'.
- ✓ Work hard, have fun and laugh.
- ✓ Stay courageous, creative and ahead of the game.
- ✓ Work with those that share our values.

The focus over the next year is to maximise new business opportunities including the development of a new care home and extra care facility. To help achieve this Viewpoint has prioritised the following activity:

- ✓ Review of the Competency Framework and associated training to focus on leadership, change, communication and diversity – introduce the concept of positive and negative behaviours.
- ✓ Develop our strategy on achieving our Equality & Diversity objectives.
- ✓ Develop a Workforce Learning & Development strategy that encourages and supports a range of learning methods e.g. coaching, mentoring and job shadowing and which meets Succession Planning requirements.
- ✓ Carry out Pay and Benefits Review.
- ✓ Review Housing Support services mitigating the risks of reduced Supporting People Grant, the changing nature of social care and develop increasing individualised services yet maintaining services and income.
- ✓ Develop one telehealth and telecare facility.
- ✓ Extension at Glenesk to facilitate the day centre & develop Viewpoint Day Care Service.
- ✓ Develop programme for improving energy efficiency including greater control of heating by tenants and residents.
- ✓ Develop Dementia Care Mapping or other evidence based care quality tool.
- ✓ Develop Care at Home project including shopping and cleaning service – exploiting social care and health integration.
- ✓ Head Office conversion on time and on budget.
- ✓ Introduce care home fee accounting package.

Employee Information and Engagement

Viewpoint has an establishment of 249 full and part time employees. Annualised turnover of employees continues to exceed expectations at 30% although this did not affect quality and financial performance.

Staff involvement is achieved through the Employee Forum which meets quarterly, a quarterly staff newsletter and a system of core briefings. In November 2013 Viewpoint held its annual Staff Conference which fed directly into the Strategic Plan Review. Viewpoint has successfully retained the Investors in People award.

Treasury Management

Viewpoint cannot invest in transactions of a speculative nature. The Board reviews Viewpoint's Treasury Policy and Strategy bi-annually. Cash funds are held in institutions which have a long term grading of A as a minimum.

Borrowings are secured on a combination of fixed and variable rate finance. 70% of Viewpoint's bank loan facilities were fixed at 31 March 2014.

A significant part of the Association's finance is raised through loanstock provided by loanstock tenants. In line with previous agreements at Croft an Righ, three other sites where there are some loanstock arrangements are now being bought back as tenancies end. Subsequent to the year end, the remaining loan-stock properties at Kilravock are being re-let through Viewpoint Scotland, although the loanstock deposits are loaned back to Viewpoint Housing Association.

Viewpoint Housing Association Limited
Report of the Board
31 March 2014

Risk Management

Viewpoint reviewed its Risk Strategy, Policy and the format of the Risk Map during the year. Risk is a standing agenda item for both the Audit Committee and Board.

The key risks facing Viewpoint are:

Risk	Mitigation	Monitoring
Poor work force planning e.g. staff structures not embedded well especially in relation to change management as new business is developed. This could lead to high staff turnover/poorly trained workforce.	HR Strategy and work plan being updated. Improved recruitment strategies in place along with an L&D policy and Leadership Development Programme. Currently there is still employment demand. Review Pay and Benefits and enter into arrangement with agency to attract staff should the number of applicants for jobs fall or turnover increase further.	Board reviews of Operational Priorities and HR Strategy including HR related KPIs
Pension costs unaffordable - note past service deficits in relation to the SHAPs final salary pension scheme and auto enrolment	Final salary pension to be closed to future accrual. Consult staff on reducing pension commitment further. Review Pay and Benefits in general. Seek to isolate debt within SHAPs.	Annual pension reports to Board and financial plan reviews
Reductions in funding streams e.g. Supporting People Grant, free personal care, Housing Benefit and end of National Care Home Contract and reducing demand from private payers due to recession	Lobbying and responses to consultations, continue efficiency savings and maintain budgeted ratio of private to LA funded residents in the care homes. Differentiation Strategy in place for the homes. Marketing plans to be developed. Review financial priorities and potentially stop new business. Restructure staff resources. Efficiency savings e.g. Pay & Benefits Review and reducing overheads. Consider retirement model for sheltered housing e.g. no housing support offered.	Management accounts, Key Performance Indicators
Change of law or policy/strategy changes affecting what we can or cannot do e.g. procurement or affecting the what and how we provide services e.g. Self Directed Support and health and social care integration	Lobbying and responding to consultations. Membership of Coalition and Care and Support Providers Scotland and Scottish Care. Regular reviews in all key functional areas e.g. HR, housing support, Asset Management plus briefings to Board on legislative and regulatory changes. Review of cost base especially in relation to charges e.g. Supporting People Grant, service charges and rents.	Board mailings and updates. Key Performance Indicators and Management Accounts to monitor impact
Poor or slow response to ICT opportunities and/or bureaucratic or ineffective work flow processes including poor data management	ICT Strategy and potentially employ more strategic resource. Have Data Protection Policy and making progress with Qlix. Outsource the day to day operation and use consultancy to review strategy or increase internal resources.	ICT Strategy monitored by the Board

Law at Work continued to provide a Health and Safety advisory service during the year as well as carrying out sample audits. There were no material risks identified. Viewpoint continues to deliver essential health and safety training including manual handling, fire safety and food hygiene.

Viewpoint Housing Association Limited
Statement of the Board's Responsibilities
31 March 2014

Responsibilities of the Board

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board 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 its income and expenditure for that period.

In preparing these financial statements, the Board 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 Board 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 Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and The Scottish Housing Regulator's Determination of Accounting Requirements (April 2012). The Board also has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

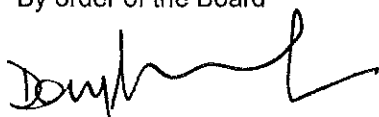
At the time of approval of this report:

- a) so far as the Trustees are aware, there is no relevant audit information of which the Auditor is unaware, and
- b) the Trustees have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Association's Auditor is aware of that information.

External Auditor

Chiene and Tait has indicated its willingness to continue in office. A resolution proposing their reappointment for 2014/15 will be submitted at the Annual General Meeting.

By order of the Board



Dorry McLaughlin

Secretary

19 August.....2014

Viewpoint Housing Association Limited
The Board's Statement on Internal Financial Control
31 March 2014

The Board acknowledges its ultimate responsibility for ensuring that Viewpoint has in place a system of internal financial controls that is appropriate to the various business environments in which it operates. 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.

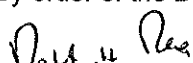
It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material misstatement or loss. Key elements include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- Experienced and suitably qualified staff take responsibility for important business functions.
- Forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives and progress towards the 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 and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.
- The Board reviews reports from management and from both internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. Significant progress continues to be made in addressing control weaknesses identified in previous years. Our Risk Strategy and policy is being rigorously implemented and Financial Control policies enhanced and implemented. Our internal auditor report showed that there was one high priority recommendation made during the year which was immediately resolved.
- Financial risk identification has been carried out and the Risk Map has been approved by the Board. The Board reviews the annual strategy and development-funding plan and both it and the internal management plan are subject to approval by the Board. A treasury management policy is in place to guide and review all borrowing and investment activities and is reviewed regularly and policy changes approved by the Board. Given the reviews to date, the Board is satisfied that the control system was sufficient to give them confidence in the current financial statements. The control arrangements are designed to comply with best practice.

Going Concern

After making enquiries to the Directors, the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future being a period of at least 12 months after the date on which the report and the financial statements are signed and, therefore, these financial statements are prepared on a going concern basis.

By order of the Board



Date: 19 August 2014

Independent Auditor's Report to the Members of Viewpoint Housing Association Limited

We have audited the financial statements of Viewpoint Housing Association Limited for the year ended 31 March 2014 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

This report is made solely to the Association's members, as a body, in accordance with Section 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 9, the Board is responsible for the preparation of financial statements which 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Report of the Board 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.

Opinion on financial statements

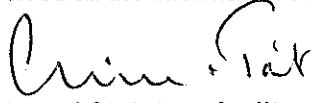
In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2014 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, and The Scottish Regulator's Determination of Accounting Requirements (2012).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014, requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the information given in the Board's annual report is inconsistent in any material respect with the financial statements; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.


CHIENE + TAIT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

27 August 2014

Viewpoint Housing Association Limited
Income and Expenditure Account
For the year ended 31 March 2014

	Notes	2014 £	2013 £
Turnover	2	12,572,882	12,608,412
Operating Costs	2	(10,651,136)	(10,368,335)
Operating Surplus	2	<u>1,921,746</u>	<u>2,240,077</u>
Gain on Sale of Fixed Assets		1,261,066	12,078
Interest Receivable and Other Income	4	46,550	76,121
Interest Payable and similar charges	5	(329,051)	(365,359)
Net Surplus for the year	8	<u><u>2,900,311</u></u>	<u><u>1,962,917</u></u>

The Association has no recognised gains or losses other than the surplus for the year.

The historical cost surpluses and deficits are identical to those shown in the financial statements.

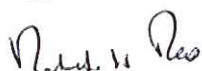
The results for the year relate wholly to continuing activities.

The notes on pages 14 to 33 form an integral part of these financial statements.

Viewpoint Housing Association Limited
Balance Sheet
As at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Housing Properties and Homes - Depreciated Cost	9	54,971,335	55,203,226
Less: Housing Association Grant	9	(30,567,482)	(30,557,368)
Less: Capital Donations	9	(4,038,811)	(4,038,811)
		<u>20,365,042</u>	<u>20,607,047</u>
Other fixed assets	10	1,009,512	918,289
Investments	11	111	111
Total fixed assets		<u>21,374,665</u>	<u>21,525,447</u>
Current assets			
Debtors	12	804,861	922,869
Cash at bank and in hand		9,184,995	7,083,395
		<u>9,989,856</u>	<u>8,006,264</u>
Creditors - amounts due within one year	13	(2,416,653)	(2,780,600)
Net current assets		<u>7,573,203</u>	<u>5,225,664</u>
Total assets less current liabilities		<u>28,947,868</u>	<u>26,751,111</u>
Creditors - amounts falling due after more than one year	14	(9,038,788)	(9,742,298)
Net Assets		<u>19,909,080</u>	<u>17,008,813</u>
Capital and Reserves			
Share Capital	15	196	240
Designated Reserves	6	8,992,181	8,708,088
Restricted Reserves	7	110,630	149,953
Revenue Reserves	8	10,806,073	8,150,532
Total capital and reserves		<u>19,909,080</u>	<u>17,008,813</u>

Approved and authorised for issue by the Board of Management and signed on its behalf:


R Rae
Chairman


R Stewart
Board Member


D McLaughlin
Secretary

Date: 19 August 2014

The notes on pages 14 to 33 form an integral part of these financial statements.

Viewpoint Housing Association Limited
Cash Flow Statement
For the year ended 31 March 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	21a	<u>3,132,349</u>	<u>3,709,567</u>
Returns on investments and servicing of finance			
Interest received		48,482	29,776
Interest paid		<u>(327,303)</u>	<u>(364,529)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(278,821)</u>	<u>(334,753)</u>
Investment			
Payments to acquire and develop housing properties		(998,853)	(2,444,293)
Housing Association Grant received		62,309	59,009
Capital grants received		8,852	-
Payments to acquire other assets		(401,697)	(241,873)
Receipt from sale of assets		<u>1,294,566</u>	<u>12,078</u>
Net cash (outflow) from capital expenditure and financial investment		<u>(34,823)</u>	<u>(2,615,079)</u>
Cash inflow before management of liquid resources and financing		2,818,705	759,735
Management of Liquid Resources			
Cash withdrawn from fixed term deposits		1,000,000	-
Financing			
Loans repaid		(710,012)	(711,492)
Loans received		118,391	405,687
Share Capital Issued		10	18
Net cash (outflow) from financing		<u>(591,611)</u>	<u>(305,787)</u>
Increase in cash	21b	<u>3,227,094</u>	<u>453,948</u>

The notes on pages 14 to 33 form an integral part of these financial statements.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

1. Principal Accounting Policies

(a) Introduction and accounting basis

The principal accounting policies of the Association are set out in the paragraphs (b) to (s) below. The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Financial Conduct Authority. The financial statements have been prepared under the historical cost convention, and in compliance with The Scottish Housing Regulator's Determination of Accounting Requirements (April 2012) and The Statement of Recommended Practice (SORP), "Accounting by Registered Social Housing Providers – Update 2010" and applicable accounting standards. The Association has formal authority from the Financial Conduct Authority to exclude its subsidiary from inclusion or consolidation into its group financial statements, due to the immateriality of the amounts involved in Viewpoint Scotland Limited (formerly known as Benview Trading Limited). These financial statements therefore present information about the Association as an individual undertaking and not about its group.

(b) Going concern

The Association made a surplus of £2,900k for the year which is an increase over last year's surplus of £1,962k. A net current asset position of £7,573K was reported at 31 March 2014 (2013: £5,226k). The Association was compliant with its bank covenants during the year.

The results of the Association's programme to improve its financial efficiency continue to be evident. Updated financial projections have been prepared which indicate it will have sufficient financial resources to meet its short, medium and long term commitments. The Board has reviewed the projections and cash flow for the next 12 months which appear satisfactory and therefore has a reasonable expectation that the Association has adequate resources to continue operating for the foreseeable future. For the above reasons, these accounts have been prepared on a going concern basis.

(c) Turnover

Turnover represents rental and service charge income, income from care homes, income from fees and revenue based grants receivable from local authorities and from the Housing and Regeneration Division of the Scottish Government.

(d) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 9 will be grant aided, funded by loans or met out of reserves, or from proceeds of sales.

(e) Housing Association Grants and Capital Donations

Housing Association Grants (HAG) are made by Housing and Regeneration Division of the Scottish Government and are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount, which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is fully allocated to the land and structure components.

HAG and other grants are repayable under certain circumstances, primarily following sale of property, but will normally be restricted to net proceeds of sale.

(f) Housing Association Grant - Acquisition and Development Allowances receivable

Acquisition and Development Allowances are determined by the Housing and Regeneration Division of the Scottish Government and are advanced as grants. They are intended to finance certain internal administrative cost relating to the acquisition and development of housing land and buildings for approved schemes. Development Allowances become available in instalments according to the progress of work on the scheme. These allowances are credited to the development account when they are receivable.

(g) Fixed assets - Housing land and buildings (note 9)

Properties included in housing properties are stated at cost. The cost of such properties includes:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure including applicable overheads.
- (iii) the replacement of components which are treated separately for depreciation purposes (note (i))

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

1. Principal Accounting Policies (continued)

These costs are either termed "qualifying costs" by the Housing and Regeneration Division of the Scottish Government for approved HAG schemes and are considered for mortgage loans by the relevant lending authorities or they are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value before retentions are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Development costs are capitalised to the extent that they are attributable to specific schemes and where such costs are not felt to be excessive.

If capital expenditure does not qualify for HAG, it is nevertheless capitalised.

Expenditure on schemes that are subsequently aborted is written-off in the year in which it is recognised that the scheme will not be developed to completion.

Right to Buy legislation does not apply to the Association's housing properties on account of the Association's charitable status.

(h) Improvements Capitalised

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in:

- An increase in rental income, or;
- A material reduction in future maintenance costs, or;
- A significant extension of the life of the property.

Works to existing properties that fail to meet the above criteria are charged to the Income and Expenditure account.

(i) Depreciation

(i) Housing properties and care homes

No depreciation is charged on the cost of land. Depreciation on properties is charged over the remaining useful life of the assets by dividing the depreciable book value by the estimated remaining useful economic life in years.

The depreciable book value is calculated by taking total cost less land cost, HAG received, capital donations received and accumulated depreciation. Properties are charged at the following annual rates:

Care Homes and Housing Properties 60 years

Major components are treated as separate assets and depreciated over their expected useful economic lives at the following rates:

Structure	60 years
Windows	Between 30 and 50 years
Heating Systems	Between 20 and 30 years
Kitchens	20 years
Bathrooms	Between 20 and 30 years
Lifts	20 years
Fire Systems	Between 10 and 15 years
Door Entry and Call Alarm Systems	Between 10 and 15 years

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

1. Principal Accounting Policies (continued)

(ii) Other fixed assets

The Association's assets are written off on a straight -line basis over their useful lives as follows:

Heritable office property	50 years
Fixtures & fittings	5 years
Office equipment & computer software	Between 3 and 5 years
Motor vehicles	4 years
Garden equipment	6 years
Kitchen equipment	5 years

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

(j) Impairment of fixed assets

Impairment is calculated as the difference between the carrying value of income generating units and the estimated value in use at the date an impairment loss is recognised. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets is recognised in the Income and Expenditure account.

(k) Reserves

Designated reserve - Reserves for future cyclical repairs and maintenance (note 6)

Cyclical maintenance, being the Association's commitment to maintain its properties in accordance with the planned programme of works, is set aside in a designated reserve, to the extent that it will not be met from revenue in the year in which it is incurred.

Designated reserve - Major repairs fund (note 6)

Major repair expenditure, being the Association's commitment to undertake major repairs to its properties, is set-aside in a designated reserve to the extent that it is not met from HAG or revenue generated in the year. This reserve is intended to cover major repairs expenditure as well as the replacement of capitalised components.

Designated reserve - Sinking fund (note 6)

Sinking fund items include recurring items and the replacement of capitalised components which do not fall within either the cyclical or major repairs programmes and have funding requirements extending over more than one year.

An amount equal to the relevant cyclical and major repairs cost is transferred to revenue reserves each year and an estimate of expected future requirements is calculated to set the required annual transfer from revenue reserve.

The balance on the Association's Designated Reserves at 31 March 2014 is sufficient to cover forecast expenditure under the planned maintenance programme for a period of three to five years.

Designated reserve - New care home reserve (note 6)

This reserve was established as a result of the sale proceeds of the former care home at Inverleith Terrace in the year to 31 March 2008. The Board has designated the proceeds for the future construction or acquisition of a new care home. Should Viewpoint wish to use this for an alternative opportunity in the future, the designation may be varied.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

1. Principal Accounting Policies (continued)

Restricted reserves (note 7) - These relate to donations and legacies whose use is limited to the provision of amenities at specific housing complexes and care homes.

(l) Managing Agents

Housing and accounting records are maintained on behalf of Craiglea Place Proprietors Association which reflect management agreements. While management fees for the provision of this service are included in these financial statements as income, the transactions of the managed bodies are not included.

(m) Apportionment of management expenses

Direct employee administration and operating costs have been apportioned to the Income and Expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in these accounts.

(n) Lease obligations

Rentals paid under operating leases are charged to the Income and Expenditure account on the accruals basis.

(o) Pensions

The Association participates in the centralised Scottish Housing Associations' Defined Benefit Pension Scheme and retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme. Contributions are made in accordance with periodic calculations by consulting actuaries and are based on pensionable salaries applicable across the various participating Associations taken as a whole. As it is not possible in the normal course of events to identify the Association's share of underlying assets and liabilities, it is accounted for on the basis of the contributions for the year.

The Association also contributes to the personal pension schemes of employees not eligible to participate in the above scheme on a defined contribution basis.

All staff are eligible to join Viewpoint's defined contribution pension scheme. Viewpoint will match Employee's contributions, between 3% and 6% of contracted salaries. Contributions are charged in the Income & Expenditure Account as they become payable in accordance with the rules of the scheme.

(p) Value Added Tax (VAT)

The Association is not VAT registered; as a result all expenditure is stated inclusive of Value Added Tax.

(q) Prepayment of Loan Set-Up Costs

Loan set-up costs are treated as prepaid and will be charged to the Income and Expenditure account over the life of the loan. This treatment is consistent with Financial Reporting Standard 4 'Capital Instruments'. The capital element of the future payments is treated as a liability.

(r) Liquid resources

Liquid resources are defined as cash and cash equivalents being assets readily convertible into cash without curtailing or disrupting the business of the Association.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

1. Principal Accounting Policies (continued)

(s) Loan stock

Loan stock, being unsecured loans from tenants under the terms of a number of the Association's tenancy agreements, is shown as long term creditors, with the exception of an estimated £350k which is included in housing loans within current liabilities. The current liability reflects the amount the Association estimates will be repaid within one year.

2. Turnover, Operating Costs and Operating Surplus

			2014		2013
		Turnover	Operating Costs	Operating Surplus	Operating Surplus
	Note	£	£	£	£
Social Lettings	3a	7,104,747	(5,589,513)	1,515,234	1,888,763
Other activities	3b	<u>5,468,135</u>	<u>(5,061,623)</u>	<u>406,512</u>	<u>351,314</u>
Total 2014		<u>12,572,882</u>	<u>(10,651,136)</u>	<u>1,921,746</u>	<u>2,240,077</u>
Total 2013		<u>12,608,412</u>	<u>(10,368,335)</u>	<u>2,240,077</u>	

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

3a. Income and Expenditure from Social Housing Lettings

	2014			2013
	General Needs Housing £	Supported Housing £	Total £	Total £
Rent receivable net of service charges	1,024,420	3,734,716	4,759,136	4,750,913
Service charges receivable – eligible for Housing Benefit	186,742	1,769,941	1,956,683	1,999,529
Service charges receivable – not eligible for Housing Benefit	19,718	589,796	609,514	586,157
Gross Income from rents and service charges	1,230,880	6,094,453	7,325,333	7,336,599
Less: voids*	(83,955)	(138,958)	(222,913)	(150,985)
Net Income from rents & service charges	1,146,925	5,955,495	7,102,420	7,185,614
Grants from Scottish Ministers	-	-	-	-
Other revenue grants	-	2,327	2,327	-
Total Turnover from social letting activities	1,146,925	5,957,822	7,104,747	7,185,614
Service costs	(219,465)	(2,152,031)	(2,371,496)	(2,136,663)
Management & maintenance administration costs	(156,962)	(822,805)	(979,767)	(866,162)
Reactive maintenance costs	(180,644)	(663,674)	(844,318)	(643,104)
Bad debts - rents & service charges	(3,243)	(39,770)	(43,013)	(41,464)
Planned & cyclical maintenance including major repairs	(164,840)	(312,530)	(477,370)	(755,552)
Depreciation on social housing	(192,210)	(681,339)	(873,549)	(853,906)
Impairment on social housing	-	-	-	-
Operating costs for social housing activities	(917,364)	(4,672,149)	(5,589,513)	(5,296,851)
Operating Surplus	229,561	1,285,673	1,515,234	1,888,763
Operating Surplus for social housing 2013	383,618	1,505,145	1,888,763	

In addition to other capital improvement works, during the year £584,264 (2013: £1,221,512) of major repairs work was capitalised under component accounting and £159,600 (2013: £130,610) was expensed.

* voids includes the loss of rents at Newbattle Terrace which was disposed of in March 2014. This amounted to £57k and accounts for the majority of this year's adverse increase.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

3b. Particulars of Turnover, Operating Costs and Operating Surplus or Deficit from Other Activities

	2014		2013					
	Grants from Scottish Ministers £	Supporting People Income £	Other Income £	Total Turnover £	Operating costs – bad debts £	Other operating Costs £	Operating Surplus/ (Deficit) £	Operating Surplus/ (Deficit) £
Development activities and construction of property activities	-	-	-	-	-	-	-	-
Support Activities	-	272,067	-	272,067	-	(271,368)	699	20,869
Care Activities	1,968,154	-	3,180,731	5,148,885	38,491	(4,752,660)	434,716	301,665
Agency and Managed Services for Registered Social Landlords	-	-	25,974	25,974	-	(25,812)	162	3,769
Wider Role Activities	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-
Developments for sale to Non RSLs	-	-	-	-	-	-	-	-
Other	-	-	21,209	21,209	-	(50,274)	(29,065)	25,011
Total from Other Activities for 2014	1,968,154	272,067	3,227,914	5,468,135	38,491	(5,100,114)	406,512	351,314
Total from Other Activities for 2013	2,008,111	272,308	3,142,379	5,422,798	(19,148)	(5,052,336)	351,314	

In addition to other capital improvement works, major repairs work to Care Homes of £32k (2013: £49k) has been capitalised in the year under component accounting and £5k (2013: £41k) has been expensed.

Care Home Activities includes the receipt of grants totalling £51k from Viewpoint Trust, £36k has been used to meet costs associated with the creation of the dementia wing at St Raphael's Care Home with the remaining £15k being used to subsidise care home fees.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

4. Interest Receivable and Similar Income	2014 £	2013 £
Interest receivable on cash deposits	31,339	59,772
Interest charged to subsidiaries	15,211	16,349
	<u>46,550</u>	<u>76,121</u>

5. Interest Payable and Similar Charges	2014 £	2013 £
Interest on bank loans and overdrafts	329,051	365,359
	<u>329,051</u>	<u>365,359</u>

6. Designated Reserves	At 1 April 2013 £	Transfers to Revenue Reserves £	Transfers from Revenue Reserves £	At 31 March 2014 £
Cyclical Maintenance	1,379,467	(190,510)	179,947	1,368,904
Major Repairs	3,156,670	(337,936)	576,266	3,395,000
Sinking Fund	2,071,497	(496,420)	552,746	2,127,823
	6,607,634	(1,024,866)	1,308,959	6,891,727
New Care Home Reserve	2,100,454	-	-	2,100,454
	<u>8,708,088</u>	<u>(1,024,866)</u>	<u>1,308,959</u>	<u>8,992,181</u>

No restrictions are placed on these reserves, but the Board has designated their use for specific purposes. Allocations to these reserves and the basis of designation have been reviewed and the balance on the Association's reserves at 31 March 2014 is sufficient to cover forecast spend under the planned maintenance programme for a period of between three and five years.

The New Care Home reserve was established from the sale proceeds of the former care home property at Inverleith Terrace which the Board have designated for the future construction or acquisition of a new care home. Should Viewpoint wish to use this for an alternative opportunity in the future, the designation may be varied.

7. Restricted Reserves	2014 £	2013 £
As stated at 1 April	149,953	177,109
Legacy Income and Grants received during the year (including Interest) (note 8)	51,276	37,087
Transfer to revenue reserve for expenditure (note 8)	(90,599)	(64,243)
At 31 March	<u>110,630</u>	<u>149,953</u>

	Opening Balance	Rec'd	Interest	Paid	Closing Bal
Housing	92,819	-	299	7,466	85,652
Homes	57,134	50,890	87	83,133	24,978
	149,953	50,890	386	90,599	110,630

The balance of the restricted reserves at 31 March 2014 is limited to the provision of amenities at specific housing complexes and care homes. These balances are likely to be fully expended within the next five years.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

8. Revenue Reserves	2014 £	2013 £
As stated at 1 April	8,150,532	6,168,931
Net Surplus for the year	2,900,311	1,962,917
Transfer to restricted reserves (note 7)	(51,276)	(37,087)
Transfer from restricted reserves for expenditure on restricted items (note 7)	90,599	64,243
Net Transfer (to) designated reserves (note 6)	(284,093)	(8,472)
At 31 March	<u>10,806,073</u>	<u>8,150,532</u>

9a Housing Properties

Cost	Housing Properties held for letting £	Care Homes £	Total £
At 1 April	59,556,211	8,546,752	68,102,963
Additions	772,955	109,728	882,683
Disposals - property disposals	(120,394)	-	(120,394)
- replaced components	(73,540)	(2,840)	(76,380)
At 31 March	<u>60,135,232</u>	<u>8,653,640</u>	<u>68,788,872</u>
Depreciation			
At 1 April	(10,834,746)	(2,064,991)	(12,899,737)
Depreciation charge for year	(873,549)	(154,847)	(1,028,396)
Disposals - property disposals	34,216	-	34,216
replaced components	73,540	2,840	76,380
At 31 March	<u>(11,600,539)</u>	<u>(2,216,998)</u>	<u>(13,817,537)</u>
Cost less depreciation	<u>48,534,693</u>	<u>6,436,642</u>	<u>54,971,335</u>
Housing Association Grant			
At 1 April	(30,557,368)	-	(30,557,368)
Additions	(62,795)	-	(62,795)
Disposals	52,681	-	52,681
At 31 March	<u>(30,567,482)</u>	<u>-</u>	<u>(30,567,482)</u>
Other Capital Donations			
At 1 April	(1,665,195)	(2,373,616)	(4,038,811)
Additions	-	-	-
At 31 March	<u>(1,665,195)</u>	<u>(2,373,616)</u>	<u>(4,038,811)</u>
Total Grants as 31 March	<u>(32,232,677)</u>	<u>(2,373,616)</u>	<u>(34,606,293)</u>
Net Book Value at 31 March 2014	<u>16,302,016</u>	<u>4,063,026</u>	<u>20,365,042</u>
Net Book Value at 31 March 2013	<u>16,498,902</u>	<u>4,108,145</u>	<u>20,607,047</u>

9b. Development Administration Costs and Interest Capitalised	2014 £	2013 £
Development administration costs capitalised during the year	6,084	6,515
Interest capitalised during the year	<u>-</u>	<u>-</u>

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

9c. Leased Assets

None of the Association's land or properties were held under a lease.

10. Other Fixed Assets

	Heritable Office Property	Kitchen, Office, Computer Software and Garden Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April	738,996	709,579	1,106,671	223,374	2,778,620
Additions	19,516	37,252	272,839	14,162	343,769
Disposals	-	-	(225,251)	(58,070)	(283,321)
At 31 March	<u>758,512</u>	<u>746,831</u>	<u>1,154,259</u>	<u>179,466</u>	<u>2,839,068</u>
Depreciation					
At 1 April	277,983	631,372	772,159	178,817	1,860,331
Charged during year	16,632	32,769	179,718	23,427	252,546
Disposals	-	-	(225,251)	(58,070)	(283,321)
At 31 March	<u>294,615</u>	<u>664,141</u>	<u>726,626</u>	<u>144,174</u>	<u>1,829,556</u>
Net Book Value at 31 March 2014	<u>463,897</u>	<u>82,690</u>	<u>427,633</u>	<u>35,292</u>	<u>1,009,512</u>
Net Book Value at 31 March 2013	<u>461,013</u>	<u>78,207</u>	<u>334,512</u>	<u>44,557</u>	<u>918,289</u>

11. Investments

	2014 £	2013 £
Shares in Lomond Park	100	100
Shares in subsidiary company	11	11
	<u>111</u>	<u>111</u>

The Association holds one hundred unlisted shares in Lomond Park private gardens.

The subsidiary company at 31 March was:

Name	Country of Registration	Nature of Business	Proportion of Ordinary Shares held
Viewpoint Scotland Limited	Scotland	Management of housing /homes funded by Special Needs Capital Grant and Loanstock	100%

The amount subscribed at par for the ordinary shares of £1 each held by Viewpoint Housing Association Limited was £1. The results for the subsidiary company and the deficiency of net asset value at the year end are as follows:

	2014 £	2013 £
Profit on ordinary activities after taxation	<u>3,585</u>	<u>2,727</u>
Net Liabilities	<u>(43,137)</u>	<u>(46,722)</u>

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

12. Debtors:	2014	2013
	£	£
Amounts falling due after more than one year:		
Amounts due from Group Undertakings	223,565	235,332
Amounts falling due within one year:		
Rental Debtors	459,297	420,124
Less: provision for bad and doubtful debts	(180,778)	(195,470)
	<u>278,519</u>	<u>224,654</u>
Other Debtors	16,616	32,546
Grants receivable	8,839	8,353
Amounts due from Group Undertakings	133,694	135,404
Prepayments and accrued income	120,015	251,283
Amounts due from Managed Schemes	16,744	18,224
Trade Debtors	6,869	17,073
	<u>804,861</u>	<u>922,869</u>
13. Creditors: Amounts falling due within one year	2014	2013
	£	£
Housing loans principal payable within one year (see note 14)	520,918	409,029
Bank Overdraft	90,539	216,033
Trade Creditors	615,659	759,196
Other Creditors	163,135	337,150
Other taxes and social security	93,434	92,473
Prepaid rent	287,952	272,690
Accruals and deferred income	645,016	694,029
	<u>2,416,653</u>	<u>2,780,600</u>
14. Creditors: Amounts falling due after more than one year	2014	2013
	£	£
Debt		
Housing Loans	5,049,516	5,224,060
Loan Stock	3,600,866	4,116,406
Other/Office Loans	388,406	401,832
	<u>9,038,788</u>	<u>9,742,298</u>
Debt analysis	2014	2013
	£	£
Debt is repayable as follows:		
In one year or less	520,918	409,029
In more than one year but less than two years	533,535	416,939
In more than two years but less than five years	909,020	842,714
In more than five years	7,596,233	8,482,645
	<u>9,559,706</u>	<u>10,151,327</u>
Less: disclosed in note 13	(520,918)	(409,029)
	<u>9,038,788</u>	<u>9,742,298</u>

Bank loans are secured by specific charges over properties, the interest on bank loans is payable at a rate of interest of 5.95% (2013:6.22%). No interest is payable on loan stock.

Viewpoint Housing Association Limited
Notes to the Financial Statements
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15. Non Equity Share Capital	2014 £	2013 £
Issued, allotted and fully paid shares of £1 each		
At 1 April	240	298
Cancelled during the year	(54)	(76)
Issued during the year	10	18
At 31 March	<u>196</u>	<u>240</u>

Each member of the Association holds one share of £1 in the Association. Those shares carry no rights to dividend or distribution on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members meetings.

16. Staff Costs	2014 £	2013 £
Staff costs during the year		
Wages and salaries	4,281,848	4,039,212
Social security costs	324,245	306,695
Other pension costs	315,187	301,552
	<u>4,921,280</u>	<u>4,647,459</u>

In addition to the above costs the Association incurred further costs of £387,212 (2013:£524,861) relating to the use of agency staff, primarily in the care homes.

The average number of full-time equivalents employed during the year was:-

Office staff	29	30
Warden, care staff, caterers and cleaners	177	171
Maintenance	13	12
Total FTE employees	<u>219</u>	<u>213</u>

The Association is controlled by a voluntary Board of Management who received no remuneration during the year to 31 March 2014.

The Directors also include the Chief Executive, and any other person reporting directly to the Chief Executive.

Aggregate emoluments payable to Directors whose emoluments are £60,000 or more (excluding pension contributions but including benefits in kind)	<u>146,587</u>	<u>143,013</u>
Aggregate emoluments payable to the highest paid Director (excluding pension contributions)	<u>85,775</u>	<u>81,276</u>
Pension Contributions of highest paid Director	<u>7,562</u>	<u>7,296</u>
Pension Contribution of other Director with emoluments over £60,000	<u>5,637</u>	<u>5,582</u>

With effect from 1 April 2011, past service deficit payments became based on pensionable salary roll at September 2009. For the year to 31 March 2014 the amount payable for past service deficit was £150,390. In February 2014 the Association received confirmation that its deficit contribution from 1 April 2014 will be £442k (previously £150k). The deficit contributions are to increase at 3% per annum under the plan. No past service deficit amounts are allocated to individual staff members.

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Notes to the Financial Statements
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16. Staff Costs (continued)

The emoluments (excluding pension contributions) of the Directors, including the highest paid Director, were within the following ranges:

£60,001 to £70,000	1	1
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
	<hr/>	<hr/>

Expenses not chargeable to United Kingdom income tax reimbursed to members of the Board of Management	<hr/> 846	<hr/> 250
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17. Pension Obligations

The pension costs for Viewpoint Housing Association Ltd relate to the following schemes:

- **The Friends Provident Personal Pension Scheme** of which 94 employees are members (2013: 82). The scheme was changed in December 2011; previously for employees with service prior to July 2010, this was a 6% employer's only contribution scheme. Since July 2010 new employees contribute up to 6% with Viewpoint Housing Association making matching contributions. From December 2011, all Employer contributions are on the basis of matching employee's contributions. During the year Viewpoint Housing Association made contributions of £56,442 (2013: £52,799).

- **The Scottish Housing Associations' Pension Scheme (SHAPS)**

Viewpoint Housing Association participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is funded and is contracted-out of the State Pension scheme.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

In February 2014 the Association received confirmation that its deficit contribution from 1 April 2014 will be £442k (previously £150k). The deficit contributions are to increase at 3% per annum under the plan.

The last formal valuation of the Scheme was performed as at 30 September 2012 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £394 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £304 million, equivalent to a past service funding level of 56.4%

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17. Pension Obligations (continued)

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £470 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £272 million, equivalent to a past service funding level of 63%.

1. Viewpoint Housing Association participates in the Scottish Housing Associations' Pension Scheme.
 2. The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted-out of the State Pension scheme.
 3. The Scheme offers six benefit structures to employers, namely:
 - Final salary with a 1/60th accrual rate.
 - Career average revalued earnings with a 1/60th accrual rate.
 - Career average revalued earnings with a 1/70th accrual rate.
 - Career average revalued earnings with a 1/80th accrual rate
 - Career average revalued earnings with a 1/120th accrual rate, contracted in.
 - Defined Contribution (DC) option
 4. An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice.
 5. Viewpoint Housing Association has elected to operate the final salary with a 1/60th accrual rate benefit option for active members as at 31 March 2012, and the DC option for new members from 1 February 2014 (Postponed until 1 May 2014).
- During the accounting period Viewpoint paid contributions at the rate of 9.6% of pensionable salaries, member contributions were at the rate of 9.6%, for the final salary benefit option.
6. As at the balance sheet date there were 35 active members (2013: 38 members) of the Final Salary Scheme employed by Viewpoint Housing Association. The annual pensionable payroll in respect of these members was £962,275 (2013: £1,038,744).
 7. It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2014

17. Pension Obligations (continued)

8. The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme are:

2012 Valuation Assumptions	% p.a.
Investment return pre retirement	5.3
Investment return post retirement - Non-pensioners	3.4
Investment return post retirement - Pensioners	3.4
Rate of salary increases	4.1
Rate of pension increases	
- Pension accrued pre 6 April 2005 in excess of GMP	2.0
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	1.7
Rate of price inflation	2.6

Mortality Tables	
Non-pensioners	44% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term improvement of 1.50% p.a. for males and 1.25% p.a. for females.
Pensioners	90% of S1PMA (males) and S1PFA (females) projected using CMI_2011 with a long term rate of improvement of 1.50% p.a. for males and 1.25% p.a. for females

Contribution Rates for Future Service (payable from 1 April 2014)	%
Final salary 1/60ths	24.6
Career average revalued earnings 1/60ths	22.4
Career average revalued earnings 1/70ths	19.2
Career average revalued earnings 1/80ths	16.9
Career average revalued earnings 1/120ths	11.4

Additional deficit contributions are payable from 1 April 2014 and will increase by 3% per annum each 1 April thereafter. Technical Provisions liabilities as at 30 September 2012 will be used as the reference point for calculating the additional contributions.

• Growth Plan

1. Viewpoint Housing Association participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.
2. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.
3. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.
4. The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
5. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

Viewpoint Housing Association Limited
Notes to the Financial Statements
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17. Pension Obligations (continued)

6. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.
7. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.
8. Viewpoint Housing Association has paid past service deficit contributions of £6,828 during the accounting period.
9. As at the balance sheet date there were 2 active members of the Plan employed by Viewpoint Housing Association. Subsequent to year end, this scheme is closed to new members.
10. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
11. The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.
12. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Rate of Inflation (CPI)	2.4
Rate of Inflation (RPI)	2.9

13. In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.
14. The Scheme Actuary's results for 30 September 2012 show that the Plan's assets at that date were £790 million and the Plan's Technical Provisions (i.e. past service liabilities) were £984 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £194 million, equivalent to a funding level of 80%.
15. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.
16. The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.
17. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

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Notes to the Financial Statements
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17. Pension Obligations (continued)

18. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.
19. The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.
20. When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited. As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities. However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal. Owing to this situation, we have included 2 figures/calculations, namely:
- The cost of withdrawal if we include Series 3 liabilities in the calculation
 - The cost of withdrawal if we exclude Series 3 liabilities from the calculation

If an employer withdraws from the Plan prior to implementation of the regulations, payment of the higher amount would become due, pending adjustment when regulations are implemented.

21. At year end Viewpoint had an outstanding Pension creditor for the amount of £28,260 (SHAPS) and £8,290 (Friends Provident).

18. Operating Lease Commitments

At 31 March 2014 the company was committed to make the following payments during the next year in respect of operating leases:

	2014 £	2013 £
Leases which expire:		
Within one year	9,394	-
Within two to five years	<u>2,324</u>	<u>28,192</u>
	<u>11,718</u>	<u>28,192</u>

19. Taxation

There was no charge to corporation tax in 2013 or in 2014. The Association has charitable status and is eligible for exemptions from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988.

20. Capital Commitments

	2014	2013
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>62,493</u>	<u>156,747</u>
Capital expenditure authorised but not contracted for *	<u>1,081,000</u>	<u>171,493</u>

* Subsequent to 31 March 2014, Viewpoint entered into a contract for £ 1,056,424.

The Association has necessary arrangements in place to fund these capital commitments.

Viewpoint Housing Association Limited
Notes to the Financial Statements
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21. Notes to the Cash Flow Statement

a. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	2014	2013
	£	£
Operating surplus on ordinary activities	1,921,746	2,240,077
Depreciation of housing and care properties	1,028,396	1,003,482
Depreciation – other	252,545	260,546
Decrease/(Increase) in debtors	113,394	(1,068)
Increase/(Decrease) in creditors	(183,678)	206,606
Share Capital Cancelled	(54)	(76)
Net cash inflow from operating activities	<u>3,132,349</u>	<u>3,709,567</u>

b. Reconciliation of Net Cash Flow to Movement in Net Debt

	2014	2013
	£	£
Increase in cash for the year	3,227,094	453,948
Cash flow from Liquid Resources	(1,000,000)	-
Cash outflow from decrease in debt	710,012	711,492
Cash inflow from increase in debt	(118,391)	(405,687)
Change in net debt resulting from cash flows	<u>2,818,715</u>	<u>759,753</u>
Net Debt as at 1 April 2013	<u>(3,283,965)</u>	<u>(4,043,718)</u>
Net Debt as at 31 March 2014	<u>(465,250)</u>	<u>(3,283,965)</u>

c. Analysis of Changes in net debt

	at 1 April 2013 £	Cash flow £	Other Changes £	At 31 March 2014 £
Net Cash				
Cash at bank and in hand (exc Liquid Resources)	6,083,395	3,101,600	-	9,184,995
Bank Overdrafts	(216,033)	125,494	-	(90,539)
	<u>5,867,362</u>	<u>3,227,094</u>	<u>-</u>	<u>9,094,456</u>
Liquid Resources	1,000,000	(1,000,000)	-	-
Debt				
Debt due within one year	(409,029)	409,029	(520,918)	(520,918)
Debt due after one year	(9,742,298)	182,592	520,918	(9,038,788)
	<u>(3,283,965)</u>	<u>2,818,715</u>	<u>-</u>	<u>(465,250)</u>

Viewpoint Housing Association Limited
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22. Contingent Liabilities

The Scottish Housing Association's Pension Scheme

Viewpoint Housing Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30 September 2013. As of this date the estimated employer debt for Viewpoint Housing Association was £9,457,854

Growth Plan

Viewpoint Housing Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of this date the estimated employer debt for Viewpoint Housing Association was £90.5k, excluding Series 3 Liabilities, and £98k including Series 3 Liabilities.

23. Housing Stock

	2014 No	2013 No
General needs	275	293
Supported	1,100	1,100
Total units	<u>1,375</u>	<u>1,393</u>
	2014 No	2013 No
Housing accommodation managed on behalf of other bodies	<u>62</u>	<u>62</u>
Accommodation managed by other bodies:		
The Action Group	6	6
Garvald Glenesk Limited	1	1
Community Integrated Care	7	7
Carr-Gomm Scotland	<u>8</u>	<u>8</u>

24. Operating Surplus on Ordinary Activities

	2014	2013
Operating Surplus on ordinary activities was arrived at after charging:		
	£	£
External Auditor fees	17,390	13,863
External Auditor non-audit services	<u>-</u>	<u>2,750</u>

25. Related Party Disclosure

Tenant members of the Board

During the year Ms Jean Simpson, a member of the Board of Trustees was also a tenant of the Association. Transactions with the Association are undertaken on standard terms, as applicable to all tenants.

Viewpoint Scotland Ltd

Viewpoint Housing Association provides funding assistance and management and development services to Viewpoint Scotland Ltd (formerly known as Benview Trading Limited), its wholly owned subsidiary, in relation to the development of capital projects in which the two organisations hold complementary interests. Viewpoint Scotland Ltd also provides Viewpoint with advisory services in connection with the same projects.

During the year, Viewpoint Housing Association received £2,868 (2013: £2,868) in management fees from Viewpoint Scotland Ltd. During the year Viewpoint Housing Association Limited charged interest of £14,561 on a loan to Viewpoint Scotland Ltd. At 31 March 2014 the balance outstanding on this loan was £235,331 (31 March 2013: £247,099). At the period end the total amount due from this company was £357,259 (2013: £370,736) (Note 12). Interest of £650 (2013: £582) on the inter-company current account balance of £121,927 was charged to Viewpoint Scotland Ltd at a rate comparable with that which is received on the Association's bank deposits.

Viewpoint Housing Association Limited
Notes to the Financial Statements
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25. Related Party Disclosure (continued)

The following members of the Association's Board who served during the year are also directors of Viewpoint Scotland Ltd (formerly Benview Trading Limited):

Dr R G Smith
Mr R Stewart
Mr R Rae

Viewpoint Trust

Viewpoint Trust was established in 1987 to raise and allocate funds to provide housing and any associated amenities for the aged and infirm who, in the opinion of the Trustees, would derive benefit there from. There are no staff employed by the Trust and financial and secretarial services are provided by Viewpoint Housing Association.

During the year, grants of £38,607 of which £2,326 was used to fund Croft an Righ Computer Club and £36,281 towards cost of the Dementia Unit at St Raphael's Care Home (2013: £2,571 was received from the Trust, which was used to fund a sensory garden at St Raphael's Care Home), and £14,610 was received for the benefit of residents of the Association's Care Homes. In February 2012 grants of £74,797 were also received to be used for the benefit of residents of the Association's care homes, and during the year to 31 March 2014 £34,175 (2013:£40,622) of this sum was used to fund the Craft Café which opened in May 2012, Grants from the Trust are treated as restricted income (note 7). Management fees of £4,660 (2013: £4,660) were paid by the Trust to Viewpoint Housing Association. At the period end the amount due from the Viewpoint Trust was £2,793 (2013: £4,661).