

Viewpoint Housing Association Limited

Financial Statements

for the year ended 31 March 2011

Register of Housing Associations NO. HEP 199

Register of Industrial & Provident Societies No. 1228 RS

Charity registered with the HMRC No. CR39420/SH

Charity registered with OSCR No. SCO05619

Viewpoint Housing Association Limited
Financial Statements
For the year ended 31 March 2011

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Viewpoint Housing Association Limited
Report of the Board
31 March 2011

Board of Trustees

Dr R G Smith	(Chairman)
Miss E M Morrison	(Vice Chair)
Mr I W Calder	(Chair of the Audit committee)
Mr G Anderson	
Mr C Cunningham	(Elected 21 September 2010)
Mrs N Donaldson	
Mr I Macdonald	(Co-opted 10 March 2011)
Mr R McNeill	(Elected 21 September 2010)
Mr R Rae	(Elected 21 September 2010)
Ms J Simpson	(Elected 21 September 2010)
Mr R Stewart	
Mr V Stewart	(Elected 21 September 2010)
Miss E M Beedie	(Resigned 21 September 2010)
Mr A Brown	(Resigned 21 September 2010)
Mrs I Duncan	(Resigned 19 April 2010)
Mrs M Henderson	(Resigned 21 September 2010)
Mr P Hush	(Resigned 21 September 2010)
Mr I Kennedy	(Resigned 15 July 2010)

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	
Assistant Chief Executive	Mrs Jane Brown	(Resigned 20 May 2011)
Director of Development	Mr Graham Harper	(Resigned 30 June 2010)

Registered Office

4 South Oswald Road
EDINBURGH
EH9 2HG

Registration Numbers

Register of Housing Associations No. HEP 199
Register of Industrial & Provident Societies No. 1228 RS
Charity registered with OSCR No. SCO05619

Solicitors

Biggart Baillie
7 Castle Street
EDINBURGH
EH2 3AP

External Auditor

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

HBJ Gateley Wareing
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

Bankers

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

Internal Auditors

Scott Moncrieff
17 Melville Street
EDINBURGH
EH3 7PH
(to 31 March 2011)

Baker Tilly
139 Fountainbridge
EDINBURGH
EH3 9QG
(from 1 April 2011)

Viewpoint Housing Association Limited

Report of the Board

31 March 2011

The Board of Trustees (the Board) presents its report and the audited financial statements for the year ended 31 March 2011.

Principal Activities

Viewpoint Housing Association (Viewpoint) was formed for the benefit of the community and is a specialist provider of housing, support and care homes with nursing services with the primary objective of providing high quality accommodation and services. Although our main client group is older people we also provide mainstream housing to those in need.

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 (120 bedspaces) and 1379 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 supported projects with a range of partnerships with support organisations.

Viewpoint works in partnership with other organisations and is a member of the Rowan Group through which any Housing Association Grant funded development programme would be administered.

Financial Performance

The results for the year are shown in the Income and Expenditure Account on page 11. The Association's surplus of £692,227 (2010 surplus £7,230) shows an improvement on the previous year's performance.

A number of factors contributed to the improved financial position for the year; however, the two key contributors were the improved financial position of the care homes and the savings made through the central support restructure in June 2010.

In recent years the care homes have incurred heavy deficits; however, following an extensive restructure these losses have been stemmed principally due to improved occupancy levels and reductions to staff costs, mainly as a result of reduced agency staff use. Central support costs for both housing and care homes were reviewed and a restructure was completed during the year contributing annual savings of around £400k.

Structure Governance and Management

Viewpoint is incorporated under the Industrial and Provident Societies Act 1965 and is registered with the Financial Services 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.

Viewpoint has a fully owned subsidiary Benview Trading whose purpose is to manage housing/homes funded by a Special Needs Capital Grant. Viewpoint Housing Association provides management and development services to Benview Trading for which they are charged. The results of Benview Trading Limited for the year ended 31 March 2011 have not been consolidated into Viewpoint Housing Association Limited as these are of an immaterial nature to the results of Viewpoint Housing Association.

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 continued to implement the Governance Review Action Plan developed in 2009 and in particular to apply the Governance Policies developed and approved. The Chairman conducted appraisals of each Board member. The Board monitors the Governance Strategy and Action Plan at half year intervals.

The Scottish Housing Regulator lifted its recommendation that Viewpoint appoints two co-optees. One of these co-optees resigned and the other was elected at the AGM in September 2010 as a full member. Five Board members resigned during the year but these vacancies were filled with five new fully elected members at the AGM in September 2010. One new Board member was co-opted in March 2011.

Management is delegated by the Board to the Director Team. This Team comprises the Chief Executive, Directors of Finance, Housing and Property Services and Assistant Chief Executive – Business Development. During the year the post of Assistant Chief Executive was deleted and a new senior post of Head of Care created.

Viewpoint Housing Association Limited
Report of the Board
31 March 2011

Each member of the Board holds one fully paid share of £1 in Viewpoint. The Chief Executive and Directors 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.

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 Housing Association's rules.

The Board meets six weekly and in between meetings receives mailings related to its strategy and operating environment. The Board held two away days during the year to develop Viewpoint's Strategic Plan. Board members also attended training including induction when newly appointed as well as Governance and Role of Trustees training.

Resident and Tenant Involvement

The Viewpoint Tenants Representative Group (VTRG) continues to operate effectively, meeting with staff regularly and with the Board bi-annually. The VTRG was consulted on the annual rent review as well as the Strategic Plan. The VTRG provides Viewpoint with a challenging and constructive sounding board against which to test its strategic plans and with which to consult about operating and other changes.

Viewpoint achieved accreditation for its tenant involvement work with the Tenant Participation Advisory Service (TPAS) during the year.

Strategy, Objectives and Business Review

Viewpoint undertook a robust review of its Strategic Plan during the year. The process involved key stakeholders including staff at a conference in November 2010 and discussions with the VTRG. The Strategic Aims of Viewpoint remain unchanged:

- To develop imaginative and quality accommodation and services that are valued by our customers and can be evidenced through positive customer and regulatory feedback.
- To influence national and local agendas and strategies for older people to ensure our current and future customers' needs and aspirations are met.
- To have a full understanding of the demands of older people both now and in the future in order that we can develop and offer a broad range of person centred services which cater for older people.
- To be affordable and offer value for money in all that we do.

The Strategic Objectives were reviewed and amended as a result:

- To enhance the quality of existing and develop new services which older people want.
- To be efficient and to offer value for money - making a sufficient surplus to invest in existing and future accommodation and services.
- To have accountable leaders who walk our values and are passionate about our vision.
- To communicate our vision both internally and externally and generate confidence in the services we offer.
- To maintain our accommodation to high standards and to ensure that it not only meets regulatory standards but is fit for the future.
- To have a well trained, qualified and motivated staff team that welcomes feedback and embraces change.
- To seek out and take account of the views of our customers.

These objectives are underpinned by key priorities which are reviewed by the Directorate and are reported to the Board. The following progress was made:

- The major review of Head Office based services which began in the previous year was completed yielding annual efficiency savings of £392k.
- Consultation with staff on a Pay and Benefits Review was commenced which should yield efficiency savings over time.
- A review of the Occupational Pension Scheme was completed and employee contributions introduced for new staff.
- A review of the day to day repairs service was undertaken and a tendering exercise is underway.
- Insurance and telecommunications were retendered which will yield annual savings of £40k.

Viewpoint Housing Association Limited
Report of the Board
31 March 2011

The Scottish Government has embarked on extensive consultation to help shape future policy for addressing the needs of an ageing population. Its key policy priority is to support people to remain at home for as long as possible, rather than in care homes or hospital. Perhaps the most important policy document to come from the Scottish Government for Viewpoint is the National Dementia Strategy and in response Viewpoint has developed its own Dementia Strategy.

Viewpoint recognises the challenges of an ageing population and national and local policy responses and these are at the heart of Viewpoint's approach to housing, support and care for older people. Viewpoint's Strategic Objectives will ensure that we develop services that are linked with the Government's aims and policy direction for older peoples' services and provide older people with a range of preventative services so that they can remain physically and emotionally healthy; living independently in housing and care communities.

In addition, all of Viewpoint's services must be influenced by the emerging personalisation agenda, including the prospect of individual budgets and direct payments.

The economic climate continues to present challenges as well as opportunities. Whilst the cost of borrowing remains high and the lessening availability of HAG means that associations have to seek innovative ways to develop new accommodation, falling employment has brought stability to Viewpoint's work force. The cost of employing agency staff has fallen from £1,272k for the year to 31 March 2010 to £396k for the year to 31 March 2011.

Furthermore the year saw the threat of public funding cuts materialise and the City of Edinburgh Council announced a 5% reduction in Supporting People Grant at the same time as Fife Council introduced a 6% cut.

Whilst the property downturn has not impacted on occupancy in the care homes and demand from self funders, our Risk Map highlights this as a potential area for concern.

Viewpoint did not complete any new developments during the year but did bring 8 bedrooms previously occupied by the Little Company of Mary at Marian House into use as part of this care home.

The programme of bedsit conversions was halted as we explored alternative uses for the remaining bedsits. We are pleased to report that partnerships with Carr Gomm and The Action Group have seen 9 bedsits let to older people with learning difficulties and older people with mental health challenges.

Void turnaround times which averaged 51 days during 2009/10 were reduced to 44* days during the year (*this excludes our lower demand properties.) This was higher than the internal target of 32 days and resulted in a void loss of 2.71% compared to 2.54% the previous year.

Whilst all of Viewpoint's accommodation is on target to meet the Social Housing Quality Standard, as set by the Scottish Housing Regulator, by 2015 there is a considerable amount of planning required to achieve this.

Viewpoint achieved its target response times for responsive repairs with 96% (92% 2009/10) of emergency repairs being completed within 2 hours and 97% (94% 2009/10) of all non-emergency repairs being completed within our target response timescales.

Viewpoint introduced a number of new initiatives during the year to underpin its sheltered housing strategy.

Keeping in Touch Edinburgh (KiTE) at Colinton is a project which provides support, learning and practical help for tenants who want to learn more about computers and the internet. Viewpoint sponsored a pilot of taster sessions for tenants, working with KiTE to enable affordable computing classes which take place at Old Farm Court. The project proved very popular enabling tenants to keep in touch with relatives and friends all over the world as well as accessing the vast information that can be searched and found on the internet. In recognising the potential of this type of service Viewpoint applied to the Queensberry House Trust for funding to extend this project and also introduce "Skype" into our care homes. We are grateful to the Queensberry House Trust who has provided a grant and work is underway to set up computer clubs for tenants and Skype facilities in Marian House care home. Other projects include the Oxfangs Care Group

Viewpoint Housing Association Limited
Report of the Board
31 March 2011

using our facilities as a day support service for older people with dementia and the NHS support groups at Richmond Court and Balfour House which help older people who need emotional support to make use of our facilities.

The care market continues to be highly competitive. To ensure that Viewpoint is able to improve and maintain care standards and bring imagination and innovation to its services a new Head of Care post was approved. This is particularly important as the care standard grades for the year fell at Lennox House although they have been maintained at St Raphael's and Marian House.

In spite of this, occupancy increased during the year from 80% to an average of 97%. Turnover of care staff reduced to below 2% and by the end of the year Viewpoint had exceeded the target for the number of care staff with SVQ2 qualifications. Mandatory training is systematically being provided.

The Future

During the coming year we will continue to embed our values: quality, forward looking and sustainable, valuing and investing in people and commit ourselves to achieving our Strategic Aims and Objectives as well as the priority action we have identified including:

- Provide a dementia garden at St Raphael's using the expertise and advice of Alzheimer Scotland.
- Introduce Skype at Marian House as well as expand our IT project for sheltered tenants in partnership with KITE.
- Implement our Dementia Strategy and develop a corporate dementia service capability.
- Develop the use of communal facilities in older people's housing to enhance the wellbeing of tenants and communities and ultimately facilitate their independent living.
- Develop audit tools to assess and monitor quality.
- Continue to seek out and implement efficiency savings – reduce costs and maintain income.

To help us gauge our performance during 2011/12 our suite of Key Performance Indicators has been reviewed and amended to reflect business priorities. These are discussed regularly by all managers and the Board receives a quarterly report on performance against targets. The Board will be focussing particularly on achieving the following performance targets which are directly related to our Strategic Aims and Objectives:

Indicator	Target
Care occupancy	97%
Care home direct staff costs as % income	65%
Void turnaround time (average) social housing	35 days
Social housing arrears as % income	2%
Interest cover	2
Staff turnover	5%
Average recruitment time	35 days

Employee Information and Engagement

Viewpoint has an establishment of 277 full and part time employees. At 31 March 2011 there were 212 full time equivalent employees in post.

Absence has a major impact on service levels. During the year a drive to reduce absence levels due to sickness continued. This proved a success with overall absence being lower than the target of 5%.

Viewpoint is committed to employee involvement and consultation through the Employee Forum which meets monthly, a quarterly staff newsletter and a system of core briefings. In November 2010 Viewpoint held its first Staff Conference which fed directly into the Strategic Plan Review. Viewpoint successfully achieved Investors in People status in early 2011/12.

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 who have a long term grading of A as a minimum.

Viewpoint Housing Association Limited
Report of the Board
31 March 2011

Borrowings are secured on a combination of fixed and variable rate finance. 70% of Viewpoint's bank loan facilities were fixed at 31 March 2011.

A significant part of the Association's finance is raised through loan-stock provided by loan-stock tenants. These loans are unsecured and with the exception of Croft an Righ, where loans are repaid in full as tenancies end, they are repaid six months after a loan-stock tenancy has ended or earlier if the property is re-let in that period. Any decisions taken regarding the borrowing requirements for the Association must consider the status of the loan-stock portfolio at that time.

Risk Management

Viewpoint reviews its Risk Map regularly and Risk is a standing agenda item at Audit Committee meetings.

The key risks facing Viewpoint have changed little during the year although Viewpoint did see the risks of Supporting People Grant materialising:

Risk	Mitigation	Monitoring Tools
Service/accommodation in care homes does not meet customer demands, needs and/or aspirations and occupancy falls	Development of Asset Management Strategy embracing accommodation as well as service relevance	Key Performance Indicators - daily operational monitoring and monthly Board reporting including competitor benchmarking
Service/accommodation in sheltered housing does not meet customer demands, needs and/or aspirations and voids increase	Development of Asset Management Strategy embracing accommodation as well as service relevance	Key Performance Indicators - daily operational monitoring and monthly Board reporting including competitor benchmarking
Supporting People Grant unavailable to meet service developments in sheltered housing	Explore alternative sources of funding e.g. Viewpoint Trust	Management Accounts reporting
Pension costs unaffordable	New employees to contribute to money purchase scheme Review of pension benefits during Pay and Benefits Review – benchmark with competitors	Management Account reporting
Failure to improve financial viability leading to breach of lenders covenants, regulatory contract and uncompetitive bids for new services as a result of: Housing Benefit restrictions Revenue e.g. Supporting People Grant or rents not meeting costs Care Home Review ineffective	Care Home Review and restructuring for efficiencies in Corporate overheads and Housing and Property Services Asset Management Strategy	Management Accounts reporting and KPIs established. Board oversight of Care Homes Review

There is a system for carrying out and reviewing health and safety risk assessments at all care homes and complexes. However work started during the year to review and develop key health and safety policies and ensure compliance with the law and good practice. A Health and Safety Consultation Group has been established, which reviews operational approaches to health and safety and all staff are encouraged to take their responsibilities in relation to health and safety seriously and with commitment.

Viewpoint Housing Association Limited
Statement of the Board's Responsibilities
31 March 2011

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.

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 Industrial and Provident Societies Acts 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:

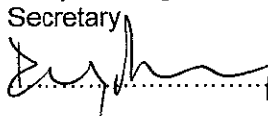
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

External Auditor

Chiene and Tait were successful in the tender for the external audit service for a three year period and were appointed by the Audit Committee during the year.

By order of the Board

Dorry McLaughlin
Secretary



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Viewpoint Housing Association Limited
The Board's Statement on Internal Financial Control
31 March 2011

The Board acknowledges its ultimate responsibility for ensuring that the Association 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. Action arising from the Governance Review of 2009 was completed during the year. Our Risk Assessment strategy and policy is being rigorously implemented and Financial Control policies enhanced and implemented. Our annual report from our internal auditors is positive, although they specifically draw attention to control weaknesses and there is work to be done to further enhance the Association's controls.
- Formal procedures have been established for instituting appropriate action to correct these weaknesses which have been accepted by the Board. Management work effectively to ensure that the Association's financial health and our tenants and residents welfare is secure.
- 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 arrangements comply with the Scottish Housing Regulator's and Scottish Federation of Housing Association's publication "Raising Standards in Housing"

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: 23rd August 2011

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 2011 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 9 of the Friendly and Industrial and Provident Societies Act 1968, and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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, the Association's members as a body and its trustees 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 7, 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. 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 2011 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 Industrial and Provident Societies Acts, 1965 to 2002, the Housing (Scotland) Act 2001, The Registered Social Landlords Accounting Requirements (Scotland) Order 2007, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002, or the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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 Trustee'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.

Corporate Governance Matters

In addition to our audit of the financial statements, we have reviewed the Board's statement concerning internal financial control made under "The Code of Audit Practice" contained within the publication "Raising Standards in Housing" which is the guidance issued by the Scottish Federation of Housing Associations. The object of our review is to draw attention to non-compliance with the guidance.

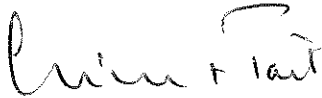
Independent Auditor's Report to the Members of
Viewpoint Housing Association Limited

Basis of opinion

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

Opinion

With respect to the Board's statements on internal financial control, in our opinion the Board has provided the disclosures required by the guidance and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.



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

24 AUGUST 2011

Viewpoint Housing Association Limited
Income and Expenditure Account
For the Year Ended 31 March 2011

	Notes	2011 £	2010 £
Turnover	2	11,529,617	11,105,016
Operating Costs	2	(10,273,165)	(10,772,505)
Operating Surplus	2	<u>1,256,452</u>	<u>332,511</u>
Loss/Gain on Sale of Fixed Assets	10	(242,334)	4,077
Interest Receivable and Other Income	4	35,266	47,439
Interest Payable and similar charges	5	(357,157)	(376,797)
Net Surplus for the year	9	<u><u>692,227</u></u>	<u><u>7,230</u></u>

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


There are no recognised gains or losses other than those reported above; therefore a separate statement of recognised gains and losses has not been prepared.


The notes on pages 14 to 34 form an integral part of these financial statements.

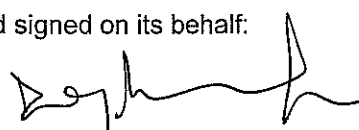
Viewpoint Housing Association Limited
Balance Sheet
As at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Housing Properties and Homes - Depreciated Cost	10	54,429,237	55,022,639
Less: Housing Association Grant	10	(31,268,905)	(31,260,836)
Less: Capital Donations	10	(4,020,277)	(4,020,277)
		<u>19,140,055</u>	<u>19,741,526</u>
Other fixed assets	11	901,425	1,095,227
Investments	12	111	111
Total fixed assets		<u>20,041,591</u>	<u>20,836,864</u>
Current assets			
Debtors	13	834,954	920,683
Cash at bank and in hand		3,999,707	3,432,913
		<u>4,834,661</u>	<u>4,353,596</u>
Creditors - amounts due within one year	14	<u>(2,359,207)</u>	<u>(2,850,181)</u>
Net current assets		<u>2,475,454</u>	<u>1,503,415</u>
Total assets less current liabilities		<u>22,517,045</u>	<u>22,340,279</u>
Creditors - amounts falling due after more than one year	15	<u>(10,168,890)</u>	<u>(10,651,602)</u>
Net Assets		<u>12,348,155</u>	<u>11,688,677</u>
Capital and Reserves			
Share Capital	16	282	263
Designated Reserves	6	6,564,464	6,511,590
Restricted Reserves	7	103,867	113,219
Negative Goodwill	8	88,375	121,143
Revenue Reserves	9	5,591,167	4,942,462
Total capital and reserves		<u>12,348,155</u>	<u>11,688,677</u>

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


R Smith
Chairman


I Calder
Board Member


D McLaughlin
Secretary

Date: 23 August 2011

The notes on pages 14 to 34 form an integral part of these financial statements.

Viewpoint Housing Association Limited
Cash Flow Statement
For the Year to 31 March 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	23a	2,101,328	909,729
Returns on investments and servicing of finance			
Interest received		18,389	45,155
Interest paid		(355,667)	(369,719)
Net cash outflow from returns on investments and servicing of finance		(337,278)	(324,563)
Investment			
Additions to housing properties		(228,793)	(1,338,875)
Housing Association Grant received		152,275	872,129
Capital grants received		0	26,083
Payments to acquire other assets		(127,073)	(324,300)
Receipt from sale of assets		64,215	10,420
Net cash (outflow) from capital expenditure and financial investment		(139,376)	(754,543)
Management of Liquid Resources			
Cash transferred from fixed term deposits		-	3,533,534
Cash inflow/(outflow) before management of liquid resources and financing		1,624,674	3,364,156
Financing			
Loans repaid		(1,269,538)	(742,313)
Loans received		388,633	337,156
Net cash (outflow) from financing		(880,905)	(405,157)
Increase in cash	23b	743,769	2,958,999

The notes on pages 14 to 34 form an integral part of these financial statements.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the Year to 31 March 2011

1. Principal Accounting Policies

(a) Introduction and accounting basis

The principal accounting policies of the Association are set out in the paragraphs (b) to (v) below. The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered with the Financial Services Authority. The financial statements have been prepared under the historical cost convention, and in compliance with The Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and The Statement of Recommended Practice (SORP), "Accounting by Registered Social Landlords – Update 2008" and applicable accounting standards. The Association has formal authority from the Financial Services Authority to exclude its subsidiary from inclusion or consolidation into its group financial statements, due to the immateriality of the amounts involved in 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 £692k for the year which was a considerable improvement on the previous year's small surplus of £7k. A net current asset position of £2,475k was reported at 31 March 2011 (2010: £1,503k). The Association was compliant with its bank covenants during the year.

The Association is continuing with its programme to improve its financial efficiency and has updated its financial projections 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 other 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 10 will be grant aided, funded by loans or met out of reserves, or from proceeds of sales.

(e) Mortgages

Mortgage loans are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme.

(f) 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 calculated on the qualifying cost (note 1(h)) of the scheme in accordance with instructions issued from time to time by Housing and Regeneration Division of the Scottish Government.

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

(g) 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.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the Year to 31 March 2011

1. Principal Accounting Policies (continued)

(h) Fixed assets - Housing land and buildings (note 10)

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.

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.

(i) 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.

(j) Depreciation

(i) Housing properties and care homes

These assets are depreciated 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.

Care Homes	between 2% and 7%
Housing Properties	between 2% and 4%

No depreciation is charged on the cost of land.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the Year to 31 March 2011

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	2%
Fixtures & fittings	20%
Office equipment & computer software	between 20% - 33%
Motor vehicles	25%
Garden equipment	16.66%
Kitchen equipment	20%

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.

(k) 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.

(l) Stock

Stock has been valued at the lower of cost and net realisable value.

(m) 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 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.

Designated reserve - Sinking fund (note 6)

Sinking fund items include recurring items which do not fall within either the cyclical or planned maintenance programmes and have funding requirements extending over more than one year.

Designated reserve - Capital reserve (note 6)

Capital reserve is based on the Association's liability to maintain those properties, which were not provided either in part or whole through receipt of HAG funding.

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 2011 is sufficient to cover forecast expenditure under the planned maintenance programme for the three-year period through to 2013/2014.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the Year to 31 March 2011

1. Principal Accounting Policies (continued)

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.

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.

(n) Negative goodwill (note 8)

Negative goodwill arising on any transfer of engagements represents the excess of the fair value of the assets and liabilities acquired over the consideration paid. The accounting treatment of such negative goodwill depends on the proportion attributable to monetary assets.

Where either the value relates to the acquisition of monetary assets or the proportion relating to non-monetary assets has a value not material in relation to the financial position of the Association, the full amount is released to the Income and Expenditure Account.

Where the acquisition relates either to non-monetary assets or the proportion relating to non-monetary assets has a value, which is material in relation to the financial position of the Association, the full amount of negative goodwill is included within reserves as a separate reserve. This is in accordance with the SORP "Accounting by Registered Social Landlords" updated in 2008. However, this is not in accordance with FRS 10 "Goodwill and Intangible Assets", which requires that negative goodwill is shown as a negative asset in the balance sheet.

The Board is of the opinion that the treatment required by FRS 10 would not present a true and fair view of the Association's net assets because the substance of the transaction is a gifting of a business for no consideration rather than a purchase in the conventional manner.

If negative goodwill had been treated as a negative asset as required by FRS 10 then the Association's net assets would be reduced by £88,375 (2010: £121,143).

In accordance with the SORP and FRS 10, the negative goodwill is being amortised to the Income and Expenditure Account over 20 years representing the Board's estimate of the economic life of the assets acquired. The annual effect on the Income and Expenditure Account of the amortisation of negative goodwill is £32,768.

(o) Managing Agents

Housing and accounting records are maintained on behalf of Craiglea Place Proprietors Association and Blackford Grange Proprietors Association reflecting management agreements. The agreement with Blackford Grange was terminated as at 31 March 2011.

(p) 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 those accounts.

(q) Lease obligations

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

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the Year to 31 March 2011

1. Principal Accounting Policies (continued)

(r) 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 pension costs 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.

During the year Viewpoint Housing Association operated a non-contributory pension scheme for all staff who were not members of the SFHA Pension scheme. Employer's contributions are 6% of contracted salaries. Contributions are charged in the Income & Expenditure Account as they become payable in accordance with the rules of the scheme.

(s) Value Added Tax (VAT)

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

(t) 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.

(u) 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.

(v) 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 £250k which is included in housing loans within current liabilities. The current liability reflects the amount the Association estimates will be repaid within one year.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the Year to 31 March 2011

2. Turnover, Operating Costs and Operating Surplus

		Turnover	2011 Operating Costs	Operating Surplus	2010 Operating Surplus / (Deficit)
	Note	£	£	£	£
Social Lettings	3a	6,670,688	(5,478,733)	1,191,955	1,144,897
Other activities	3b	<u>4,858,929</u>	<u>(4,794,432)</u>	<u>64,497</u>	<u>(812,386)</u>
Total 2011		<u>11,529,617</u>	<u>(10,273,165)</u>	<u>1,256,452</u>	<u>332,511</u>
Total 2010		<u>11,105,016</u>	<u>(10,772,505)</u>	<u>332,511</u>	

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

3a. Income and Expenditure from Social Housing Lettings

		2011		2010
	General Needs Housing £	Supported Housing £	Total £	Total £
Rent receivable net of service charges	960,626	3,445,560	4,406,186	4,249,175
Service charges receivable – eligible for Housing Benefit	167,422	1,382,109	1,549,531	1,456,101
Service charges receivable – not eligible for Housing Benefit	35,897	886,425	922,322	946,495
Gross Income from rents and service charges	1,163,945	5,714,094	6,878,039	6,654,771
Less: voids	(48,666)	(158,685)	(207,351)	(271,341)
Net Income from rents & service charges	1,115,279	5,555,409	6,670,688	6,383,430
Grants from Scottish Ministers	-	-	-	-
Other revenue grants	-	-	-	-
Total Turnover from social letting activities	1,115,279	5,555,409	6,670,688	6,383,430
Service costs	(189,829)	(1,757,146)	(1,946,975)	(2,028,211)
Management & maintenance administration costs	(172,144)	(762,435)	(934,579)	(1,137,479)
Reactive maintenance costs	(142,148)	(516,139)	(658,287)	(610,251)
Bad debts - rents & service charges	(9,082)	(26,337)	(35,419)	(35,818)
Planned & cyclical maintenance including major repairs	(650,186)	(875,446)	(1,525,632)	(1,018,129)
Depreciation on social housing	(50,553)	(327,288)	(377,841)	(408,645)
Impairment on social housing	-	-	-	-
Operating costs for social housing activities	(1,213,942)	(4,264,791)	(5,478,733)	(5,238,533)
Operating Surplus/(Deficit)	(98,663)	1,290,618	1,191,955	1,144,897
Operating Surplus for social housing 2010	272,429	872,468	1,144,897	

During the year £nil (2010 £nil) of major repairs work was capitalised and £547,029 (2010: £88,498) was expensed.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

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

	2011				2010			
	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	-	-	-	-	-	(98,677)	(98,677)	(131,575)
	-	271,543	-	271,543	-	(243,212)	28,331	(17,319)
	1,843,206	-	2,705,805	4,549,011	(29,791)	(4,415,219)	104,001	(700,535)
	-	-	19,437	19,437	-	(37,294)	(17,857)	(5,982)
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	18,938	18,938	-	29,761	48,699	43,025
	-	-	-	-	-	-	-	-
Total from Other Activities for 2011	1,843,206	271,543	2,744,180	4,858,929	(29,791)	(4,764,641)	64,497	(812,386)
Total from Other Activities for 2010	1,477,876	280,631	2,963,079	4,721,586	-	(5,533,972)	(812,386)	

Care Activities include restricted legacy income of £13,397 (2010: £12,462) intended specifically for care purposes and a grant of £Nil (2010: £230,000) received from the Viewpoint Trust.

Other includes Garage Rents, Parking Space Lease and Office Income £18,938 (2010: £10,842) and the release against operating costs of Negative Goodwill £32,768 (2010: £32,768).

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

4. Interest Receivable and Similar Income	2011 £	2010 £
Interest receivable on cash deposits	18,587	29,855
Interest charged to subsidiaries	16,679	17,584
	<u>35,266</u>	<u>47,439</u>

5. Interest Payable and Similar Charges	2011 £	2010 £
Interest on bank loans and overdrafts	357,157	376,797
	<u>357,157</u>	<u>376,797</u>

6. Designated Reserves	At April 2010 £	Transfers to Revenue Reserves £	Transfers from Revenue Reserves £	At 31 March 2011 £
Cyclical Maintenance	589,825	(395,131)	499,744	694,438
Major repairs	3,488,365	(548,081)	542,289	3,482,573
Sinking Fund	100,139	(426,580)	380,633	54,192
Capital Reserve	232,807	-	-	232,807
	4,411,136	(1,369,792)	1,422,666	4,464,010
New Care Home Reserve	2,100,454	-	-	2,100,454
	<u>6,511,590</u>	<u>(1,369,792)</u>	<u>1,422,666</u>	<u>6,564,464</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 are currently under review. The balance on the Association's cyclical maintenance reserves at 31 March 2011 is sufficient to cover forecast expenditure under the planned maintenance programme for the years 2011/12 through to 2013/14.

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.

7. Restricted Reserves	2011 £	2010 £
As stated at 1 April	113,219	113,162
Legacy Income received during the year (including Interest)	13,914	12,519
Transfer to revenue reserve for expenditure	(23,266)	(12,462)
At 31 March	<u>103,867</u>	<u>113,219</u>

The balance of the restricted reserves at 31st March 2010 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.

8. Negative Goodwill	2011 £	2010 £
As stated at 1 April	121,143	153,911
Amortisation for year	(32,768)	(32,768)
At 31 March	<u>88,375</u>	<u>121,143</u>

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

9. Revenue Reserves	2011 £	2010 £
As stated at 1 April	4,942,462	5,366,834
Net Surplus for the year including amortisation of negative goodwill (note 8)	692,227	7,230
Transfer to restricted reserves	(13,914)	(12,519)
Transfer from restricted reserves for expenditure on restricted items	23,266	12,462
Net Transfer (to) designated reserves	(52,874)	(431,545)
At 31 March	<u>5,591,167</u>	<u>4,942,462</u>

10a Housing Properties

Cost	Housing Properties held for letting £	Housing Properties under construction £	Care Homes £	Total £
At 1 April	51,530,819	1,064,715	7,960,148	60,555,682
Additions	95,837	3,003	65,394	164,234
Disposals	-	(253,364)	-	(253,364)
At 31 March	<u>51,626,656</u>	<u>814,354</u>	<u>8,025,542</u>	<u>60,466,552</u>
Depreciation				
At 1 April	(4,006,149)	-	(1,526,894)	(5,533,043)
Depreciation charge for year	(377,841)	-	(126,431)	(504,272)
At 31 March	<u>(4,383,990)</u>	<u>-</u>	<u>(1,653,325)</u>	<u>(6,037,315)</u>
Cost less depreciation	<u>47,242,666</u>	<u>814,354</u>	<u>6,372,217</u>	<u>54,429,237</u>
Housing Association Grant				
At 1 April	(30,443,552)	(817,284)	-	(31,260,836)
Additions	(10,999)	2,930	-	(8,069)
At 31 March	<u>(30,454,551)</u>	<u>(814,354)</u>	<u>-</u>	<u>(31,268,905)</u>
Other Capital Donations				
At 1 April	(1,665,195)	-	(2,355,082)	(4,020,277)
At 31 March	<u>(1,665,195)</u>	<u>-</u>	<u>(2,355,082)</u>	<u>(4,020,277)</u>
Total Grants as 31 March	<u>(32,119,746)</u>	<u>(814,354)</u>	<u>(2,355,082)</u>	<u>(35,289,182)</u>
Net Book Value at 31 March 2011	<u>15,122,920</u>	<u>-</u>	<u>4,017,135</u>	<u>19,140,055</u>
Net Book Value at 31 March 2010	<u>15,415,923</u>	<u>247,431</u>	<u>4,078,172</u>	<u>19,741,526</u>

10b. Development Administration Costs and Interest Capitalised	2011 £	2010 £
Development administration costs capitalised during the year	3,091	20,416
Interest capitalised during the year	<u>-</u>	<u>-</u>

10c. Leased Assets

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

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

10d. Major Repairs

During the year major repairs amounted to £549,593 (2010: £104,379) of which £nil (2010: £nil) was capitalised in the year.

10e. Housing Properties under construction

The disposal shown in housing properties under construction represents the removal of previously capitalised costs incurred on a site at Maidencraig which now has no prospect of being completed. The loss relating to this is included in the Loss/Gain on Sale of Fixed Assets figure of £242,334 on page 11. The remaining costs and associated grant related to the project discussed at note 27.

11. Other Fixed Assets

	Heritable Office Property	Kitchen, Office, Computer Software and Garden Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April	737,588	823,498	1,992,734	380,095	3,933,915
Additions	1,408	21,707	106,040	8,700	137,855
Disposals	-	(59,026)	-	(104,867)	(163,893)
At 31 March	<u>738,996</u>	<u>786,179</u>	<u>2,098,774</u>	<u>283,928</u>	<u>3,907,877</u>
Depreciation					
At 1 April	(229,218)	(636,749)	(1,688,231)	(284,490)	(2,838,688)
Charged during year	(16,843)	(85,652)	(146,830)	(29,148)	(278,473)
Disposals	-	59,026	-	51,683	110,709
At 31 March	<u>(246,061)</u>	<u>(663,375)</u>	<u>(1,835,061)</u>	<u>(261,955)</u>	<u>(3,006,452)</u>
Net Book Value at 31 March 2011	<u>492,935</u>	<u>122,804</u>	<u>263,713</u>	<u>21,973</u>	<u>901,425</u>
Net Book Value at 31 March 2010	<u>508,370</u>	<u>186,749</u>	<u>304,503</u>	<u>95,605</u>	<u>1,095,227</u>

12. Investments

	2011 £	2010 £
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
Benview Trading Limited	Scotland	Management of housing /homes funded by Special Needs Capital Grant	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 net asset value at the year end are as follows:

	2011 £	2010 £
Loss on ordinary activities after taxation	<u>(1,088)</u>	<u>(4,667)</u>
Net Liabilities	<u>(50,670)</u>	<u>(49,582)</u>

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

13. Debtors:	2011	2010
	£	£
Amounts falling due after more than one year:		
Amounts due from Group Undertakings	258,865	270,632
Amounts falling due within one year:		
Rental Debtors	321,786	204,903
Less: provision for bad and doubtful debts	(107,090)	(69,675)
	<u>214,696</u>	<u>135,228</u>
Other Debtors	80,742	108,984
Grants receivable	-	117,297
Amounts due from Group Undertakings	111,432	106,773
Prepayments and accrued income	107,321	130,718
Amounts due from Managed Schemes	55,347	36,117
Trade Debtors	6,551	14,934
	<u>834,954</u>	<u>920,683</u>
14. Creditors: Amounts falling due within one year	2011	2010
	£	£
Housing loans principal payable within one year (see note 15)	391,251	789,444
Bank Overdraft	210,798	387,773
Trade Creditors	541,327	572,063
Other Creditors	219,988	228,338
Other taxes and social security	87,348	96,831
Prepaid rent	304,736	268,930
Accruals and deferred income	603,759	506,802
	<u>2,359,207</u>	<u>2,850,181</u>
15. Creditors: Amounts falling due after more than one year	2011	2010
	£	£
Debt		
Housing Loans	5,510,120	5,663,142
Loan Stock	4,234,933	4,552,853
Other Loans	423,837	435,607
	<u>10,168,890</u>	<u>10,651,602</u>
Debt analysis	2011	2010
	£	£
Debt is repayable as follows:		
In one year or less	391,251	789,444
In more than one year but less than two years	398,923	378,062
In more than two years but less than five years	1,089,904	1,240,936
In more than five years	8,680,063	9,032,604
	<u>10,560,141</u>	<u>11,441,046</u>
Less: disclosed in note 14	(391,251)	(789,444)
	<u>10,168,890</u>	<u>10,651,602</u>

Bank loans are secured by specific charges over properties, the interest on bank loans is payable at a rate of interest of 6.22% (2010:6.22%). No interest is payable on loan stock.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

16. Non Equity Share Capital	2011 £	2010 £
Issued, allotted and fully paid shares of £1 each		
At 1 April	263	245
Cancelled during the year	-	-
Issued during the year	19	18
At 31 March	<u>282</u>	<u>263</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.

17. Employees	2011 £	2010 £
Staff costs during the year		
Wages and salaries	4,044,130	3,882,863
Social security costs	317,338	309,265
Other pension costs	293,458	338,523
	<u>4,654,926</u>	<u>4,530,651</u>

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

Office staff	40	44
Warden, care staff, caterers and cleaners	152	141
Maintenance	13	9
Total FTE employees	<u>205</u>	<u>194</u>

In addition to the above costs the Association incurred further costs of £395,852 (2010:£ 1,271,996) relating to the use of agency staff, primarily in the care homes.

The Association is controlled by a voluntary Board of Management who received no remuneration during the year to 31 March 2011 (2010 £nil).

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 and benefits in kind)	<u>79,178</u>	<u>-</u>
Aggregate emoluments payable to the highest paid Director (excluding pension contributions)	<u>79,178</u>	<u>56,697</u>
Pension Contributions	<u>11,550</u>	<u>8,087</u>

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

£70,001 to £80,000	<u>1</u>	<u>-</u>
The aggregate amount of compensation payable to Officers and staff for loss of office	<u>34,318</u>	<u>15,026</u>
Expenses not chargeable to United Kingdom income tax reimbursed to members of the Board of Management	<u>1,785</u>	<u>989</u>

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

18. Pension Obligations Note

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

- **The Friends Provident Personal Pension Scheme** of which 128 employees are members (2010: 149). The scheme was changed in July 2010, previously this was a 6% employers' only contribution scheme, since July 2010 new employees contribute up to 6% with Viewpoint Housing Association making matching contributions. During the year Viewpoint Housing Association made contributions of £113,862 (2010: £143,318).

- **The Royal Scottish Insurance Pension Scheme** of which 1 employee is a members (2010:2). The members contribute 5% and this is matched by Viewpoint Housing Association, £1,653 (2010: £1,541).

As only one employee is a member of this scheme details of the actuarial assessment and financial assumptions are not disclosed as they are not material to these financial statements.

- **The Scottish Federation of Housing Associations' 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.

The last formal valuation of the Scheme was performed as at 30 September 2009 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. 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 £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

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 five 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.
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. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.
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 2011.
6. During the accounting period Viewpoint Housing Association paid contributions of £177,393 (2010: £191,400) at the rate of 15.4% of pensionable salaries. Member contributions were 7.7%.
7. As at the balance sheet date there were 44 active members of the Scheme employed by Viewpoint Housing Association. The annual pensionable payroll in respect of these members was £1,059,712.
8. Viewpoint Housing Association continues to offer membership of the Scheme to its employees.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

18 Pension Obligations Note (continued)

9. 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.

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

2009 Valuation Assumptions	% p.a.
Investment return pre retirement	7.4
Investment return post retirement - Non-pensioners	4.6
Investment return post retirement - Pensioners	4.8
Rate of salary increases	4.5
Rate of pension increases	
- Pension accrued pre 6 April 2005 in excess of GMP	2.9
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	2.2
Rate of price inflation	3.0

Mortality Tables	
Non-pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement
Pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement

Contribution Rates for Future Service (payable from 1 April 2011)	%
Final salary 1/60ths	19.2
Career average revalued earnings 1/60ths	17.1
Career average revalued earnings 1/70ths	14.9
Career average revalued earnings 1/80ths	13.2
Career average revalued earnings 1/120ths	9.4
Additional rate for deficit contributions *	10.4

(* Expressed in nominal pound terms (for each employer) increasing each 1 April in line with the rate of salary increases assumption. Earnings as at 30 September 2009 are used as the reference point for calculating the additional contributions.)

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

11. Pension Obligations Note (continued)

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. Viewpoint Housing Association Limited offers the Growth Plan as an AVC investment option for members of the SFHA Pension Scheme. The members pay contributions at a rate of their choice. Viewpoint Housing Association Limited does not pay any contributions to the Growth Plan.
6. It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
7. The last formal valuation of the Plan was performed at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.
8. The financial assumptions underlying the valuation were as follows:

	%pa
- Investment return pre retirement	7.6
- Investment return post retirement – Actives/Deferreds	5.1
- Pensioners	5.6
- Bonuses on accrued benefits	0.0
- Rate of price inflation	3.2
9. 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.
10. The Scheme Actuary has prepared a funding position as at 30 September 2009. The market value of the Plan's assets at that date was £765 million and the Plan's technical Provisions (ie. past service liabilities) were £820 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £55 million, equivalent to a funding level of 93%.
11. 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.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

18. Pension Obligations Note (continued)

12. In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre retirement and 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post retirement (pensioners).
13. A copy of the recovery plan must be sent to the Pensions Regulator. The 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 scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009.
14. The next full actuarial valuation will be carried out as at 30 September 2011.
15. 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. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.
16. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout 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.
17. The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 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.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

19. Operating Lease Commitments

At 31 March 2011 the company was committed to make the following payments during the next year in respect of operating leases:

	2011 £	2010 £
Leases which expire:		
Within one year	546	2,252
Within two to five years	<u>4,746</u>	<u>11,034</u>
	<u>5,292</u>	<u>13,286</u>

20. Taxation

There was no charge to corporation tax in 2010 or in 2011. 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.

21. Capital Commitments

	2011	2010
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	3,030,740
Capital expenditure that has been authorised but not contracted for	<u>120,000</u>	<u>172,916</u>

The Association has necessary arrangements in place to fund any shortfall between the capital commitments above and HAG received on these projects.

22. Contingent Liabilities

The Scottish Federation of 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 2010. As of this date the estimated employer debt for Viewpoint Housing Association was £9,082,483.

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 2010. As of this date the estimated employer debt for Viewpoint Housing Association was £83,684.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

23. Notes to the Cash Flow Statement

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

	2011	2010
	£	£
Operating surplus on ordinary activities	1,256,452	332,511
Depreciation of housing properties	504,272	538,685
Depreciation – other	278,473	344,085
Decrease in stock and work in progress	-	2,868
Decrease/(Increase) in debtors	(17,854)	91,668
(Decrease)/Increase in creditors	112,753	(367,320)
Amortisation of negative goodwill	(32,768)	(32,768)
Net cash inflow from operating activities	<u>2,101,328</u>	<u>909,729</u>

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

	2011	2010
	£	£
Increase in cash for the year	743,769	2,958,999
Cash flow from Liquid Resources	-	(3,533,534)
Cash outflow from decrease in debt	1,269,538	742,313
Cash inflow from increase in debt	(388,633)	(337,156)
Change in net debt resulting from cash flows	<u>1,624,674</u>	<u>(169,378)</u>
Net Debt as at 1 April 2010	<u>(8,395,906)</u>	<u>(8,226,528)</u>
Net Debt as at 31 March 2011	<u>(6,771,232)</u>	<u>(8,395,906)</u>

c. Analysis of Changes in net debt

	at 1 April 2010 £	Cash flow £	Other Changes £	At 31 March 2011 £
Net Cash				
Cash at bank and in hand	3,432,913	566,794	-	3,999,707
Bank Overdrafts	(387,773)	176,975	-	(210,798)
	<u>3,045,140</u>	<u>743,769</u>	<u>-</u>	<u>3,788,909</u>
Debt				
Debt due within one year	789,444	398,193	-	(391,251)
Debt due after one year	10,651,602	482,712	-	(10,168,890)
	<u>(8,395,906)</u>	<u>1,624,674</u>	<u>-</u>	<u>(6,771,232)</u>

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

24. Housing Stock

	2011 No	2010 No
General needs	293	293
Supported	1,097	1,094
Total units	<u>1,390</u>	<u>1,387</u>
	2011	2010
		£
Housing accommodation managed on behalf of other bodies	<u>96</u>	<u>96</u>
Accommodation managed by other bodies:		
The Action Group	5	5
Garvald Glenesk Limited	1	1
Community Integrated Care	7	7
Carr-Gomm Scotland	<u>8</u>	<u>8</u>

25. Operating Surplus on Ordinary Activities

Operating Surplus/(Deficit) on ordinary activities was arrived at after charging:	2011	2010
	£	£
External Auditor fees	16,652	18,506
External Auditor non audit services	<u>-</u>	<u>900</u>

26. Related Party Disclosure

Tenant members of the Board

During the year the following members of the Board of Management were tenants/residents of the Association:- Jean Simpson, Margaret Henderson. Transactions with the Association are undertaken on standard terms, as applicable to all tenants.

Benview Trading Limited

Viewpoint Housing Association provides funding assistance and management and development services to Benview Trading Limited, a private company, in relation to the development of capital projects in which the two organisations hold complementary interests. Benview also provides Viewpoint with advisory services in connection with the same projects. All staff employed in Benview are employees of Viewpoint.

During the year, Viewpoint Housing Association received £2,704 (2010: £2,704) in management and development fees from Benview Trading Limited. During the year Viewpoint Housing Association Limited charged interest of £16,679 on a loan to Benview Trading Limited. At 31 March 2011 the balance outstanding on this loan was £270,632 (31 March 2010: £282,399). At the period end the total amount due from this company was £370,783 (2010: £377,405) (Note 13). Interest of £500 (2010: £500) on the inter-company current account balance of £100,151 was charged to Benview at a rate comparable with that which is received on the Association's bank deposits.

Viewpoint Housing Association Limited
Notes to the Financial Statements
For the year to 31 March 2011

26. Related Party Disclosure (continued)

The following members of the Association's Board who served during the year are also directors of Benview Trading Limited:

Dr R G Smith
Miss E M Morrison
Mr R Stewart

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. No trustees of Viewpoint Trust were members of the Board of Viewpoint Housing Association. Following a £230,000 grant in 2010 there were no grant applications made to the Trust in the year to 31 March 2011. Management fees of £4,160 (2010: £4,160) were paid by the Trust to Viewpoint Housing Association. At the period end the amount due from the Viewpoint Trust was £12,603 (2010: £4,240).

27. Post Balance Sheet Event

Development at 7 Lanark Road West, Edinburgh

In August 2010 the Association entered into an agreement to transfer responsibility for the development of the above site to the Link Group, Edinburgh. During the year discussions continued with Link to conclude the transfer which was finalised on 21 July 2011.

Housing Properties under construction (Note 10a) include pre-contract costs of £814,354 relating to this project and related Housing Association Grant also of £814,354. The costs incurred to date and Housing Association Grant received to date by the Association will transfer to the Link Group for nil consideration.