



Alexander Sloan

Accountancy and business solutions

# **Viewpoint Housing Association Limited**

**Report and Financial Statements**

**For the year ended 31 March 2019**

**Registered Housing Association No. HEP199**

**FCA Reference No. 1228RS**

**Scottish Charity No. SCO05619**

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## BOARD OF TRUSTEES, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2019

### BOARD OF TRUSTEES

Jacqueline Ann MacDonald	(Chair- Resigned 2 August 2019)
Iain Donald Ker Thompson	(Vice Chair - Acting Chair from 2 August 2019)
Gordon Iain Anderson	(Resigned 3 July 2018)
Nicola Donaldson	
Victor Wynne Stewart	(Resigned 18 September 2018)
Robert James McNeill	
Jean Knight Bennett Simpson	(Chair of the Remuneration and Staff Welfare Committee)
Roger Alfred Stewart	(Resigned 18 September 2018)
Robin Barnes	
Ian Hugh Mackay	
John Gairns Beaton	(Resigned 15 October 2018)
Thomas Paul Roehricht	(Chair of the Group Risk and Audit Committee)
Carol Lumsden	
Pamela Russell	(Appointed 18 September 2018)
Katherine Ruthven Kennedy	(Appointed 18 September 2018)
David Dennis McIntosh	(Co-opted 11 December 2018)

### EXECUTIVE OFFICERS

Jean Gray	Chief Executive/Secretary (Appointed 1 April 2019)
Dorry McLaughlin	Chief Executive/Secretary (Left 30 November 2018)
Esther Wilson	Director of People and Place
Howard Vaughan	Director of Finance and Assets
Ann Wood	Director of Care (Appointed 18 June 2018)
Donna Macleod	Director of Care and Learning and Development (Left 18 May 2018)
Helen McMorran	Director of Business Support (Appointed 1 June 2018)

### REGISTERED OFFICE

4 South Oswald Road  
Edinburgh  
EH9 2HG

### EXTERNAL AUDITORS

Alexander Sloan  
Accountants & Business Advisers  
180 St Vincent Street  
Glasgow  
G2 5SG

### INTERNAL AUDITORS

Wylie & Bisset (from 1 April 2019)  
168 Bath Street  
Glasgow  
G2 4TP

### BANKERS

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

### SOLICITORS

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

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1228RS. The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SCO05619.

### Principal Activities

Viewpoint's vision is to create joy in later years.

Viewpoint's Strategic Objectives are:

- Our people make great things happen
- Our finances will support the changing needs of the business
- We empower and support people to live as independently as they choose
- Our customers are at the heart of everything we do.
- We assert our influence to create an ever-improving environment for older people which meets their aspirations.
- We provide great places where people choose to live

Viewpoint Housing Association Limited (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 specialising in housing, support and care homes with nursing. Although our main client group is older people we also provide 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 (133 bed spaces) and 1333 housing properties. The accommodation and services range from amenity housing through to enhanced sheltered housing with higher levels of support for older people, mainstream 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, 'Tap into IT', The Action Group, Places for People, TPAS, Kidzcare, Marie Curie and St Columba's Hospice, Edinburgh, Edinburgh Napier and Queen Margaret Universities, together with local authorities including Integrated Health and Social Care Partnerships.

Viewpoint is a member of the Scottish Federation of Housing Associations (SFHA) and has adopted the SFHA Model Rules. The rules comply with the requirements of the Scottish Housing Regulator. Viewpoint is on the Register of Cooperative and Community Benefit Societies and is registered with the Financial Conduct Authority as a Friendly Society.

Viewpoint is also registered with the Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord.

The Scottish Housing Regulator (SHR) introduced its new Regulatory Framework on 1 April 2019. At this point Viewpoint has not been provided with a regulatory status. The SHR will after receipt of the first annual Assurance Statement from all landlords and having completed their annual risk assessment will give Registered Social Landlords (RSLs) a regulatory status in line with their Regulatory Framework.

The SHR has intimated that at this point in time, other than the annual regulatory returns required from all RSLs, they do not require any further assurance from Viewpoint.

# **VIEWPOINT HOUSING ASSOCIATION LIMITED**

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## **REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

### **Principal Activities (Contd.)**

The Housing Support and @Home services and care home services are regulated and inspected by the Care Inspectorate. During the year the Care Inspectorate introduced a new grading system. At the most recent inspections, for the service standards reviewed, St Raphael's and Marian House were both assessed at Grade 5's and 4s whilst Lennox House was graded 5s. The Housing Support and @Home services also received Grade 5s.

Viewpoint has a fully owned subsidiary Viewpoint Scotland Limited whose purpose is to manage housing/homes funded by a Special Needs Capital Grant. The financial results of Viewpoint Scotland Limited for the year ended 31 March 2019 have not been consolidated into Viewpoint as these are of an immaterial nature to the results of Viewpoint.

Viewpoint is governed by a voluntary Board of Trustees (Board) whose members each hold one fully paid share of £1 in Viewpoint, are elected by the membership and are unpaid. The Chair was retired and reappointed at the AGM. Four members resigned during the year and two new members appointed and one member reappointed during the year. The Board is supported by a Group Risk and Audit Committee, which reviewed its skills mix and terms of reference following the AGM, and a Staff Welfare and Remuneration Committee. Board members have adopted the SFHA Code of Conduct for Governing Body Members.

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.

The Board meets six weekly and members take part in Committees. The Board meets at least once annually without the Executive Team present. The average attendance by all Board members was 82%.

Board members attended training including Governance, Leadership and Finance and received individual appraisals during the year.

Management is delegated by the Board to the Executive Team. The Chief Executive and Executive Team members hold no interest in Viewpoint's share capital, and although not having the legal status of directors, act as Executives within the authority delegated by the Board. This Team comprises the Chief Executive, Directors of Finance and Assets, People and Place, Care, and Business Support. Viewpoint has a Schedule of Delegated Authorities setting out those authorities that are reserved by the Board and those delegated to the Committees and Chief Executive.

### **Principal Markets and Associated Risks**

The policy and strategic priorities for both the Scottish Government and Integrated Health and Social Care Partnerships continue to place an emphasis on enabling older people to live independently at home as long as possible through care at home services as well as the increasing use of technology enabled care. Innovations in these areas are being introduced.

Many sheltered housing providers have moved to a retirement housing model where support is no longer provided. Viewpoint operates this model in Fife but is committed at this time to maintaining its support role in Edinburgh and elsewhere in the Lothians.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Principal Markets and Associated Risks (Contd.)

Throughout the year a number of new care homes have opened in the Edinburgh area. The focus of Viewpoint will remain on maintaining the high standard of the three existing care homes and demand continues to be high for all three homes.

The Board of Trustees has a comprehensive Risk Policy and Strategy including a statement of its risk appetite. The Risk Register is reviewed throughout the year by the Board of Trustees, the Group Risk and Audit Committee and the Executive Team. Risk is a standing agenda item for both the Group Risk and Audit Committee and Board of Trustees.

The key risks have been identified as:

- Failure to put customers at the heart of the business
- Any potential impact from Brexit
- The impact of Welfare Reform on tenancy sustainability
- Availability and continuity of our systems and data management
- Ensuring properties are fit for purpose, future proofed and compliant with all legislative requirements
- Failure to meet Landlord and Occupational Health and Safety requirements
- Changes in commissioning and funding by local authorities for services
- Ensuring skills in place for effective governance
- Reputational and financial impact from reduced care home occupancy

Amalgamate continue to provide a Health and Safety advisory service during the year as well as carrying out sample audits. Viewpoint continues to deliver essential Landlord and Occupational Health and Safety training including gas, electric wiring, fire safety, asbestos, legionella, manual handling and food hygiene.

### Achievements in 2018/19

Viewpoint's major achievements were as follows:

- The launch of new Tenant Participation Strategy
- Further substantial investment in properties including roof and window replacements, heating upgrades and new bathrooms and kitchens totalling £2.05m
- Commissioning of full stock condition and mechanical & electrical surveys across all properties
- The launch of new Dementia Strategy
- The introduction of new Electronic Care Planning system, Person Centred Systems in the care homes
- The introduction of Medication Administration Records System (MARS) in the care homes
- The installation of new kitchen in St Raphael's care home
- The role of Senior Carer was introduced in care homes to improve staff succession planning and retention
- Founder member of the Alliance of Registered Housing Associations and Co-ops Independent in Edinburgh (ARCHIE)
- Formulation of new 30 Year Financial Plan
- All financial targets were achieved and bank covenants met.
- The appointment of Brewin Dolphin as Investment Managers

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Achievements in 2018/19 (Contd.)

- Introduction of Perkbox as a staff rewards scheme
- Recruitment of first Positive Action in Housing (PATH) trainee

### Financial Performance

The results for the year are shown in the Statement of Comprehensive Income on Page 14. The income related to housing was £8,341k (2018: £8,178k) and for care homes was £8,062k (2018: £7,717k). The changes in income were due to higher weekly fees charged in our care homes, partly due to a lower level of local authority paid residents, and the annual rent and service charge increase for Housing tenants.

The operating surplus of £911k (2018: £1,684k) shows a £773k decrease from the previous year, mainly due to an increase in investment in our properties. The surplus for housing was £755k (2018: £1,068k), and for care homes £744k (2018: £987k)

The changes in surplus for housing is mainly due to increased investment on planned and reactive maintenance of our housing properties, whilst for care homes the change in surplus is due to the higher fee levels already discussed, offset by higher staffing costs and further investment in our homes.

Viewpoint continued to invest in its properties, with capital spend on housing of £1,271k (2018: £1,414k) and care of £779K (2018: £140k).

### Operational Performance for the Year

Viewpoint uses use Key Performance Indicators to assess its performance and a summary of results for the year is shown in the following table.

<b>Care homes</b>	<b>Target</b>	<b>2018/9</b>	<b>2017/8</b>
Average Occupancy Rate in care homes	97%	96%	97%
Care home arrears as % income receivable	<4.5%	1%	2%
Agency hours as % all hours	<7%	5%	8%
Requirements/recommendations from inspection reports dealt with within six months	100%	100%	100%
<b>Housing and Assets</b>	<b>SHR Average</b>	<b>2018/9</b>	<b>2017/8</b>
Void loss as % rent and service charge receivable	0.9%	1.8%	1.4%
Arrears as % rent and s/c income	4.3%	3.8%	3.4%
Average void turnaround time (days)	30	52.4	47.8
% of stock meeting SHQS	100%	97%	100%
Average length of time to complete emergency repairs (hours)	3.6	2.5	2.6
Average length of time to complete non-emergency repairs (days)	5.6	4.7	5.5
Gas Safety checks completed when due	100%	100%	100%
Repairs completed right first time	93%	91.3%	88.3%

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Operational Performance for the Year (Contd.)

Complaints	SHR Average		
Stage 1 complaints resolved within timescale	95%	79%	68%
Stage 2 complaints resolved within timescale	95%	93%	100%
% all complaints upheld	N/A	73%	64%

### Future Developments and Initiatives

Viewpoint will ensure that customers are at the heart of the business and throughout the year continue to review current services and identify area for further improvement of all services.

We will further strengthen engagement with customers through the roll out of the new Tenant Participation Strategy.

We will increase the investment programme in properties to ensure they fit for purpose, future proofed and compliant with all legislative requirements.

Complete a review of existing ICT systems to ensure value for money and delivery of efficient services.

### Treasury Management

Viewpoint continues to comfortably meet its borrowing covenants and these borrowings are secured on a combination of fixed and variable rates. As at 31 March 2019 70% of the bank loan facilities were on a fixed rate.

Brewin Dolphin were appointed Investment Managers in April 2018 and £2m of free reserves were invested in a balanced portfolio in May 2018. The Board acknowledged that this would be a longer term investment with the primary objective to achieve an overall return in excess of inflation and as a result the Board has not set a specific income target. They have also intimated that income from the portfolio will be capitalised.

From an ethical point of view the Board are also mindful that the portfolio is sensitive to the objectives and mission of Viewpoint.

Prior to the current year part of Viewpoint's finance was raised through loan-stock provided by loan-stock tenants. These loans are unsecured and, at Kilravock House are repaid six months after a loan-stock tenancy has ended or earlier if the property is re-let in that period. At all other properties holding loan-stock tenants, loans are repaid in full as tenancies end.

Viewpoint has introduced a replacement to its loan-stock agreement and new tenancies at Kilravock are offered on a shared ownership basis and existing loan-stock tenants have been offered an opportunity to convert to this new arrangement. No new loan-stock tenancies will be offered. Upon the ending of any shared ownership agreements the shared owner will be repaid their share based on the prevailing market value at the time of sale.

For any borrowing decisions Viewpoint will consider the status of the shared ownership (and remaining loan-stock) and related liabilities at that point.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Employee Information and Engagement

All employees are required to comply with the SFHA Code of Conduct for Employees.

Viewpoint has an establishment of 316 (2018: 317) full and part time employees. Turnover of employees decreased to 17.0% (2018: 27.3%) for care and increased to 20.0% (2018: 15%) for housing and support staff.

Viewpoint invested £150K in learning and development and over 60% of staff participated in learning opportunities including:

- SVQ qualifications for our care home and @Home staff
- Landlord and Occupational Health and Safety training including asbestos, legionella, lone working and IOSH
- Housing qualifications through Chartered Institute of Housing (CIH)
- Leadership course for nurses by Royal College for Nursing
- NHS training for nurses – Verification of Death, Catheterisation and Venepuncture
- National Consortium of Colleges across areas such as Falls Prevention, Positive Dementia Care, Challenging Behaviour, Stroke Awareness, Diabetes Awareness, Continence Care, Tissue Viability
- Soft skills courses – Conflict Management, Assertiveness, Coaching and Mentoring, Customer Care, Presentation Skills, Communication Skills
- Mental Health Awareness
- Best Practice in Dementia
- ACCA qualification
- Post graduate – Data Protection and Information Governance

This investment continues to result in good care home and housing support grades.

Additional staff involvement is achieved through the three, quarterly groups; the Employee Forum, the Equality and Diversity Forum and the Health and Safety Consultative Group as well as through web based Staff Zone. Viewpoint continued to achieve the Investors in People Silver award and Leaders in Diversity.

### Tenant and Resident Involvement

This year saw the introduction of the new Tenant Participation Strategy which was shaped following consultation events with tenants. Tenants will be offered a range of opportunities to participate including

Housing complex groups  
Consultation volunteers  
Recruitment volunteers  
Communication volunteers  
Performance volunteers  
New Fife and Lothian Viewpoint Tenant Groups

Additionally, a new Strategic Network will be launched which will

Monitor the Tenant Participation Strategy  
Agree Viewpoint's Annual Consultation Plan  
Consider the Annual Return on the Charter before it is submitted to the Scottish Housing Regulator

# **VIEWPOINT HOUSING ASSOCIATION LIMITED**

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## **REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

### **Tenant and Resident Involvement (Contd.)**

Viewpoint continued to involve its care home residents and relatives in the delivery of services in the care homes for example in choosing floor coverings and colour schemes in the dining rooms and conservatory at St Raphael's, colour selection for the corridors, public areas and new en-suite bathrooms in Marian House and in the inspiration of the design of the revamped activities room and the creation of the hairdressing room at Lennox House.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Board of Trustees and Executive Officers

The members of the Board of Trustees and the Executive Officers are listed on Page 1.

Each member of the Board of Trustees holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Board of Trustees.

The members of the Board of Trustees are also Trustees of the Charity. Members of the Board of Trustees are appointed by the members at the Association's Annual General Meeting.

### Statement of Board of Trustees's Responsibilities

The Co-operative and Community Benefit Act 2014 requires the Board of Trustees 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 of the Association for that period. In preparing those Financial Statements, the Board of Trustees 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;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- prepare a statement on Internal Financial Control.

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2019. They are 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. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Board of Trustees must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Board of Trustees are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- The Board of Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

### Statement on Internal Financial Control

The Board of Trustees acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment 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;
- the safeguarding of assets against unauthorised use or disposition.

It is the Board of Trustees's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the Association's systems include ensuring that:

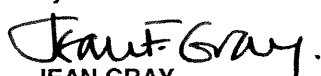
- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Board of Trustees to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Trustees;
- the Board of Trustees receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board of Trustees has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2019. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

### Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

### By order of the Board of Trustees



JEAN GRAY

Secretary

22 August 2019

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## REPORT BY THE AUDITORS TO THE MEMBERS OF VIEWPOINT HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

### Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

### Opinion

In our opinion the Statement on Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Trustees, and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Board of Trustees's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



### ALEXANDER SLOAN

Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
23 August 2019



Alexander Sloan

Accountants and Business Advisers

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIEWPOINT HOUSING ASSOCIATION LIMITED

### Opinion

We have audited the financial statements of Viewpoint Housing Association Limited (the 'Association') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with the Co-operative and Community Benefit Society 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2019 and of its surplus 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 requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2019.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Trustees's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Trustees has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees.

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:

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIEWPOINT HOUSING ASSOCIATION LIMITED (Continued)

### Responsibilities of the Board of Trustees

As explained more fully in the Statement of Board of Trustees's Responsibilities as set out on Page 9, the Board of Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- Conclude on the appropriateness of the Board of Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



### ALEXANDER SLOAN

Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
23 August 2019



Alexander Sloan

Accountants and Business Advisers

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
<b>REVENUE</b>	2	16,769,378	16,175,621
Operating Costs	2	(15,858,142)	(14,491,580)
<b>OPERATING SURPLUS</b>		911,236	1,684,041
Interest Receivable and Other Income		84,850	41,965
Interest Payable and Similar Charges	7	(285,654)	(298,202)
Other Finance Income / (Charges)	10	(31,000)	(6,000)
		(231,804)	(262,237)
<b>SURPLUS FOR THE YEAR</b>	8	<b>679,432</b>	<b>1,421,804</b>
<b>Other comprehensive income</b>			
Adjustment relating to Opening Pension Liability	26	282,938	-
Actuarial Gains/ (Losses) on defined benefit Pension Plan	26	(439,000)	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>523,370</b>	<b>1,421,804</b>

The notes on pages 17 to 37 form part of these financial statements.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	£	2019 £	2018 £
<b>NON-CURRENT ASSETS</b>				
Housing Properties - Depreciated Cost	11 (a)		41,355,891	41,101,113
Other Non-current Assets	11 (b)		1,002,656	1,078,607
			<u>42,358,547</u>	<u>42,179,720</u>
<b>INVESTMENTS</b>				
Investment in subsidiaries	25	111		111
Investments	25	<u>2,010,036</u>		<u>-</u>
			2,010,147	111
<b>RECEIVABLES:</b> Amounts falling due after more than one year	14		-	176,499
<b>CURRENT ASSETS</b>				
Receivables	15	795,869	682,324	
Cash at bank and in hand		<u>9,587,427</u>	<u>12,343,603</u>	
		10,383,296	13,025,927	
<b>CREDITORS:</b> Amounts falling due within one year	16	<u>(6,224,634)</u>	<u>(6,809,224)</u>	
<b>NET CURRENT ASSETS</b>			<u>4,158,662</u>	<u>6,216,703</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			48,527,356	48,573,033
<b>CREDITORS:</b> Amounts falling due after more than one year	17		(4,410,357)	(5,958,557)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>				
Scottish Housing Association Pension Scheme	26	<u>(1,508,000)</u>	<u>-</u>	
			(1,508,000)	-
<b>DEFERRED INCOME</b>				
Social Housing Grants	19	(13,882,524)	(14,410,968)	
Other Grants	19	<u>(18,860)</u>	<u>(19,256)</u>	
			(13,901,384)	(14,430,224)
<b>NET ASSETS</b>			<u>28,707,615</u>	<u>28,184,252</u>
<b>EQUITY</b>				
Share Capital	20		131	138
Revenue Reserves			30,130,932	28,093,035
Restricted reserve			84,552	91,079
Pension Reserves			<u>(1,508,000)</u>	<u>-</u>
			<u>28,707,615</u>	<u>28,184,252</u>

The Financial Statements were approved by the Board of Trustees and authorised for issue and signed on their behalf on 22 August 2019.

Chair

*Ian D.K. Thompson*

Board Member

*John B. Simpson*

Secretary

*John F. Gray*

The notes on pages 17 to 37 form part of these financial statements.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
<b>Net cash inflow from operating activities</b>	18	2,182,304	3,205,139
<b>Investing Activities</b>			
Acquisition and Construction of Properties	(2,225,909)	(1,574,990)	
Purchase of Other Fixed Assets	(192,658)	(172,712)	
Purchase of investment portfolio	(2,000,000)	-	
Social Housing Grant Received	99,695	40,175	
Proceeds on Disposal of Other Fixed Assets	13,301	20,297	
<b>Net cash outflow from investing activities</b>		(4,305,571)	(1,687,230)
<b>Financing Activities</b>			
Intercompany Loan Repayments	11,767	11,766	
Movement in Loan Stock	(506,094)	(195,431)	
Interest Received on Cash and Cash Equivalents	84,850	41,965	
Interest Paid on Loans	(285,654)	(298,202)	
Loan Principal Repayments	(216,604)	(204,872)	
Share Capital Issued	6	5	
<b>Net cash outflow from financing activities</b>		(911,729)	(644,769)
<b>(Decrease) / increase in cash</b>		(3,034,996)	873,140
<b>Opening Cash &amp; Cash Equivalents</b>		12,248,657	11,375,517
<b>Closing Cash &amp; Cash Equivalents</b>		<b>9,213,661</b>	<b>12,248,657</b>
<b>Cash and Cash equivalents as at 31 March</b>			
Cash		9,587,427	12,343,603
Bank overdraft		(373,766)	(94,946)
		<b>9,213,661</b>	<b>12,248,657</b>

The notes on pages 17 to 37 form part of these financial statements.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2019

	Share Capital	Restricted Reserve	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£	£
<b>Balance as at 31 March 2017</b>					
Issue of Shares	176	97,918	-	26,664,392	26,762,486
Cancellation of Shares	5	-	-	-	5
Surplus for the year	(43)	-	-	-	(43)
	-	(6,839)	-	1,428,643	1,421,804
<b>Balance as at 31 March 2018</b>	<b>138</b>	<b>91,079</b>	<b>-</b>	<b>28,093,035</b>	<b>28,184,252</b>
<b>Balance as at 1 April 2018</b>					
Issue of Shares	138	91,079	-	28,093,035	28,184,252
Cancellation of Shares	6	-	-	-	6
Other comprehensive income	(13)	-	-	-	(13)
Surplus for the year	-	-	(1,508,000)	1,351,938	(156,062)
	-	(6,527)	-	685,959	679,432
<b>Balance as at 31 March 2019</b>	<b>131</b>	<b>84,552</b>	<b>(1,508,000)</b>	<b>30,130,932</b>	<b>28,707,615</b>

The restricted reserve relates to legacies and donations received by the Association whose use is limited to the provision of amenities at specific housing complexes and care homes.

The notes on pages 17 to 37 form part of these financial statements.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACCOUNTING POLICIES

#### Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

#### Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2019. A summary of the more important accounting policies is set out below.

#### Basis of Consolidation

The financial statements for Viewpoint Housing Association Limited present information about it as an individual undertaking and not about the group.

#### Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of the asset to which it relates.

#### Retirement Benefits

The Association previously participated in the Scottish Housing Associations Defined Benefit Pension Scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the Scottish Housing Associations Defined Contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

#### Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Main	Over 60 years
Windows	Over 30 years
Heating Systems	Over 20 years
Kitchens	Over 20 years
Bathrooms	Over 20 years
Lifts	Over 20 years
Fire Systems	Over 10 years
Door Systems	Over 10 years

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

#### Depreciation and Impairment of Other Non-Current Assets

Non-current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Asset Category	Depreciation Rate
Office Premises	2%
Furniture and Fittings	20%
Computer & Office Equipment	20%
Vans	25%

The carrying value of non-current assets are reviewed for impairment at the end of each reporting period.

#### Social Housing Grant and Other Grants in Advance/Arrears

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

#### Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Board of Trustees to exercise judgement in applying the Association's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

##### a) Rent Arrears - Bad Debt Provision

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

##### b) Life Cycle of Components

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

##### c) Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 1. PRINCIPAL ACCOUNTING POLICIES

#### **Leases/Leased Assets**

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

#### **Works to Existing Properties**

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

#### **Capitalisation Of Development Overheads**

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

#### **Key Judgements made in the application of Accounting Policies**

##### ***a) The Categorisation of Housing Properties***

In the judgement of the Board of Management the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

##### ***b) Identification of cash generating units***

The Association considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

##### ***c) Pension Liability***

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. This year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

##### ***d) Loan stock***

Loan stock are secured loans from tenants under the terms of the Association's tenancy agreements. The Board has now reviewed the accounting treatment and, as the Association has no right to defer these liabilities beyond one year, they are of the opinion that these liabilities should be categorised as short term.

#### **Financial Instruments - Basic**

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

#### **Investments**

Unlisted investments are initially recognised at cost and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment. Listed investments are measured at fair value with changes in fair value being recognised in income and expenditure.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING AND OTHER ACTIVITIES

		2019			2018		
	Notes	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	8,341,956	7,586,972	754,984	8,178,012	7,109,551	1,068,461
Other Activities	4	8,427,422	8,271,170	156,252	7,997,609	7,382,029	615,580
<b>Total</b>		<b>16,769,378</b>	<b>15,858,142</b>	<b>911,236</b>	<b>16,175,621</b>	<b>14,491,580</b>	<b>1,684,041</b>

### 3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	2019 Total £	2018 Total £
<b>Revenue from Lettings</b>				
Rent receivable net of service charges	1,238,146	5,623,048	6,861,194	5,125,303
Service charges receivable	57,476	1,042,158	1,099,634	2,640,690
<b>Gross income from rent and service charges</b>	<b>1,295,622</b>	<b>6,665,206</b>	<b>7,960,828</b>	<b>7,765,993</b>
Less: Rent losses from voids	21,090	124,127	145,217	110,995
<b>Net Rents Receivable</b>	<b>1,274,532</b>	<b>6,541,079</b>	<b>7,815,611</b>	<b>7,654,998</b>
Grants released from deferred income	74,200	452,145	526,345	523,014
<b>Total turnover from affordable letting activities</b>	<b>1,348,732</b>	<b>6,993,224</b>	<b>8,341,956</b>	<b>8,178,012</b>
<b>Expenditure on affordable letting activities</b>				
Management and maintenance administration costs	402,761	1,778,929	2,181,690	2,128,216
Service Costs	145,276	1,719,629	1,864,905	1,686,498
Planned and cyclical maintenance, including major repairs	195,812	1,002,979	1,198,791	944,737
Reactive maintenance costs	156,726	817,510	974,236	922,115
Bad Debts - rents and service charges	13,374	(43,806)	(30,432)	30,961
Depreciation of affordable let properties	249,013	1,148,769	1,397,782	1,397,024
<b>Operating costs of affordable letting activities</b>	<b>1,162,962</b>	<b>6,424,010</b>	<b>7,586,972</b>	<b>7,109,551</b>
<b>Operating surplus on affordable letting activities</b>	<b>185,770</b>	<b>569,214</b>	<b>754,984</b>	<b>1,068,461</b>
<b>2018</b>	<b>207,016</b>	<b>861,445</b>		

# VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2019	Operating Surplus / (Deficit) 2018
	£	£	£	£	£	£	£
Support activities	209,432	-	209,432	-	340,425	(130,993)	(181,388)
Care activities	-	8,061,541	8,061,541	19,881	7,297,950	743,710	987,542
Agency or management services	-	106,803	106,803	-	140,142	(33,339)	(564)
Abortive development costs	-	-	-	-	304,930	(304,930)	-
Other activities	-	49,646	49,646	-	167,842	(118,196)	(190,010)
<b>Total From Other Activities</b>	<b>209,432</b>	<b>8,217,990</b>	<b>8,427,422</b>	<b>19,881</b>	<b>8,251,289</b>	<b>156,252</b>	<b>615,580</b>
<b>2018</b>	<b>203,480</b>	<b>7,794,129</b>	<b>7,997,609</b>	<b>(179,164)</b>	<b>7,561,193</b>	<b>615,580</b>	

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 5. OFFICERS' EMOLUMENTS

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of Trustees, managers and employees of the Association.	2019	2018
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>285,921</u>	<u>182,500</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>18,263</u>	<u>11,006</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>69,732</u>	<u>93,801</u>
Total Emoluments paid to key management personnel	<u>340,029</u>	<u>372,531</u>

The number of Officers, including the highest paid Officer, who received emoluments over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	3	1
£70,001 to £80,000	-	1
£80,001 to £90,000	<u>1</u>	<u>1</u>

#### 6. EMPLOYEE INFORMATION

	2019	2018
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	<u>272</u>	<u>260</u>
The average total number of Employees employed during the year was:	<u>320</u>	<u>310</u>
Staff Costs were:	£	£
Wages and Salaries	6,420,661	5,731,555
Social Security Costs	528,805	472,670
Other Pension Costs	250,765	174,529
Temporary, Agency and Seconded Staff	532,850	866,598
	<u>7,733,081</u>	<u>7,245,352</u>

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. INTEREST PAYABLE & SIMILAR CHARGES

	2019	2018
	£	£
On Bank Loans & Overdrafts	<u>285,654</u>	<u>298,202</u>

### 8. SURPLUS FOR THE YEAR

	2019	2018
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	1,788,896	1,804,789
Auditors' Remuneration - Audit Services	14,436	14,670
Operating Lease Rentals - Other	2,795	2,795
Gain on sale of fixed assets	<u>(8,303)</u>	<u>(10,441)</u>

### 9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

### 10. OTHER FINANCE INCOME / CHARGES

	2019	2018
	£	£
Unwinding of Discounted Pension Liabilities	<u>31,000</u>	<u>6,000</u>

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Care Homes £	Total £
<b>COST</b>				
As at 1 April 2018	63,233,605	-	10,029,542	73,263,147
Additions	1,393,127	-	819,481	2,212,608
Disposals	(1,051,672)	-	(239,650)	(1,291,322)
As at 31 March 2019	63,575,060	-	10,609,373	74,184,433
<b>DEPRECIATION</b>				
As at 1 April 2018	28,286,821	-	3,875,213	32,162,034
Charge for Year	1,269,987	-	255,712	1,525,699
Disposals	(700,559)	-	(158,632)	(859,191)
As at 31 March 2019	28,856,249	-	3,972,293	32,828,542
<b>NET BOOK VALUE</b>				
As at 31 March 2019	34,718,811	-	6,637,080	41,355,891
As at 31 March 2018	34,946,784	-	6,154,329	41,101,113

Additions to housing properties include capitalised development administration costs of £Nil (2018 - £Nil) and capitalised major repair costs to existing properties of £2,216,608 (2018 - £1,554,689).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £3,566,154 (2018 - £3,421,545). The amount capitalised is £2,212,608 (2018 - £1,554,693) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £2,212,608 (2018 - £1,554,693) and properties in course of construction of £Nil (2018 - £Nil).

The Association's Lenders have standard securities over Housing Property with a carrying value of £20,448,285 (2018 - £24,379,911).

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 11. NON CURRENT ASSETS (Continued)

(b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Machinery & Equipment £	Total £
<b>COST</b>				
As at 1 April 2018	883,156	1,984,753	120,765	2,988,674
Additions	-	192,658	-	192,658
Eliminated on Disposals	-	( 740,726)	( 28,691)	( 769,417)
As at 31 March 2019	883,156	1,436,685	92,074	2,411,915
<b>AGGREGATE DEPRECIATION</b>				
As at 1 April 2018	290,751	1,533,862	85,454	1,910,067
Charge for year	24,684	223,188	15,325	263,197
Eliminated on Disposals	-	( 740,312)	( 23,693)	( 764,005)
As at 31 March 2019	315,435	1,016,738	77,086	1,409,259
<b>NET BOOK VALUE</b>				
As at 31 March 2019	567,721	419,947	14,988	1,002,656
As at 31 March 2018	592,405	450,891	35,311	1,078,607

### 12. CAPITAL COMMITMENTS

	2019 £	2018 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	104,514	41,376

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

### 13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-	2019 £	2018 £
<b>Other</b>		
Not later than one year	2,795	2,795
Later than one year and not later than five years	4,891	7,685

# VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 14. RECEIVABLES AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Loan to subsidiary	-	176,499

## 15. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Arrears of Rent & Service Charges	505,882	548,034
<b>Less:</b> Provision for Doubtful Debts	(170,511)	(185,637)
	335,371	362,397
Other Receivables	181,304	188,468
Amounts Due from Group Undertakings	279,194	131,459
	795,869	682,324

## 16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank Overdrafts (secured)	373,766	94,946
Housing Loans	229,262	216,604
Loan Stock	2,966,035	3,472,129
Trade Payables	968,756	908,985
Rent Received in Advance	246,253	367,807
Other Taxation and Social Security	141,727	132,143
Other Payables	443,657	148,301
Liability for Past Service Contributions	-	444,000
Accruals and Deferred Income	855,178	1,024,309
	6,224,634	6,809,224

At the balance sheet date there were pension contributions outstanding of £40,639 (2018 - £25,979).

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 17. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Liability for Past Service Contributions	-	1,318,938
Housing Loans	4,410,357	4,639,619
	<u>4,410,357</u>	<u>5,958,557</u>
<b>Housing Loans</b>		
Amounts due within one year	229,262	216,604
Amounts due in one year or more but less than two years	241,237	229,262
Amounts due in two years or more but less than five years	816,778	770,356
Amounts due in more than five years	3,352,342	3,640,001
	<u>4,639,619</u>	<u>4,856,223</u>
Less: Amount shown in Current Liabilities	229,262	216,604
	<u>4,410,357</u>	<u>4,639,619</u>
<b>Liability for Past Service Contributions</b>		
Amounts due within one year	-	444,000
Amounts due in one year or more but less than two years	-	457,000
Amounts due in two years or more but less than five years	-	861,938
	<u>-</u>	<u>1,762,938</u>
Less: Amount shown in Current Liabilities	-	444,000
	<u>-</u>	<u>1,318,938</u>

The Association has one housing loan the terms and conditions of which is as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
RBS	Standard security over 640 properties	5.97%	2032	Fixed

All of the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 18. STATEMENT OF CASH FLOWS

### *Reconciliation of surplus for the year to net cash inflow from operating activities*

	2019 £	2018 £
Surplus for the year	679,432	1,421,804
Depreciation	1,869,914	1,824,501
Loss / (Gain) on disposal of Fixed Assets	5,412	(10,441)
Amortisation of Intangible Fixed Assets	-	164,005
Amortisation of Capital Grants	(628,535)	(523,006)
Change in debtors	51,187	85,363
Change in creditors	74,026	(13,281)
Unwinding of Discount on Pension Liability	(411,000)	(6,000)
Transfer of interest to financial activities	200,804	262,237
Change in Market Value of Investments	(10,036)	-
Loss on disposal of Housing Property Components	351,113	-
Share Capital Written Off	(13)	(43)
Net cash inflow from operating activities	<u>2,182,304</u>	<u>3,205,139</u>

### *Reconciliation of net cash flow to movement in net debt*

	2019 £	2018 £
(Decrease) / increase in cash	(3,034,996)	873,140
Cashflow from change in net debt	<u>216,604</u>	<u>(644,764)</u>
Movement in net debt during the year	(2,818,392)	228,376
Net debt at 1st April 2018	7,392,434	7,164,058
Net debt at 31 March 2019	<u>4,574,042</u>	<u>7,392,434</u>

<i>Analysis of changes in net debt</i>	At 01/04/2018	Cashflows	Other Changes	At 31/03/2019
Cash at bank and in hand	12,343,603	(2,756,176)		9,587,427
Bank overdrafts	(94,946)	(278,820)		(373,766)
	<u>12,248,657</u>	<u>(3,034,996)</u>	<u>-</u>	<u>9,213,661</u>
Debt: Due within one year	(216,604)	216,604	(229,262)	(229,262)
Due after more than one year	(4,639,619)	-	229,262	(4,410,357)
Net Debt	<u>7,392,434</u>	<u>(2,818,392)</u>	<u>-</u>	<u>4,574,042</u>

# VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 19. DEFERRED INCOME

	Housing Properties Held for Letting £	Total £
<b>Social Housing Grants</b>		
As at 1 April 2018	30,669,312	30,669,312
Additions in the year	99,695	99,695
Eliminated on disposal of components and property	(157,215)	(157,215)
As at 31 March 2019	30,611,792	30,611,792
<b>Amortisation</b>		
As at 1 April 2018	16,258,344	16,258,344
Amortisation in year	527,478	527,478
Eliminated on disposal	(56,554)	(56,554)
As at 31 March 2019	16,729,268	16,729,268
<b>Net book value</b>		
As at 31 March 2019	13,882,524	13,882,524
As at 31 March 2018	14,410,968	14,410,968
<b>Other Grants</b>		
As at 1 April 2018	359,952	359,952
As at 31 March 2019	359,952	359,952
<b>Amortisation</b>		
As at 1 April 2018	340,696	340,696
Amortisation in year	396	396
As at 31 March 2019	341,092	341,092
<b>Net book value</b>		
As at 31 March 2019	18,860	18,860
As at 31 March 2018	19,256	19,256
<b>Total grants net book value as at 31 March 2019</b>	<b>13,901,384</b>	<b>13,901,384</b>
<b>Total grants net book value as at 31 March 2018</b>	<b>14,430,224</b>	<b>14,430,224</b>

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2019 £	2018 £
Amounts due within one year	527,874	523,006
Amounts due in one year or more	13,373,510	13,907,218
	<b>13,901,384</b>	<b>14,430,224</b>

## 20. SHARE CAPITAL

<b>Shares of £1 each Issued and Fully Paid</b>	<b>2019</b>	<b>2018</b>
	£	£
As at 1 April 2018	138	176
Issued in year	6	5
Cancelled in year	(13)	(43)
As at 31 March 2019	<b>131</b>	<b>138</b>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions 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.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2019 No.	2018 No.
General Needs - New Build	248	248
Support Housing	1,069	1,069
Loanstock	16	16
	<u>1,333</u>	<u>1,333</u>

#### Housing units managed by the Association and leased to another body:

Name of Organisation	Number of Units	
	2019 No.	2018 No.
The Action Group	6	6
Carr-Gomm	7	7
SAMH	2	2

### 22. RELATED PARTY TRANSACTIONS

Members of the Board of Trustees are related parties of the Association as defined by Financial Reporting Standard 102.

Any transactions between the Association and any entity with which a Board of Trustees member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Board of Trustees members (and their close family) were as follows:

	2019 £	2018 £
Rent received from tenants on the Board of Trustees and their close family members	<u>17,054</u>	<u>18,615</u>

At the year end total rent arrears owed by the tenant members on the Board of Trustees (and their close family) were £Nil (2018 - £Nil).

Members of the Board of Trustees who are tenants	2	3
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# VIEWPOINT HOUSING ASSOCIATION LIMITED

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 23. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 4 South Oswald Road, Edinburgh, EH9 2HG.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Edinburgh, Lothians and Fife.

### 24. BOARD OF TRUSTEES MEMBER EMOLUMENTS

Board of Trustees members received £658 (2018 - £1,044) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Trustees members in respect of their duties to the Association.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 25. INVESTMENTS

	Unlisted Investment	Listed Investments	Total
Valuation	£	£	£
As at 1 April 2018	-	-	-
Additions	-	2,000,000	2,000,000
Movement in market value	-	10,036	10,036
	<u>-</u>	<u>2,010,036</u>	<u>2,010,036</u>

The portfolio yield as at 30 June 2019 was 3% and the percentage movement in the first quarter of 2019/20 was 3.4%.

Investments in Subsidiaries	2019 £	2018 £
<b>Cost</b>		
As at 1 April and 31 March	111	111
<b>NBV</b>		
As at 31 March 2019	<u>111</u>	<u>111</u>
As at 1 April 2018	<u>111</u>	<u>111</u>

In the opinion of the Board of Trustees the aggregate value of the assets of the subsidiaries are not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

The Association has a 100% owned subsidiary named Viewpoint Scotland Limited. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

Viewpoint Housing Association Limited provides funding assistance, management, maintenance and development services to Viewpoint Scotland Limited for which a charge of £3,184 (2018 - £4,560).

At the year end Viewpoint Scotland Limited owed Viewpoint Housing Association Limited £279,194 (2018 - £307,958). This includes a loan of £176,499 (2018 - £188,266) on which interest is charged at 6% and a short term creditor of £119,692 (2018 - £119,692). Interest of £11,031 (2018 - £11,737) was charged on the outstanding loan. The Association also received £1 (2018 - £1) in respect of a peppercorn rental payment under the lease agreement commencing on 1 May 2004.

The aggregate amount of capital and reserves and the results of Viewpoint Scotland Limited for the year ended 31 March 2019 were as follows:

	2019 £	2018 £
Capital & Reserves	<u>(354)</u>	<u>(14,219)</u>
Surplus for the year	<u>13,865</u>	<u>9,610</u>

# VIEWPOINT HOUSING ASSOCIATION LIMITED

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 26. RETIREMENT BENEFIT OBLIGATIONS

### Scottish Housing Association Pension Scheme

Viewpoint Housing Association Limited participated in the Scottish Housing Association Pension Scheme (the scheme). The assets of which are held in separate trustee administered fund. All employees are currently part of the defined contribution scheme, but the Association was originally in the defined benefit scheme.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal then the liability of the withdrawing employer is re-apportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

The last valuation of the Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%). All Scheme members have agreed to make contributions towards the past service deficit.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

# VIEWPOINT HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 26 RETIREMENT BENEFIT OBLIGATIONS

#### Scottish Housing Association Pension Scheme

The pension fund is administered by the Pensions Trust. Previously only the past service deficit was included as a liability in the financial statements as the Association's share of the pension assets and liabilities could not be determined. This year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The figures are available at 1 April 2018 and 31 March 2019. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

In January 2019, the FRC issued FRED 71 (Draft amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, Multiemployer defined benefit plans) which provides proposed changes to FRS 102 on how to treat the transition from defined contribution to defined benefit accounting. This method has been adopted by the Housing Association as the most appropriate treatment. As a result the change has been accounted for as change in accounting estimate.

Due to the change in accounting estimate the past service deficit liability has been removed as the liability is included in the pension liability now calculated by the actuary and shown under Pension and Other Provisions for Liabilities and Charges in the Balance Sheet. The change has been reflected in Other Comprehensive Income as follows:

	£
Opening pension liability per actuary	1,480,000
Opening past service deficit	1,762,938
Movement to other comprehensive income	( 282,938)

As a result the unwinding of the past service deficit is no longer shown within finance charges. Instead the expenses, interest and other comprehensive income as detailed within this note are incorporated within the financial statements.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

#### Principal Actuarial Assumptions

Assumptions as at	2019 %p.a.	2018 %p.a.
Salary increases	3.3%	3.2%
Pension increases	3.3%	3.2%
Discount rate	2.3%	2.6%

The members of the scheme comprise of the following:

	2019 £000
Employee members	19
Deferred pensioners	47
Pensioners	110
	<u>176</u>

#### Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	21.7	23.4
Future Pensioners	23.1	24.7

# VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 26 RETIREMENT BENEFIT OBLIGATIONS

### Fair value of scheme assets by category

	2019	2018
	£000	£000
Growth Asset	5,897	5,805
Matching Plus	1,381	1,218
Liability Driven Investment	4,497	4,397
Net Current Assets	12	21
	<u>11,787</u>	<u>11,441</u>

### Net Pension Liability

	2019	2018
	£000	£000
Fair value of employer's assets	11,787	11,441
Present value of scheme liabilities	(13,295)	(12,921)
	<u>(1,508)</u>	<u>(1,480)</u>

### Reconciliation of fair value of employer assets

	2019
	£000
Opening fair value of employer assets	11,441
Expected Return on Assets	482
Contributions by the Employer	456
Estimated Benefits Paid	(592)
<b>Closing fair value of Pension Assets</b>	<u>11,787</u>

### Reconciliation of defined benefit obligations

	2019
	£000
Opening defined benefit obligation	12,921
Current Service Cost	14
Interest Cost	319
Actuarial Gains	633
Estimated Benefits Paid	(592)
<b>Closing defined benefit obligation</b>	<u>13,295</u>

# VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 26. RETIREMENT BENEFIT OBLIGATIONS

### Analysis of amount charged to the Income Statement

	2019 £
Charged to operating costs:	
Service cost	1,023
	<hr/>
Charged to Other Finance Costs / (Income)	
Expected Return on employer assets	-
Interest on pension scheme liabilities	31,000
	<hr/>
	31,000
	<hr/>
	31,000
 Net Charge to the Income Statement	 32,023

### Actuarial Gain / (Loss) recognised in Other Comprehensive Income

	2019 £
Actuarial gain/(loss) recognised in year	(439,000)
Cumulative actuarial gains	(439,000)