

**Viewpoint Housing Association Limited**

**Financial Statements**

**for the year ended 31 March 2016**

**Register of Housing Associations No. HEP 199**

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

**Charity registered with OSCR No. SCO05619**

Viewpoint Housing Association Limited  
Financial Statements  
For the year ended 31 March 2016

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Viewpoint Housing Association Limited  
Board of Trustees, Executives and Advisors  
31 March 2016

**Board of Trustees**

Mr R Rae	(Chairman)
Mr G Anderson	
Mrs N Donaldson	
Mr V Stewart	
Mr R McNeill	
Ms J Simpson	(Chair of the Remuneration Committee)
Mr R Stewart	(Chair of the Audit Committee)
Ms J Macrae	(Resigned 22 September 2015)
Mr I Thompson	(Deputy Chairman)
Dr W Campbell	
Mr R Barnes	(co-opted 19 May 2015, appointed 22 September 2015)
Mr I Mackay	(co-opted 19 May 2015, appointed 22 September 2015)
Mr J Beaton	(co-opted 17 May 2016)
Mr T Roehricht	(co-opted 17 May 2016)
Ms J Macdonald	(co-opted 17 May 2016)

**Executive Officers**

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

**Registered Office**

4 South Oswald Road  
EDINBURGH  
EH9 2HG

**Registration Numbers**

Register of Housing Associations No. HEP 199  
Register of Cooperative and Community Benefit Societies No. 1228 RS  
Charity registered with OSCR No. SCO05619

**Solicitors**

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

**External Auditor**

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

ACH Shoosmiths  
20 Castle Terrace  
Edinburgh  
EH1 2EN

**Bankers**

The Royal Bank of Scotland  
36 St Andrew Square  
EDINBURGH

**Internal Auditors**

BDO LLP  
4 Atlantic Quay  
70 York Street  
GLASGOW  
G2 8JX

**Viewpoint Housing Association Limited**  
**Report of the Board of Trustees**  
**31 March 2016**

The Board of Trustees (the Board) presents its report and the audited financial statements for the year ended 31 March 2016

**Principal Activities**

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

Viewpoint's Head Office is in Edinburgh and its properties and services are largely in Edinburgh and Fife. Viewpoint has 3 care homes with nursing (133 bed spaces) and 1312 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, KITE, The Action Group and local authorities and the NHS.

**Financial Performance**

The results for the year are shown in the Statement of Comprehensive Income on page 13. The surplus of £1,759k (2015 (restated): £1,702k) is comparable with the restated prior year. The surplus generated from housing activities of £1,504k is up from the previous year (2015 (restated) £1,430k). Additional turnover arose from the rent and service charge annual increases, this was used to fund capital investment in properties and also additional service, management and repair costs. Surplus from other activities of £620k (2015 (restated): £709k) includes a surplus from care home activities of £716k (2015 (restated): £781k) and costs related to the exploration of new business activities of £72k (2015 (restated): £59k). The increase in the care homes surplus is a direct consequence of adding new facilities within St Raphael's, namely Cunningham House and higher than expected occupancy rates.

Viewpoint has continued to invest in its properties, with capital spend of £897k on housing properties and £678k on care homes. We are conducting property surveys during the year to March 2017 to reassess future requirements. We expect to continue to make significant investments in our assets and have included such plans in our five year financial plans submitted to the Scottish Housing Regulator. Viewpoint is also actively seeking growth and has looked at its treasury arrangements so it is ready to respond to opportunities.

The year's surplus was within budgeted levels which further evidences the stability of operations and will enable Viewpoint to meet its strategic aspirations for growth and services development.

**Reserves**

The primary purpose of our revenue reserves are to maintain sufficient funds to enable our housing and service delivery to be kept to a standard which is commensurate with Viewpoint's objectives. Additionally Viewpoint's aim is to hold in cash amounts which equate to at least six months of operating costs as well as funds to enable development opportunities to be explored.

**Structure, Governance and Management**

Viewpoint has adopted the SFHA Model Rules. The rules comply with the requirements of the Scottish Housing Regulator. Viewpoint is on the Register of Co-operative 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. Viewpoint continued to be assessed as low risk by the Scottish Housing Regulator, although it was reassessed as medium risk during this year for 2016/17. The Housing Support and Care Home services are regulated and inspected by the Care Inspectorate.

Viewpoint has a wholly owned subsidiary, Viewpoint Scotland Ltd whose purpose is to manage housing/homes funded by a Special Needs Capital Grant and our loan stock portfolio at Kilravock House. The loan stock arrangement will be reviewed in 2017. Viewpoint provides management and development services to Viewpoint Scotland for which they are charged. The financial results of Viewpoint Scotland Ltd for the year ended 31 March 2016 have not been consolidated into Viewpoint Housing Association Limited as these are of an immaterial nature to the results of Viewpoint.

Viewpoint Housing Association Limited  
Report of the Board of Trustees  
31 March 2016

**Structure, Governance and Management (continued)**

Viewpoint is governed by a voluntary Board of Trustees (Board) whose members are elected by the membership and are unpaid. One Board member resigned during the year (Ms J Macrae) and two co-opted members (Mr R Barnes and Mr I Mackay) became full members at the AGM in September 2015. A further Three members have been co-opted post year end.

The Board is supported by an Audit Committee and a Remuneration Committee. The Chair conducted appraisals of each Board member and the Board continues to monitor the effectiveness of its governance arrangements. Board members adopted the SFHA Code of Conduct for Governing Body Members during the year. An internal audit during the year assessed the governance arrangements as providing substantial assurance.

Management is delegated by the Board to the Executive Team. This Team comprises the Chief Executive, Director of Finance & ICT, Director of Housing & Property Services and Director of Care. 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. The delegated authorities were reviewed during the year.

Each member of the Board holds one fully paid share of £1 in Viewpoint. The Chief Executive and Executive Team members hold no interest in Viewpoint's share capital, and 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's rules.

The Board meets six weekly and members take part in working groups. The Board held a team building day during the year to review strategic priorities, governance arrangements and Viewpoint's approach to risk management. Board members also attended Governance training.

**Resident and Tenant Involvement**

Viewpoint continued to support Tenant Scrutiny during the year with the continued assistance of the Tenant Information Service. The outcomes of the Repairs Scrutiny Group were largely implemented during the year. A Scrutiny of Tenant Care was carried out during the year and has provided some useful recommendations to support a review of sheltered housing services. A review of rents and service charges also took place resulting in changes to how Viewpoint calculates and presents service charges.

Tenants have formed a Tenant Consultation Group to provide a pool of tenants to take part in scrutiny activity and other consultations. Tenants are routinely involved in the recruitment and selection of Housing and Maintenance staff.

The Viewpoint Tenants Representative Group (VTRG) and Fife Forum continue to work closely with Viewpoint and meet senior staff regularly. Both groups provide valuable feedback on services to Viewpoint.

Viewpoint continued to involve its care home residents and relatives in the delivery of services in the care homes. Viewpoint developed a park style garden at St. Raphael's as a result of such engagement. Customer surveys at each of the homes continued to show high levels of satisfaction which exceed the target of 80%.

**Strategy, Objectives and Business Review**

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

**Policy agenda for older people**

One of the Scottish Government's key policies, Reshaping Care for Older People, aims to support people to remain at home for as long as possible, rather than in care homes or hospital settings. To add further weight to this agenda the new Public Bodies (Joint Working) (Scotland) Act 2014 came into force in April 2015 and since then local authorities and regional health authorities have established Integrated Joint Boards and developed strategies for the integration of health and social care.

Viewpoint Housing Association Limited  
Report of the Board of Trustees  
31 March 2016

**Strategy, Objectives and Business Review (continued)**

**Policy agenda for older people (continued)**

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

- An emphasis on reducing social isolation with new services such as befriending and community connecting being established.
- Moves to ensure that older people are digitally included
- Trials of step down services to reduce delayed discharges from hospital
- Trials of and research into telecare and telehealth initiatives e.g. video conferencing as well as mobile technology to connect older people with support plans
- Emergent trends to find innovative ways of delivering care at home on a locality or neighbourhood basis or following the Buurtzorg model of care at home first established in the Netherlands
- Viewpoint welcomed the new Care Principles introduced by the Care Inspectorate during the year and will continue to take part in consultations on the more detailed standards.

Viewpoint engaged with Scottish Care, The Coalition of Care and Support Providers Scotland and the Confederation of Scottish Local Authorities to negotiate a revised National Care Home Contract Rate for 2016/7. This followed the introduction of the Scottish Living Wage for care workers employed in public contracts. This coupled with the introduction of the National Living Wage and a shortage of nursing staff created wage pressure in the care home business. However a continued emphasis on quality has resulted in occupancy remaining high thus mitigating the risk of these cost pressures.

Viewpoint continued to explore growth opportunities for the year but delays to planning permission have resulted in some concern that our development plans in East Lothian will not come to fruition. However another opportunity to potentially develop extra care housing in Midlothian on land Viewpoint already owns may present an alternative opportunity.

Viewpoint's major achievements were as follows:

- The conversion of Head Office to provide 12 additional bed spaces for St. Raphael's. This is now fully occupied with a number of residents referred from The Royal Edinburgh Hospital.
- Step Down flat created in partnership with City of Edinburgh Council, NHS Lothian and the Joint Improvement Team to assist alleviate delayed discharges
- Tender submitted to City of Edinburgh Council in partnership with Castle Rock Edinvar and Places for People Care and Support to provide an integrated care at home, housing support and community enabling service in sheltered housing.
- Park themed garden at St. Raphael's with children's play area and band stand.
- Creation of two dementia show flats in sheltered housing
- Development of a community café and catering facility at Balfour House
- Grant of £22k secured to develop a health hub in partnership with City of Edinburgh Council and NHS Lothian at Croft n Righ sheltered housing complex. This project will facilitate video conferencing between tenants and local General Practitioners.
- Continued and substantial investment in properties including - £500k on heating systems across various housing complexes, £237k on new bathrooms and £378k replacing cold water tanks. In the care homes we spent £136k on air conditioning at St. Raphael's and £10k improving the dining room at Lennox House.
- Viewpoint took part in a Healthy Working Lives initiative which resulted in the establishment of a healthy living clinic for staff providing massage and other healthy living interventions e.g. smoking cessation and stress management.
- Achievement of Investors in Diversity. Viewpoint is now working towards Leaders in Diversity
- All financial targets were achieved and bank covenants easily met.
- The Scottish Housing Regulator requirements in relation to the Scottish Housing Quality Standard continued to be met.
- Viewpoint continued to achieve Investors in People Silver award following an assessment during the year.
- Developed and tested a Disaster Recovery/Business Continuity Plan

Viewpoint Housing Association Limited  
Report of the Board of Trustees  
31 March 2016

**Strategy, Objectives and Business Review (continued)**

Viewpoint uses 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>2015/6</b>	<b>2014/5</b>
Average Occupancy Rate in care homes	97%	97.6%	97.4%
Care home arrears as % income receivable	<5%	7.4%	3.95%
Sick hours as % total hours	<5%	4.3%	5.35%
Annualised turnover of staff	<30%	23%	34%
Agency hours as % all hours	<8%	9%	13%
Resident satisfaction with overall care home service	>85%	97%	96%
Requirements/recommendations from inspection reports dealt with within six months	100%	100%	100%

<b>Housing and Property Services</b>	<b>Target</b>	<b>2015/6</b>	<b>2014/5</b>
Void loss as % rent and service charge receivable	3%	1.36%	1.54%
Arrears as % rent and s/c income	2%	2.5%	3.3%
Average void turnaround time (supported housing)	40 days	44	50
Average void turnaround time (general needs housing)	30 days	43	57
% of stock meeting SHQS	100%	100%	100%
Routine repairs completed within 15 days	>95%	88%	93%
Urgent repairs responded to within 3 days	100%	81%	80%
Emergency repairs responded to within 2 hours	100%	92%	97%
Gas Safety checks completed when due	100%	97.6%	95.96%
Repairs completed right first time	100%	81.25%	75.41%
Resident satisfaction with repairs	>85%	84.57%	86.08%
<b>Complaints</b>			
Stage 1 complaints resolved within timescale	100%	92.86%	84.62%
Stage 2 complaints resolved within timescale	100%	100%	100%
% all complaints upheld	<10%	71.26%	60%

Performance has fallen slightly in some areas compared to previous years and in comparison with other registered social landlords. There will be an added focus on embedding accountability for monitoring and achieving the Key Performance Indicators – both those reported to the Board and collected for submission to the Social Housing Regulator in the Annual Return on the Charter.

**The Future**

Viewpoint continued to explore the potential to develop a care home with nursing and extra care housing in East Lothian although planning permission is taking a long time. As a result other opportunities are being explored including the potential to develop extra care housing in the grounds of one of the existing sheltered housing complexes.

As the threat of the withdrawal of Supporting People Grant to Viewpoint's sheltered housing in Edinburgh edged closer Viewpoint worked with Castle Rock Edinvar and Places for People Care and Support to enter a bid to develop integrated care at home services in sheltered housing. The outcome of the bid will be announced in June 2016. Even if this bid is not successful Viewpoint will continue to support and enhance its sheltered housing service in partnership with staff and tenants.

We will continue to invest in accommodation to achieve SHQS on an ongoing basis and ensure we address the requirements in relation to energy efficiency. A new Asset Management Strategy will also see Viewpoint address difficult to let properties and those that are not fit for the future in their current form and use.

A key priority for 2016/7 is to re-implement Qlx, the housing management system and we have resourced our teams accordingly. This reimplementation is key to the effective management of knowledge and capture and use of data within Viewpoint. The ICT infrastructure has been reviewed and improvements are almost complete. In addition we are introducing Sun Accounts and a new Purchase to Pay system. Progress is well underway.

Viewpoint Housing Association Limited  
Report of the Board of Trustees  
31 March 2016

**Employee Information and Engagement (continued)**

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

Viewpoint has an establishment of 303 full and part time employees. Turnover of employees reduced to 23% for care and 12% for housing and support staff.

We invested £172k in learning and development and 70% of staff took up a learning opportunity including:

Diversity – Positive Steps  
Managing diabetes  
End of life care  
Housing qualifications  
Dementia care and awareness  
ACCA qualification

This investment continues to result in good care home and housing support grades and achievement of our Strategic Priorities for the year.

Staff involvement is achieved through the Employee Forum which meets quarterly, there is a system of core briefings and use of the Viewpoint web site based Staff Zone is increasing. In November 2015 Viewpoint held its annual Staff Conference which fed directly into the Strategic Plan Review. Viewpoint continued to achieve the Investors in People Silver award.

**Key Management**

The Trustees consider the Board of Trustees, the Directors and Chief Executive of Viewpoint to comprise the key management personnel of the Association, in charge of directing and controlling the Association and running and operating the Association on a day to day basis. All trustees give of their time freely, and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 15 and 24 respectively. Trustees are required to disclose all relevant interests and register them with the Chief Executive and in accordance with policy, withdraw from decisions where a conflict of interest arises.

The Directors and Chief Executive's remuneration is set by Viewpoint's remuneration committee by reference to cost of living increases and market forces.

**Treasury Management**

Viewpoint is reviewing its borrowing arrangements to support its aspiration to grow and provide additional services, this exercise is expected to be concluded in 2015/16.

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

Borrowings are secured on a combination of fixed and variable rate finance. 70% of Viewpoint's bank loan facilities were fixed at 31 March 2015.

Part of Viewpoint's finance is raised through loan-stock provided by loan-stock tenants. These loans are unsecured and, at Kilravock 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. Any decisions taken regarding the borrowing requirements for Viewpoint must consider the status of the loan-stock portfolio at that time. Viewpoint's remaining loan-stock properties at Kilravock are being re-let through Viewpoint Scotland, although the loanstock deposits are loaned back to Viewpoint Housing Association.

**Risk Management**

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



Viewpoint Housing Association Limited  
Report of the Board of Trustees  
31 March 2016

**Risk Management (continued)**

The key risks facing Viewpoint are:

<b>Risk</b>	<b>Mitigation (Prevention)</b>	<b>Mitigation (Remedial)</b>	<b>Monitoring</b>
Pension costs unaffordable – note past service deficit liability and auto enrolment	Closed final salary pension scheme to future accrual and minimised employer liability of defined contribution scheme.	Consult staff on reducing pension commitment further. Seek to isolate debt within SHAPs. Review Pay and Benefits in general	Annual pension reports and financial plan reviews to Board
Poor or slow response to ICT opportunities and/or bureaucratic or ineffective work flow processes including poor data management.  Major ICT or telephone failure	ICT health check completed and ICT strategy reviewed with clear action, timelines and risks identified. Data Protection Policy in place. Key staff have mobile phones	Outsource the day to day ICT operation and use consultancy to review strategy or increase internal resources	ICT Strategy monitored by the Board and housing management ICT system implementation and disaster recovery processes monitored by the Audit Committee.
Scatter gun approach to growth e.g. no planned resources or strategic fit. Poor risk appraisal of new business, underestimate ability to deliver services or activities which are new to Viewpoint e.g. care at home, housing for sale, major developments	New Business Appraisal Policy being rigorously applied with limited delegated authority. New Business Strategy. Use of consultancies to fill knowledge gaps. Explore alternative development methods e.g. turnkey.	Pass developments to other housing associations by sale or lease.	All new business approved by the Board and reported within agreed parameters.
Reductions in public funding e.g. Supporting People Grant, free personal care, Housing Benefit or end of National Care Home Contract, reduction in private payers due to recession	Lobby and respond to relevant consultations and continue efficiency savings. Maintain budgeted ratio of private to Local Authority funded residents in the care homes. Differentiation Strategy for the homes. Marketing plans. Assess needs and evidence value of housing support to Local Authorities	Review financial priorities and potentially stop new business. Restructure staff resources. Efficiency savings e.g. Pay and Benefits Review and overhead efficiencies. Consider retirement model e.g. no housing support offered.	Management Accounts, Key Performance Indicators
Poor work force planning and/or change management for new business leading to high turnover of staff/poorly trained workforce	Use consultancy to help with workforce planning during periods of change. Improved recruitment following regular P&B reviews. L&D policy and strategy	Review Pay and Benefits and enter into arrangement with agency to attract staff	Board reviews of Operational Priorities and Human Resource Strategy and detailed KPIs

Viewpoint Housing Association Limited  
Report of the Board of Trustees  
31 March 2016

**Risk Management (continued)**

The key risks facing Viewpoint (continued):

<b>Risk</b>	<b>Mitigation (Prevention)</b>	<b>Mitigation (Remedial)</b>	<b>Monitoring</b>
Welfare Reform - impact of Universal Credit and Local Housing Allowance Caps.	Conferences and policy scanning to keep up to speed with changes	Direct debits, increase welfare benefits service, review arrears policy	Management accounts – debtors
Change of law or policy/strategy changes affecting what we can or cannot do e.g. procurement or what and how we provide services e.g. Self-Directed Support and health and social care integration	Lobbying and responding to consultations. Member of Coalition of Care and Support Providers Scotland.  Regular reviews in all key functional areas e.g. Human Resources, Asset Management and briefings to Board on legislative and regulatory changes. Service charge and housing support reviews	Review of cost base especially in relation to charges e.g. SPG, service charges and rents	Board mailings and updates. KPIs and Management Accounts to monitor impact.

The Board have discussed the impact of Brexit and although no material risks to Viewpoint have so far been identified, they are monitoring this on an ongoing basis.

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

**Responsibilities of the Board**

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Viewpoint 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 Viewpoint will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of Viewpoint and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, The Scottish Housing Regulator's Determination of Accounting Requirements (December 2014) and The Charities Accounts (Scotland) Regulations 2006 (as amended). The Board also has general responsibility for taking reasonable steps to safeguard the assets of Viewpoint and to prevent and detect fraud and other irregularities.

Viewpoint Housing Association Limited  
Report of the Board of Trustees  
31 March 2016

**Responsibilities of the Board (continued)**

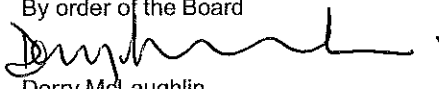
At the time of approval of this report:

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

**External Auditor**

A resolution to re-appoint Chiene + Tait LLP as external auditor will be proposed at the AGM. The trustees plan to tender for external audit services before the next financial year end.

By order of the Board

  
Dorry McLaughlin  
Secretary

.....16/3/2016

Viewpoint Housing Association Limited  
The Board's Statement on Internal Financial Control  
31 March 2016

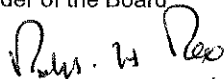
The Board acknowledges its ultimate responsibility for ensuring that Viewpoint has in place a system of internal financial controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:-

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

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of Viewpoint's assets.
- Experienced and suitably qualified staff takes responsibility for important business functions.
- Forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives and progress towards the financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.
- The Board reviews reports from management and from both internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. Significant progress continues to be made in addressing control weaknesses identified in previous years. Our Risk Strategy and policy is being rigorously implemented and Financial Control policies enhanced and implemented. Our internal auditor report showed that there were no high priority recommendations made during the year as a result of internal audits.
- 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 Regulatory Standards and Guidance.

By order of the Board



Date: .....16/8/2016

## **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 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows 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 Viewpoint's members, as a body, in accordance with Section 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to Viewpoint'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 Viewpoint and Viewpoint's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Board and the auditor**

As explained more fully in the Statement of Board's Responsibilities set out on page 8, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of Viewpoint's affairs as at 31 March 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, and The Scottish Housing Regulator's Determination of Accounting Requirements (2014).

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

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

- a satisfactory system of control over transactions has not been maintained; or
  - the information given in the Board's annual report is inconsistent in any material respect with the financial statements; or
- Viewpoint 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.

*Chie + Tait LLP*

**CHIE + TAIT LLP**

**Chartered Accountants and Statutory Auditor**

**61 Dublin Street**

**Edinburgh**

**EH3 6NL**

*25 August 2016*

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Report by the Auditor 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 10 concerning Viewpoint's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

**Basis of Opinion**

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

**Opinion**

In our opinion the Statement on Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued 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 Viewpoint and examination of relevant documents, we have satisfied ourselves that the Board's Statement on Internal Financial Control appropriately reflects Viewpoint's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**CHIENE + TAIT LLP**  
**Chartered Accountants and Statutory Auditors**  
**61 Dublin Street**  
**Edinburgh**  
**EH3 6NL**

25 August 2016

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Viewpoint Housing Association Limited  
Statement of Comprehensive Income  
For the year ended 31 March 2016

	Notes	2016 £	2015 Restated £
Turnover	2	15,310,711	14,285,499
Operating Costs	2	13,186,194	12,146,141
Operating Surplus	2	2,124,517	2,139,358
(Loss)/Gain on Sale of Fixed Assets		(3,868)	691
Interest Receivable	4	81,481	76,337
Interest and Financing Costs	5	(442,969)	(514,624)
Net Surplus for the year		1,759,161	1,701,762
		=====	=====

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

The results for the year relate wholly to continuing activities.

Statement of Changes in Reserves  
For the year ended 31 March 2016

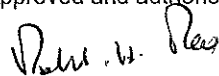
	Share Capital £	Restricted Reserves £	Revenue Reserves £	Total £
At 31 March 2015 (as restated)	179	110,081	20,768,929	20,879,189
Surplus for the year	-	-	1,759,161	1,759,161
Transfers	-	(11,922)	11,922	-
Shares cancelled	(14)	-	-	(14)
Shares issued	3	-	-	3
At 31 March 2016	168	98,159	22,540,012	22,638,339
	=====	=====	=====	=====

The notes on pages 16 to 34 form an integral part of these financial statements.

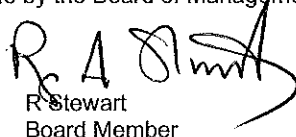
Viewpoint Housing Association Limited  
Statement of Financial Position  
As at 31 March 2016

	Notes	2016	2015
		£	Restated £
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
Housing Properties and Homes - Depreciated Cost	7	41,517,890	41,639,780
Other fixed assets	8	1,199,714	1,342,994
		<u>42,717,604</u>	<u>42,982,774</u>
Investments	9	111	111
<b>Total fixed assets</b>		<u>42,717,715</u>	<u>42,982,885</u>
<b>Current assets</b>			
Debtors	10	988,586	989,473
Cash at bank and in hand		10,931,441	10,162,006
		<u>11,920,027</u>	<u>11,151,479</u>
<b>Creditors: amounts due within one year</b>	11	3,085,856	3,229,838
<b>Net current assets</b>		<u>8,834,171</u>	<u>7,921,641</u>
<b>Total assets less current liabilities</b>		<u>51,551,886</u>	<u>50,904,526</u>
<b>Creditors: amounts falling due after more than one year</b>	12	28,913,547	30,025,337
<b>Net Assets</b>		<u>22,638,339</u>	<u>20,879,189</u>
<b>Capital and Reserves</b>			
Share Capital	14	168	179
Restricted Reserves	6	98,159	110,081
Revenue Reserves		22,540,012	20,768,929
<b>Total capital and reserves</b>		<u>22,638,339</u>	<u>20,879,189</u>

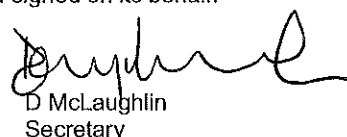
Approved and authorised for issue by the Board of Management and signed on its behalf:



R Rae  
Chairman



R Stewart  
Board Member



D McLaughlin  
Secretary

Date: 16<sup>th</sup> August 2016

The notes on pages 16 to 34 form an integral part of these financial statements.



Viewpoint Housing Association Limited  
Statement of Cash Flows  
For the year ended 31 March 2016

	Notes	2016 £	2015 Restated £
<b>Net cash generated from operating activities</b>	<b>20a</b>	<b>2,580,949</b>	<b>3,651,766</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets		(1,400,304)	(2,113,705)
Proceeds from sale of tangible fixed assets		11,252	758
Grants received		141,293	50,525
Interest received		80,123	46,572
		<b>(1,167,636)</b>	<b>(2,015,850)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(318,497)	(331,602)
New loans secured		335,692	693,442
Repayments of borrowings		(641,866)	(949,421)
Shares issued		3	5
		<b>(624,668)</b>	<b>(587,576)</b>
<b>Net change in cash and cash equivalents</b>		<b>788,645</b>	<b>1,048,340</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>10,142,796</b>	<b>9,094,456</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>10,931,441</b>	<b>10,142,796</b>
<b>Cash and cash equivalents</b>			
Cash at bank and in hand		10,931,441	10,162,006
Bank overdraft		-	(19,210)
		<b>10,931,441</b>	<b>10,142,796</b>

The notes on pages 16 to 34 form an integral part of these financial statements.

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

**1. Principal Accounting Policies**

**(a) Introduction and basis of accounting**

The principal accounting policies of Viewpoint are set out in below. Viewpoint is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Financial Conduct Authority. The financial statements have been prepared under the historical cost convention, and in compliance with The Scottish Housing Regulator's Determination of Accounting Requirements (December 2014) and the Housing SORP 2014: Statement of Recommended Practice for Social Housing Providers (SORP 2014) and Financial Reporting Standard 102 (FRS 102).

Viewpoint Housing Association is a Public Benefit Entity as defined by FRS 102.

Viewpoint has formal authority from the Financial Conduct Authority to exclude its subsidiary from inclusion or consolidation into its group financial statements, due to the immateriality of the amounts involved in Viewpoint Scotland Ltd. These financial statements therefore present information about Viewpoint as an individual undertaking and not about its group.

**Adoption of FRS 102 and SORP 2014**

Note 25 explains the changes in accounting policy required by the adoption of this new accounting framework and the extent of the restatement of prior period amounts.

**(b) Going concern**

Viewpoint made a surplus of £1,759k for the year. A net current asset position of £8,834k was reported at 31 March 2016 (2015: £7,922k). Viewpoint was compliant with its bank covenants during the year.

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

**(c) Turnover**

Turnover represents rental and service charge income, income from care homes, income from fees and revenue based grants receivable from local authorities and from the Housing and Regeneration Division of the Scottish Government, where applicable and capital grants amortised under the accruals method as described below.

**(d) 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. Such Government grants are accounted for under the "accruals" model and amortised, or released to income, over the useful life of the structure of the related property. Capital grants received from non-Governmental bodies are accounted for under the performance model and released to income when any conditions attaching to receipt of the grant have been fulfilled.

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

**(e) Fixed assets - Housing land and buildings (note 7)**

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

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

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

**1. Principal Accounting Policies (continued)**

**(e) Fixed assets - Housing land and buildings (note 7) (continued)**

These costs are either termed "qualifying costs" by the Housing and Regeneration Division of the Scottish Government for approved HAG schemes.

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.

Properties in the course of construction are carried at cost less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with Viewpoint's accounting policy. Such properties are classified to the appropriate categories of property when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**(f) 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 Statement of Comprehensive Income, unless replacing components (see below).

**(g) Depreciation**

**(i) Housing properties and care homes**

No depreciation is charged on the cost of land. Care Homes and Housing Properties are considered to consist of components of significantly differing useful economic lives and depreciation is charged over the remaining useful life of each component class by dividing the depreciable book value by the estimated remaining useful economic life in years.

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

Structure – housing properties	60 years
Structure – care homes	50 years
Windows	Between 30 and 50 years
Heating Systems	Between 20 and 30 years
Kitchens	20 years
Bathrooms	Between 20 and 30 years
Lifts	20 years
Fire Systems, Door Entry and Call Alarm Systems	Between 10 and 15 years

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

**1. Principal Accounting Policies (continued)**

**(g) Depreciation (continued)**

**(ii) Other fixed assets**

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

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

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

**(h) 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 Statement of Comprehensive Income.

**(i) Reserves**

Restricted reserves (note 6) - These relate to donations and legacies whose use is limited to the provision of amenities at specific housing complexes and care homes.

**(j) Managing Agents**

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

**(k) Apportionment of management expenses**

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

**(l) Lease obligations**

Rentals paid under operating leases for office equipment are charged to the Statement of Comprehensive Income on the accruals basis.

**(m) Pensions**

Viewpoint participates in the centralised Scottish Housing Associations' Pension Scheme (SHAPS) which is a defined contribution scheme. At 31 August 2014 Viewpoint closed the Defined Benefit Scheme to future benefit accrual and all members were transferred in to the SHAPS Defined Contribution Scheme. This scheme is also used for Viewpoint staff auto-enrolling. Auto enrolment commenced 1 May 2014 (deferred date).

Viewpoint also participates in a second defined contribution scheme managed by Friends Life.

All staff are eligible to join either the Friends Life or the SHAPs defined contribution pension scheme. Viewpoint will match Employee's contributions, between 1% and 6% for new members and 1% and 9.6% of contracted salaries for members transferred in from the Defined Benefit scheme. Contributions are charged in the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

**(n) Value Added Tax (VAT)**

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

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

**1. Principal Accounting Policies (continued)**

**(o) Prepayment of Loan Set-Up Costs**

Loan set-up costs are treated as prepaid and are charged to the Statement of Comprehensive Income over the life of the loan.

**(p) 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 (2015: £350k) which is included in housing loans within current liabilities. The current liability reflects the amount Viewpoint estimates will be repaid within one year.

**(q) Leasing Policy**

Viewpoint Housing Association has leased a special needs property to its subsidiary, Viewpoint Scotland Ltd, for a number of years and receives an annual peppercorn rent under a 30 year lease which commenced in 2004. Viewpoint Scotland Ltd also undertakes the letting and management of the group's "loanstock" properties. These loanstock properties are leased to Viewpoint Scotland by Viewpoint Housing Association under individual property leases which continue on a month to month basis. Rental income receivable by Viewpoint is accounted for on a due and receivable basis.

**(r) Financial instruments (financial assets and liabilities)**

The Association has only basic financial instruments comprising income debtors, cash at bank and creditors for operating costs and capital expenditure. These assets and liabilities are initially recorded at cost and subsequently at the amounts expected to be received or paid.

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

	Note	Turnover	2016 Operating Costs	Operating Surplus	2015 Operating Surplus Restated
		£	£	£	£
Affordable Lettings	3a	8,134,807	6,630,104	1,504,703	1,430,413
Other activities	3b	7,175,904	6,556,090	619,814	708,945
Total 2016		<u>15,310,711</u>	<u>13,186,194</u>	<u>2,124,517</u>	<u>2,139,358</u>
Total 2015 (Restated)		<u>14,285,499</u>	<u>12,146,141</u>	<u>2,139,358</u>	

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

**3a. Income and Expenditure from affordable Lettings**

	2016		2015
	General Needs Housing	Supported Housing	Total
	£	£	Total Restated £
<b>Turnover</b>			
Rent receivable net of service charges	1,014,516	3,980,126	4,994,642
Service charges receivable – eligible for Housing Benefit	187,723	1,870,710	2,058,433
Service charges receivable – not eligible for Housing Benefit	19,646	633,136	652,782
			633,531
Gross Income from rents and service charges	1,221,885	6,483,972	7,705,857
Less: voids	(10,416)	(106,399)	(116,815)
Net Income from rents & service charges	1,211,469	6,377,573	7,589,042
Grants amortised from deferred income	75,193	470,572	545,765
Other revenue grants	-	-	-
<b>Total Turnover from affordable letting activities</b>	<b>1,286,662</b>	<b>6,848,145</b>	<b>8,134,807</b>
<b>Operating costs</b>			
Service costs	202,706	2,329,297	2,532,003
Management & maintenance administration costs	100,926	1,043,334	1,144,260
Reactive maintenance costs	97,057	540,058	637,115
Bad debts - rents & service charges	19,506	47,010	66,516
Planned & cyclical maintenance including major repairs	152,162	744,106	896,268
Depreciation on affordable housing	252,403	1,101,539	1,353,942
<b>Operating costs for social housing activities</b>	<b>824,760</b>	<b>5,805,344</b>	<b>6,630,104</b>
<b>Operating Surplus</b>	<b>461,902</b>	<b>1,042,801</b>	<b>1,504,703</b>
Operating Surplus for 2015 (restated)	350,521	1,079,892	1,430,413

In addition to other capital improvement works, during the year £699,750 (2015: £1,131,477) of major repairs work was capitalised under component accounting and £594,059 (2015: £213,340) was expensed.

There are no grants from Scottish Ministers to disclose in relation to affordable letting, nor are there any impairment charges to recognise.

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

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

	Grants from Scottish Ministers	Supporting People Income	Other Income	Total Turnover	Operating costs – bad debts	Other operating Costs	2016 Operating Surplus/ (Deficit)	2015 Operating Surplus/ (Deficit) (Restated)
	£	£	£	£	£	£	£	£
Support Activities	-	268,002	-	268,002	-	(297,090)	(29,088)	(10,886)
Care Activities	-	-	6,853,327	6,853,327	(107,685)	(6,029,186)	716,456	780,733
Agency and Managed Services for Registered Social Landlords	-	-	31,704	31,704	-	(27,550)	4,154	(1,946)
Other*	-	-	22,871	22,871	-	(94,579)	(71,708)	(58,956)
Total from Other Activities for 2016	-	268,002	6,907,902	7,175,904	(107,685)	(6,448,405)	619,814	708,945
Total from Other Activities for 2015 (restated)	-	268,522	6,012,870	6,281,392	(2,658)	(5,569,789)	708,945	

\*Other includes income from Garage Properties and costs related to the exploration of New Business Initiatives.

In addition to other capital improvement works, major repairs work to Care Homes of £412k (2015: £77.3k) has been capitalised in the year under component accounting and £7.8k (2015: £15.5k) has been expensed.

Care Home Activities includes the receipt of grants totalling £16k (2015 £66.8k) from Viewpoint Trust, all of which (2015: £13.3K) was used to subsidise care home fees at St Raphael's. In 2015 £53.5k was used to meet costs associated with the Craft Café projects.

There are no other activities requiring disclosure.

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

4. Interest Receivable	2016 £	2015 £
Interest receivable on cash deposits	67,640	62,482
Interest charged to subsidiary	13,841	13,855
	<u>81,481</u>	<u>76,337</u>
	=====	=====

5. Interest and Financing costs	2016 £	2015 Restated £
Interest on bank loans and overdrafts	321,969	332,624
Unwinding of pension discount	121,000	182,000
	<u>442,969</u>	<u>514,624</u>
	=====	=====

6. Restricted Reserves

	Opening Balance £	Rec'd £	Interest £	Paid £	Closing Balance £
Housing	79,756	-	261	(4,990)	75,027
Homes	30,325	15,653	81	(22,927)	23,132
	<u>110,081</u>	<u>15,653</u>	<u>342</u>	<u>(27,917)</u>	<u>98,159</u>
	=====	=====	=====	=====	=====

The balance of the restricted reserves at 31 March 2016 is limited to the provision of amenities at specific housing complexes and care homes. These balances are likely to be fully expended within the next five years.



Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

7. Housing Properties	Housing Properties held for letting £	Care Homes £	Total £
<b>Cost</b>			
At 1 April	60,837,961	9,136,439	69,974,400
Transfer from other fixed assets	-	253,892	253,892
Additions (Including component replacements)	897,014	423,993	1,321,007
Disposals - replaced components	(122,206)	-	(122,206)
	-----	-----	-----
At 31 March	61,612,769	9,814,324	71,427,093
	-----	-----	-----
<b>Depreciation</b>			
At 1 April (restated)	25,230,135	3,104,485	28,334,620
Transfer from other fixed assets	-	98,205	98,205
Depreciation charge for year	1,353,942	244,642	1,598,584
Disposals - replaced components	(122,206)	-	(122,206)
	-----	-----	-----
At 31 March	26,461,871	3,447,332	29,909,203
	-----	-----	-----
<b>Net Book Value at 31 March 2016</b>	35,150,898	6,366,992	41,517,890
	=====	=====	=====
Net Book Value at 31 March 2015 (restated)	35,607,826	6,031,954	41,639,780
	=====	=====	=====

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

Development administration costs capitalised during the year were £8,908 (2015: £4,808).

8. Other Fixed Assets	Heritable Office Property	All Other Fixed Assets £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April	1,137,048	1,782,632	186,097	3,105,777
Additions	-	293,003	36,142	329,145
Transfer to Care Home properties	(253,892)	-	-	(253,892)
Disposals	-	(521,150)	(65,734)	(586,884)
	-----	-----	-----	-----
At 31 March	883,156	1,554,485	156,505	2,594,146
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 April	313,956	1,289,230	159,597	1,762,783
Charged during year	25,634	252,296	23,688	301,618
Transfer to Care Home properties	(98,205)	-	-	(98,205)
Disposals	-	(506,030)	(65,734)	(571,764)
	-----	-----	-----	-----
At 31 March	241,385	1,035,496	117,551	1,394,432
	-----	-----	-----	-----
<b>Net Book Value at 31 March 2016</b>	641,771	518,989	38,954	1,199,714
	=====	=====	=====	=====
Net Book Value at 31 March 2015	823,092	493,402	26,500	1,342,994
	=====	=====	=====	=====

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

9. Investments	2016 £	2015 £
Shares in The Lomond Park Company Limited	100	100
Shares in subsidiary company	11	11
	-----	-----
	111	111
	=====	=====

Viewpoint holds one hundred unlisted shares in The Lomond Park Company Limited which owns Lomond Park private gardens and tennis club.

The subsidiary company at 31 March was:

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

The amount subscribed at par for the ordinary shares of £1 each held by Viewpoint Housing Association Limited was £11. The results for the subsidiary company and the deficiency of net asset value at the year-end are as follows:

	2016 £	2015 £
Profit on ordinary activities after taxation	4,943	5,626
	=====	=====
Net Liabilities	(32,568)	(37,511)
	=====	=====

10. Debtors:	2016 £	2015 £
<b>Amounts falling due after more than one year:</b>		
Amounts due from Subsidiary Undertaking	200,032	214,740
<b>Amounts falling due within one year:</b>		
Rental Debtors	766,218	533,681
Less: provision for bad and doubtful debts	(266,812)	(224,049)
	-----	-----
	499,406	309,632
Other Debtors	5,263	28,299
Grants receivable	-	66,966
Amounts due from Subsidiary Undertaking	133,011	205,200
Prepayments and accrued income	125,997	137,495
Amounts due from Managed Schemes	18,729	22,287
Trade Debtors	6,148	4,854
	-----	-----
	988,586	989,473
	=====	=====

Viewpoint Housing Association Limited  
Notes to the Financial Statements  
For the year ended 31 March 2016

11. Creditors: Amounts falling due within one year	2016	2015
	£	Restated £
Housing loans principal payable within one year (note 12)	443,290	533,535
Pension deficit contributions due within one year (note 16)	453,000	440,000
Bank Overdraft	-	19,210
Trade Creditors	718,574	845,184
Other Creditors	156,723	187,210
Other taxes and social security	110,952	91,034
Prepaid rent	417,759	301,412
Accruals and deferred income	785,558	812,253
	<u>3,085,856</u>	<u>3,229,838</u>
	=====	=====
 12. Creditors: Amounts falling due after more than one year	 2016	 2015
	£	Restated £
<b>Debt</b>		
Housing Loans	4,699,359	4,878,844
Loan Stock	2,464,281	2,822,611
Amounts due to Subsidiary Undertaking (Loan Stock)	1,029,134	764,865
Other/Office Loans	361,489	375,295
	<u>8,554,263</u>	<u>8,841,615</u>
<b>Total debt</b>	<b>8,554,263</b>	<b>8,841,615</b>
 Deferred income – unamortised grants (note 13)	 15,459,284	 15,930,722
Pension deficit contribution provision (note 16)	4,900,000	5,253,000
	<u>28,913,547</u>	<u>30,025,337</u>
	=====	=====
 <b>Debt is repayable as follows:</b>		
In one year or less	443,290	533,535
In more than one year but less than two years	423,126	543,290
In more than two years but less than five years	958,102	852,990
In more than five years	7,173,035	7,445,335
	<u>8,997,553</u>	<u>9,375,150</u>
Less: disclosed in note 11	(443,290)	(533,535)
	<u>8,554,263</u>	<u>8,841,615</u>
	=====	=====

Bank loans are secured by specific charges over properties, the interest on bank loans is payable at a rate of interest of 5.95% (2015: 5.95%). No interest is payable on loan stock.

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13. Deferred income – unamortised grants	2016	2015 Restated
	£	£
<b>Gross grants received</b>		
At 31 March 2015 (restated)	32,341,328	32,232,676
Received during year	74,327	108,652
	<u>32,415,655</u>	<u>32,341,328</u>
At 31 March 2016	=====	=====
<b>Amortisation</b>		
At 31 March 2015 (restated)	16,410,606	15,806,631
Amortisation during the year	545,765	603,975
	<u>16,956,371</u>	<u>16,410,606</u>
At 31 March 2016	=====	=====
Unamortised grants at 31 March 2016	15,459,284	15,930,722
	=====	=====
Due to be released to income within one year	545,419	440,000
Due to be released to income after more than one year	14,913,865	15,490,722
	<u>15,459,284</u>	<u>15,930,722</u>
	=====	=====

**14. Non Equity Share Capital**

Each member of Viewpoint 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.

15. Staff Costs	2016	2015 Restated
	£	£
Staff costs during the year		
Wages and salaries	5,147,068	4,395,576
Social security costs	412,050	343,438
Other pension costs (note 16)	230,406	623,822
	<u>5,789,524</u>	<u>5,362,836</u>
	=====	=====

In addition to the above costs Viewpoint incurred further costs of £654,231 (2014: £630,777) relating to the use of agency staff, primarily in the care homes.

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**15. Staff Costs (continued)**

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

	2016	2015
Office staff	32	29
Warden, care staff, caterers and cleaners	203	177
Maintenance	11	12
<b>Total FTE employees</b>	<b>246</b>	<b>218</b>

Viewpoint is controlled by a voluntary Board of Management who received no remuneration during the year to 31 March 2016.

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

	2016 £	2015 £
Aggregate emoluments payable to Directors whose emoluments are £60,000 or more (excluding pension contributions but including benefits in kind)	145,128	144,227
Aggregate emoluments payable to the highest paid Director (excluding pension contributions)	82,721	83,193
Pension Contributions of highest paid Director	16,569	13,457
Pension Contribution of other Director with emoluments over £60,000	12,938	10,277

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

£60,001 to £70,000	1	1
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
Expenses not chargeable to United Kingdom income tax reimbursed to members of the Board of Management (one trustee in 2016)	220	677

Key Management Personnel are defined as the Board of Trustees and the Executive Officers

	2016 £	2015 £
Aggregate emoluments payable to Key Management personnel (excluding pension contributions but including benefits in kind)	266,745	221,026
Pension contributions of Key Management Personnel	35,683	27,015

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**16. Pension Obligations**

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

- **The Friends Life Personal Pension Scheme** of which 70 employees are members (2015: 79). From December 2011, all Employer contributions are on the basis of matching employee's contributions. During the year Viewpoint Housing Association made contributions of £53,946 (2015: £55,695), and at the year-end £7,626 was outstanding in respect of March 2016 contributions.

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

The Association participates in The Pensions Trust – Scottish Housing Associations' Pension Scheme, a multi-employer scheme which provides benefits to some 155 non-associated employers. The scheme is principally a defined benefit scheme in the UK but has a defined contribution option. Viewpoint no longer offers the defined benefit option to employees and all active members of the defined benefit scheme were transferred to the defined contribution option with effect from September 2014. Benefits accrued to 31 August 2014 are unaffected.

It is not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. Further information in relation to this contingent liability is given in note 21.

A full actuarial valuation for the scheme was carried out at 30 September 2012. This actuarial valuation showed assets of £394m, liabilities of £698m and a deficit of £304m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

**Deficit contributions (whole scheme)**

From 1 April 2014 to 30 September 2027:

£26,304,000 per annum  
(payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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**16. Pension Obligations (continued)**

• **The Scottish Housing Associations' Pension Scheme (SHAPS) (continued)**

**PRESENT VALUES OF PROVISION**

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	Period Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£000s)
Provision at start of period	5,693	5,540
Unwinding of the discount factor (interest expense)	121	182
Deficit contribution paid	(440)	(427)
Re-measurements - impact of any change in assumptions	(21)	399
Provision at end of period (notes 11 and 12)	5,353	5,693

**INCOME AND EXPENDITURE IMPACT**

	Period Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£000s)
Interest expense	<u>121</u>	<u>182</u>
Re-measurements – impact of any change in assumptions	(21)	399
Re-measurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	236	209
Costs recognised in income and expenditure account	15	15
Total pension cost (note 15)	<u>230</u>	<u>623</u>

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**ASSUMPTIONS**

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.29	2.22	3.42

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.



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**16. Pension Obligations (continued)**

• **The Scottish Housing Associations' Pension Scheme (SHAPS) (continued)**

The following schedule details the deficit contributions agreed between the Association and the scheme at each year end period:

**DEFICIT CONTRIBUTIONS SCHEDULE**

Year ending	31 March 2016 (£000s)	31 March 2015 (£000s)	31 March 2014 (£000s)
Year 1	453	440	427
Year 2	467	453	440
Year 3	481	467	453
Year 4	495	481	467
Year 5	510	495	481
Year 6	525	510	495
Year 7	541	525	510
Year 8	557	541	525
Year 9	574	557	541
Year 10	591	574	557
Year 11	609	591	574
Year 12	314	609	591
Year 13	-	314	609
Year 14	-	-	314

It is these contributions that have been used to derive the Association's balance sheet liability.

• **Growth Plan**

Viewpoint Housing Association participates in The Pensions Trust's Growth Plan (the Plan). There is one active member at the year end, and the scheme is closed to new members. The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

**17. Operating Lease Commitments**

Lease commitments have been restated under FRS102 to include the timing of the full payment due under contract. At 31 March 2016 Viewpoint had commitments under non-cancellable leases as follows:

	2016 £	2015 £
Leases which expire:		
Over five years	4,192	6,707
	<u>4,192</u>	<u>6,707</u>
	=====	=====



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**18. Taxation**

There was no charge to corporation tax in 2015 or in 2016. Viewpoint 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.

<b>19. Capital Commitments</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<b>79,070</b>	338,000
	=====	=====
Capital expenditure authorised but not contracted for	<b>85,000</b>	-
	=====	=====

Viewpoint has necessary arrangements in place to fund these capital commitments.

**20. Reconciliation of Surplus for the year to Cash Flows from Operating Activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>Restated £</b>
<b>Net surplus for the year</b>	<b>1,759,161</b>	1,701,762
<b>Adjustments for non-cash items:</b>		
Depreciation of housing and care properties	<b>1,598,584</b>	1,615,978
Depreciation – other fixed assets	<b>301,618</b>	264,707
Amortisation of government grants	<b>(545,765)</b>	(603,975)
(Increase) in debtors	<b>(139,308)</b>	(28,456)
(Decrease)/increase in creditors	<b>(297,683)</b>	292,176
Pension costs less contributions payable	<b>(461,000)</b>	(28,000)
<b>Adjustments for investing or financing activities:</b>		
Proceeds from the sale of tangible fixed assets	<b>(11,252)</b>	(759)
Carrying amount of tangible fixed asset disposals	<b>15,120</b>	68
Share Capital Cancelled	<b>(14)</b>	(22)
Interest receivable	<b>(81,481)</b>	(76,337)
Interest payable	<b>442,969</b>	514,624
	-----	-----
<b>Net cash generated by operating activities</b>	<b>2,580,949</b>	3,651,766
	=====	=====

**21. Contingent Liabilities**

**The Scottish Housing Association's Pension Scheme**

Viewpoint Housing Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the draft triennial valuation of the Scheme as at 30 September 2015. As of this date the estimated employer debt for Viewpoint Housing Association was £11,933,471 (2015: £11,958,370). The past service deficit contributions payable over the defect recovery plan period to September 2027 and for which provision has been made in the financial statements (note 16) are designed to reduce this potential debt.

**Growth Plan**

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

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<b>22. Housing Stock</b>	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
General needs	275	275
Supported	1,101	1,100
	=====	=====
Total units	1,376	1,375
	=====	=====
	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
Housing accommodation managed on behalf of other bodies	62	62
	=====	=====
Accommodation managed by other bodies:		
The Action Group	6	6
Garvald Glenesk Limited	1	1
Community Integrated Care	7	7
Carr-Gomm Scotland	8	8
	=====	=====
<b>23. Operating Surplus on Ordinary Activities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Operating Surplus on ordinary activities was arrived at after charging:		
External Auditor fees	18,461	17,719
	=====	=====

**24. Related Party Disclosures**

**Tenant members of the Board**

During the year, two tenants of Viewpoint were also members of the Board of Trustees. Transactions with Viewpoint are undertaken on standard terms, as applicable to all tenants. These transactions consisted of rental charges and payments. In aggregate these charges amounted to £13,102. The outstanding balances at the year end (in aggregate) were £nil. All payments were made to terms during the year and there were no write-off or bad debt provisions in relation to these accounts.

**Close Family Member of Board Trustee**

During the year, one member of the Board of Trustees had a close family member resident in one of Viewpoint's Care Homes. All transactions with Viewpoint were undertaken on standard terms, as applicable to all residents. These transactions consisted of room fee charges and payments. These fees amounted to £43,710. The outstanding balance at the year end was a credit balance of £2,436. All payments were made to terms during the year and there were no write-offs or bad debt provision made in relation to this account.

**Viewpoint Scotland Ltd**

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

During the year, Viewpoint Housing Association received £4,587 (2015: £3,849) in management fees from Viewpoint Scotland Ltd. During the year Viewpoint Housing Association Limited charged interest of £13,841 (2015: £13,855) on a loan to Viewpoint Scotland Ltd. At 31 March 2016 the balance outstanding on this loan was £211,798 (31 March 2015: £226,507). At the period end the total amount due from this company was £333,042 (2015: £419,940) (Note 10). Interest of £692 (2015: £673) on the inter-company current account balance of £121,243 was charged to Viewpoint Scotland Ltd at a rate comparable with that which is received on the Association's bank deposits.

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**24. Related Party Disclosures (continued)**

**Viewpoint Scotland Ltd (continued)**

Viewpoint Housing Association received £1,029,134 of Loan Stock advances from Viewpoint Scotland Ltd during the year.

The following members of the Viewpoint Housing Association's Board who served during the year are also directors of Viewpoint Scotland Ltd.

Mr R Stewart  
Mr R Rae

**Viewpoint Trust**

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

During the year, no grants were received from the Trust (2015 £66,813). Management fees of £4,846 (2015: £4,660) were paid by the Trust to Viewpoint Housing Association. At the period end the amount due from the Viewpoint Trust was £5,412 (2015: £7,619).

**25. Prior year adjustments following the adoption of FRS 102**

**(a) Recognition of grant income and acceleration of depreciation**

Previously capital grant received to assist in funding the cost of housing properties and care homes was accounted for as a deduction against costs, thereby reducing the depreciable cost of the properties. In line with the Housing SORP 2014 and FRS 102, capital grants received by the Association from Government agencies are now recognised as deferred income and amortised (or released to income) over the lifetime of the related asset. Capital grants and donations received from non-governmental bodies are accounted for under the performance model and released to income once all conditions have been met. All capital grants received in advance of the satisfaction of any performance conditions are also held within creditors as deferred income. The resulting prior year adjustment arising on this change of accounting policy is an increase in liabilities of £15.9m and an increase in the Revenue Reserve of £18.8m at 31 March 2015, being the balance of unamortised grants and the accumulated amortisation credits respectively at that date.

As a result of this change to the treatment of grants, the depreciable cost of housing properties and care homes increased by £34.7m and this in turn results in increased depreciation charges. The prior year adjustment to Revenue Reserve in respect of the accumulated additional charges to 31 March 2015 is £13.9m.

**(b) Pension liability**

The Association participates in the multi-employer defined benefit Scottish Housing Association Pension Scheme. The cost of the scheme is accounted for on a defined contribution basis as it is not possible to separately identify the underlying assets and liabilities of individual participating employers. However as explained in note 16 a past service deficit liability exists and under FRS 102 this liability must be recognised in the financial statements. This has resulted in the recognition of a pension liability of £5.7m at 31 March 2015 with a corresponding charge to the Revenue Reserve at that date.

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**25. Prior year adjustments following the adoption of FRS 102 (continued)**

**(c) Reconciliations**

The following reconciliation shows the effect of the impact of these changes in accounting policies on the results of the previous year end the statement of financial position at 31 March 2015.

	Notes (above)	Reported in 2015 financial statements £	Restatement adjustments £	Restated 2015 figures £
<b>Statement of Comprehensive Income</b>				
Turnover	a	13,681,524	603,975	14,285,499
Operating costs	b, c	(11,599,645)	(546,496)	(12,146,141)
		-----	-----	-----
<b>Operating Surplus</b>		2,081,879	57,479	2,139,358
Gain on sale of fixed assets		691	-	691
Interest receivable		76,337	-	76,337
Interest and financing costs	b	(332,624)	(182,000)	(514,624)
		-----	-----	-----
<b>Net Surplus for the year</b>		1,826,283	(124,521)	1,701,762
		=====	=====	=====
<b>Statement of financial position</b>				
Fixed assets	a	22,215,320	20,767,565	42,982,885
Current assets		11,151,479	-	11,151,479
Creditors: amounts falling due within one year	b	(2,789,838)	(440,000)	(3,229,838)
Creditors: amounts falling due after more than one year	a, b	(8,841,615)	(21,183,722)	(30,025,337)
		-----	-----	-----
<b>Total net assets</b>		21,735,346	(856,157)	20,879,189
		=====	=====	=====
<b>Reserves</b>				
Share capital		179	-	179
Restricted reserves		110,081	-	110,081
Revenue reserves (including designated)				
At 1 April 2014 (transition date)		19,798,254	(731,636)	19,066,618
Surplus for 2014/15		1,826,283	(124,521)	1,701,762
Transfer from restricted reserves		549	-	549
		-----	-----	-----
Revenue reserves at 31 March 2015	a, b	21,625,086	(856,157)	20,768,929
		-----	-----	-----
<b>Total capital and reserves</b>		21,735,346	(856,157)	20,879,189
		=====	=====	=====