



Alexander Sloan
Accountants and Business Advisers

Viewpoint Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2017

Registered Housing Association No.HEP199

FCA Reference No. 1228RS

Scottish Charity No. SCO05619

VIEWPOINT HOUSING ASSOCIATION LIMITED

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VIEWPOINT HOUSING ASSOCIATION LIMITED

BOARD OF TRUSTEES, EXECUTIVES AND ADVISERS YEAR ENDED 31st MARCH 2017

BOARD OF TRUSTEES

Gordon Iain Anderson	
Nicola Donaldson	
Robert James McNeill	
Robert Hart Rae	Chairman
Jean Knight Bennett Simpson	Chair of Remuneration
Roger Alfred Stewart	Chair of Audit
Victor Wynne Stewart	
Iain Donald Ker Thompson	Vice Chair
William Campbell	
Ian Hugh Mackay	
Robin Barnes	
Jacqueline Ann Macdonald	Elected 20/09/2016
Thomas Paul Roehricht	Elected 20/09/2016
John Gairns Beaton	Elected 20/09/2016

EXECUTIVE OFFICERS

Mrs Dorry McLaughlin	Chief Executive/Secretary
Mrs Helen Barclay	Director of Housing & Property Services (Retired 30th June 2017)
Mr Howard Vaughan	Director of Finance (Appointed 16th January 2017)
Mrs Donna Macleod	Director of Care
Mrs Jenni Fairbairn	Director of Finance & ICT (Left 17th October 2016)

REGISTERED OFFICE

4 South Oswald Road
Edinburgh
EH9 2HG

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

INTERNAL AUDITORS

BDO LLP
Chartered Accountants
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

BANKERS

The Royal Bank of Scotland
36 St Andrews Square
Edinburgh

SOLICITORS

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

ACH Shoosmiths
20 Castle Terrace
Edinburgh
EH1 2EN

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

The Board of Trustees presents its report and the Financial Statements for the year ended 31st March 2017.

Legal Status

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

Principal Activities

Viewpoint 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 specialising in housing, support and care homes with nursing. Although the main client group is older people Viewpoint 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 1313 housing properties. The accommodation and services range from amenity housing through to enhanced sheltered housing with higher levels of support for older people, mainstream flats and a number of specialist projects managed in partnership with support organisations.

Viewpoint works in partnership with many other organisations including Impact Arts, Carr Gomm, Tap Into IT, The Action Group and local authorities including Integrated Health and Social Care organisations.

Financial Performance

The results for the year are shown in the Statement of Comprehensive Income on page 13. The surplus of £1,231k (2016 £1,759k) shows a reduction from the previous year. The surplus generated from housing activities of £1,240k is down from the previous year (2016 £1,501k) mainly due to significant increases in spend on reactive maintenance and in the depreciation as a result of investment in the housing stock. The surplus in other activities of £403k is also down on the previous year (2016 £620k). Whilst the turnover in the care homes is up by £341k this has been offset by increases in the costs in the care homes of £558k in the year. The main element within these increases relates to additional staff costs as a result of the implementation during the year of the Scottish Living Wage and the National Living Wage.

Viewpoint has continued to invest in its properties, with capital spend on housing of £1,316k (2016 £897k) and on care homes £178k (2015 £678k). It is currently in the process of conducting a stock condition survey across all its properties and this will inform its future investment planning.

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 Cooperative and Community Benefit Societies and is registered with the Financial Conduct Authority as a Friendly Society. Viewpoint is also registered with the Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord. Viewpoint was assessed as medium risk by the Scottish Housing Regulator. This was due to the potential development of an extra care housing complex in Midlothian and as a result of data and performance management issues in Housing and Repairs/Maintenance. The Housing Support and Care Home services are regulated and inspected by the Care Inspectorate. All have been assessed at grade 5s in most recent inspections.

Viewpoint has a fully owned subsidiary Viewpoint Scotland Ltd whose purpose is to manage housing/homes funded by a Special Needs Capital Grant and its loan stock portfolio at Kilravock House. The loan stock arrangement was reviewed during the year Scottish Housing Regulator consent was received to continue this service for a further three years. Viewpoint provides management and development services to Viewpoint Scotland Ltd for which they are charged. The financial results of Viewpoint Scotland Ltd for the year ended 31 March 2017 have not been consolidated into Viewpoint as these are of an immaterial nature to the results of Viewpoint.

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Report of Board of Trustees (Contd.)

Viewpoint is governed by a voluntary Board of Trustees (Board) whose members are elected by the membership and are unpaid. Three new members were appointed at the AGM bringing an additional tenant perspective, governance and management expertise. The Board is supported by an Audit Committee and a Remuneration Committee. An external consultant interviewed Board members during November/December 2016 to review the Board's skills mix, develop a training plan and assist with succession planning. Board members have adopted the SFHA Code of Conduct for Governing Body Members. An internal audit in April 2016 assessed the governance arrangements as providing substantial assurance.

Management is delegated by the Board to the Executive Team. This Team comprises the Chief Executive, Directors of Finance, Housing and Property Services and Care. Other senior managers join the Executive Team depending on priorities. 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.

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 an away day in November 2016 to review the strategic priorities and governance arrangements relating to succession planning, skills mix and training and development. Board members also attended Governance training.

Resident and Tenant Involvement

An additional tenant was appointed to the Board bringing the total tenant board members to three. There was no additional scrutiny work undertaken as we worked through the outcomes of the Repairs and Tenant Care scrutiny reviews.

A successful tenant's conference was held in June 2016 which gave insight into barriers to participation and useful ideas about improving the reactive repairs service. This provides a good foundation for a scrutiny review of all aspects of tenant involvement in early 2017/8.

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.

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.

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Report of Board of Trustees (Contd.)

Policy agenda for older people

The policy and strategic priorities for both the Scottish Government and Integrated Health and Social Care Partnerships continues to be to enable older people to stay at home, independently, for longer. Telecare and Telehealth initiatives are also gaining prominence as does the openness by commissioners to look at innovative models of delivering care at home.

The care home environment is also very dynamic with wage pressure introduced during the year by the payment of the National Care Home Contract negotiated fee rate only being paid if care workers are paid the Scottish Living Wage. The National Living Wage was introduced for all staff. The national shortage of nursing staff also placed upward pressure on nurse pay rates and agency usage.

Regulatory changes

Viewpoint contributed to the development of new Care Inspectorate National Care Standards and took part in Scottish Government consultations on the review of the Social Housing Charter.

Viewpoint's Achievements

Viewpoint's major achievements were as follows:

- ☐ Progress made in the development of a 30 bed extra care housing complex in Midlothian
- ☐ Partnership with the Give a Dog a Bone charity to bring isolated older people and homeless dogs together.
- ☐ Step Down flat continued in partnership with City of Edinburgh Council and the Integrated Health and Social Care Partnership to reduce delayed discharges
- ☐ Award of contract by City of Edinburgh Council to provide an integrated care at home, housing support and community enabling service in sheltered housing.
- ☐ Development of a community café and catering facility at Balfour House
- ☐ Further development of a health hub in partnership with City of Edinburgh Council and NHS Lothian at Croft n Righ sheltered housing complex.
- ☐ Development of a new web site which launched in April 2017.
- ☐ Continued and substantial investment in properties including - £365k on bathrooms and £480k on central heating systems within our housing complexes and £178k on new windows and air conditioning systems in our care homes.
- ☐ Achievement of Leaders in Diversity in April 2017 – only one of two Registered Social Landlords in Scotland.
- ☐ All financial targets were achieved and bank covenants comfortably 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.

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Report of Board of Trustees (Contd.)

Care Homes	Target	2016/7	2015/6
Average Occupancy Rate in care homes	97%	96.4%	97.6%
Care home arrears as % of income receivable	<4.5%	5.5%	7.4%
Agency hours as % all hours	<7%	7.0%	9.0%
Requirements/recommendations from inspection reports dealt with within six months	100%	100%	100%
Housing and Property Services	SHR Average		
Void loss as % rent and service charge receivable	0.9%	1.3%	1.36%
Arrears as % rent and s/c income	4.3%	2.8%	2.5%
Average void turnaround time (days)	30	45	45.6
% of stock meeting SHQS	100%	100%	100%
Average length of time to complete emergency repairs (hours)	3.6	4.5	9.32
Average length of time to complete non-emergency repairs (days)	5.6	6.34	6.47
Gas Safety checks completed when due	100%	98.36%	97.6%
Repairs completed right first time	93%	73%	81.25%
Complaints	SHR Average		
Stage 1 complaints resolved within timescale	95%	96%	92.86%
Stage 2 complaints resolved within timescale	95%	100.0%	100.0%
% all complaints upheld	N/A	61%	71.26%

Data management in housing property services was an issue during 2015/6 and the performance data is therefore less reliable than we would have hoped this resulted in increased regulatory engagement by the Scottish Housing Regulator. Significant improvements were made during the year and continue to be made and we are confident that during 2017/8 our data governance and performance in these areas will continue to improve.

The Future

Viewpoint will:

- ☐ Continue to explore the potential to develop a further care home and also to progress the development of an extra care complex in Midlothian.
- ☐ Progress the care at home, telehealth hub and community cafes projects and explore other innovative service models which would support older people and others in the community.
- ☐ Complete the stock condition survey to inform investment decisions going forward and assist ongoing compliance with SHQS and meet EESSH targets in 2020.
- ☐ Continue to invest in improving IT systems and work flow processes to support data governance and business improvement.
- ☐ Develop and implement a Reward Strategy. This initiative will be underpinned by a major culture change initiative resulting in a Reward Strategy that aligns reward in all its forms with achievement of the Strategic Objectives and implementation of the values.
- ☐ Retender its Health and Safety Audit and Advice Service.
- ☐ Complete the introduction and use of the Housing Brixx financial planning tool.
- ☐ Review the Executive Team arrangements and Property Services team structures to support strategic success and service performance improvements.
- ☐ Complete a review of rents and service charges

Employee Information and Engagement

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Report of Board of Trustees (Contd.)

Viewpoint has an establishment of 303 full and part time employees. Turnover of employees increased to 27.3% for care and 15% for housing and support staff.

Viewpoint places great importance on the development of its staff and invested £214k in learning and development during the year. This included the capital cost of converting a kitchen at Lade Court into a new training centre for staff.

Training carried out in the year was varied and included;

For Care Home staff -

End of life, Diabetes, Stroke awareness, Care planning, Positive Dementia Care, Tissue Viability, Infection Control, Brain Injury, Continence Care, Challenging Behaviour, Healthy Eating and Therapeutic Activities.

For Housing Staff –

All Housing Officers have completed or are working towards Housing qualifications (SVQ and CIH).

For Central Support Staff –

Training towards relevant professional qualifications e.g. accountancy and catering.

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, a quarterly newsletter, (*Newspoint*) and work on a relaunch of the Viewpoint web site continued in the year with the Staff Zone area scheduled for further improvement in the coming year. In October 2016 Viewpoint held its annual Staff Festival on the theme of wellbeing. Over 70 staff attended the day. Viewpoint continued to achieve the Investors in People Silver award.

Treasury Management

Viewpoint continues to comfortably meet its borrowing covenants and these borrowings are secured on a combination of fixed and variable rates. As at 31 March 2017 70% of the bank loan facilities were on fixed rate.

As a result of interest rate cuts Viewpoint will be reviewing its Treasury Policy in the coming year. Under its current policy it was unable to invest in transactions of a speculative nature. The Board will reconsider this in line with the organisation's aspirations for growth and provision of new services whilst acknowledging the required prudence around security, liquidity and yield in accordance with CIPFA's "Treasury Management in the Public Services" guidance.

Part of Viewpoint's finance is raised through loan-stock provided by loan-stock tenants. These loans are unsecured and, at Kilravock House are repaid six months after a loan-stock tenancy has ended or earlier if the property is re-let in that period. At all other properties holding loan-stock tenants, loans are repaid in full as tenancies end. 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 House are being re-let through Viewpoint Scotland, although the loan-stock deposits are loaned back to Viewpoint Housing Association.

Risk Management

Viewpoint reviewed its Risk Strategy and Policy during the year and confirmed its risk appetite. Risk is a standing agenda item for both the Audit Committee and Board.

The following table summarises the key risks and mitigation strategies:

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Report of Board of Trustees (Contd.)

Risk	Mitigation Strategy
Poor data management, work flow processes and accountability for performance in housing and repairs leading to poor customer experience	✓ Reimplementation of housing management and repairs management system ✓ Review of work processes and data management. ✓ Review of key performance indicators and training to embed accountability
Failure to achieve value for money making Viewpoint vulnerable to reductions in public funding eg grants and welfare reform	✓ Assess needs and evidence value of housing support service to local authorities. Interactive Budget setting and monthly management accounts in place. ✓ Review financial priorities, potentially stop new business. ✓ Restructure staff resources. ✓ Implement retirement model eg no housing support offered and staff reductions etc.
Failure to meet Landlord Health and Safety obligations	✓ Gas Safety Policy reviewed. ✓ Landlord Health & Safety monitoring and auditing system introduced.
Customer involvement not effective. Not learning from complaints leading to poor service standards/customer satisfaction	✓ Review of all aspects of tenant involvement using scrutiny framework
Asset Management - potential increase in maintenance, construction costs and/or failure to meet SHQS, EEESH or accommodation not fit for the future	✓ Stock condition survey being undertaken ✓ Procurement Policy revised ✓ Improving contract management
Culture not embedded well, poor work force planning, change management and/or structures not embedded well. This could lead to staff poorly trained and/or high turnover of staff. Particular risk in relation to new business.	✓ Reward Strategy in place and to be implemented ✓ Continue Pay and Benefits Review to ensure competitive in market ✓ L&D policy and strategy. Transforming Together agenda
Potential for free personal nursing care to be stopped and NCHC based on cost of care which makes charging more transparent for private payers	✓ Reinforce differentiation strategy ✓ Reduce cost by managing dependency and looking at other ways of providing care

The Board has also identified Brexit as a potential risk particularly as it might impact staff recruitment and the economy. However the risks are unclear and Viewpoint is keeping an eye on developments.

The Risk Map is reviewed by both the Board and Audit Committee.

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Board of Trustees and Executive Officers

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

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

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

Statement of Board of Trustees's Responsibilities

The Co-operative and Community Benefit Act 2014 requires the Board of Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Board of Trustees is required to:-

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

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2015. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Board of Trustees are aware:

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Statement on Internal Financial Control

The Board of Trustees acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

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

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

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

The Board of Trustees has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2017. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

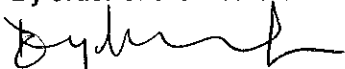
Donations

During the year the Association made charitable donations amounting to £500.

Auditors

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

By order of the Board of Trustees



MRS DORRY MCLAUGHLIN

Secretary

15 August 2017

VIEWPOINT HOUSING ASSOCIATION LIMITED

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

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

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice 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 Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls .



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
15 August 2017



Alexander Sloan
Accountants and Business Advisers



We have audited the financial statements of Viewpoint Housing Association Limited for the year ended 31st March 2017 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and accounting standards of the United Kingdom

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

Respective Responsibilities of Board of Trustees and Auditors

As explained more fully in the Statement of Board of Trustees's Responsibilities the Association's Board of Trustees, are responsible for the preparation of the Financial Statements that 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 Financial Reporting Council's (FRC) Ethical Standards for Auditors.

Scope of the audit on 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 of Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Board of Trustees' report 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 the financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2015.

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

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

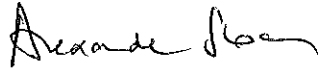
- the information given in the Board of Trustees's Report is inconsistent with the financial statements.
- proper books of account have not been kept by the Association in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation.

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

Matters on which we are required to report by exception (contd.)

- the Statement of Comprehensive Income to which our report relates, and the Statement of Financial Position are not in agreement with the books of the Association.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
15 August 2017



Alexander Sloan
Accountants and Business Advisers

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2017

	Notes	£	2017 £	£	2016 £
REVENUE	2.		15,738,566		15,310,711
Operating Costs	2.		(14,095,546)		(13,190,062)
OPERATING SURPLUS	8.		1,643,020		2,120,649
Interest Receivable and Other Income		78,407		81,481	
Interest Payable and Similar Charges	7.	(309,288)		(321,969)	
Other Finance Charges	9.	(181,000)		(121,000)	
			(411,881)		(361,488)
SURPLUS FOR THE YEAR			1,231,139		1,759,161
<i>Other Comprehensive Income:</i>					
Remeasurement of Past Service Deficit Liability	26.		2,893,000		-
TOTAL COMPREHENSIVE INCOME			4,124,139		1,759,161

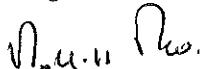
The notes on pages 17 to 32 form part of these financial statements.

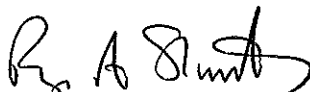
VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2017

	Notes	2017	2016
		£	£
NON-CURRENT ASSETS			
Housing Properties - Depreciated Cost	10.(a)	41,218,252	41,517,890
Other Non Current Assets	10.(c)	1,212,128	1,199,714
		<u>42,430,380</u>	<u>42,717,604</u>
INVESTMENTS			
Investments	24.	111	111
		<u>111</u>	<u>111</u>
RECEIVABLES: Amounts falling due after more than one year			
	13.	188,265	200,032
CURRENT ASSETS			
Receivables	14.	767,687	788,554
Cash at bank and in hand		11,675,372	10,931,441
		<u>12,443,059</u>	<u>11,719,995</u>
CREDITORS: Amounts falling due within one year			
	15.	(6,772,804)	(6,579,271)
		<u>(6,772,804)</u>	<u>(6,579,271)</u>
NET CURRENT ASSETS			
		<u>5,670,255</u>	<u>5,140,724</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>48,289,011</u>	<u>48,058,471</u>
CREDITORS: Amounts falling due after more			
	16.	(6,613,470)	(9,960,848)
DEFERRED INCOME			
Social Housing Grants	18.	(13,208,191)	(13,754,019)
Other Grants	18.	(1,704,864)	(1,705,265)
		<u>(14,913,055)</u>	<u>(15,459,284)</u>
NET ASSETS			
		<u>26,762,486</u>	<u>22,638,339</u>
EQUITY			
Share Capital	19.	176	168
Revenue Reserves		26,664,392	22,540,012
Restricted reserves		97,918	98,159
		<u>26,762,486</u>	<u>22,638,339</u>

The Financial Statements were approved by the Board of Trustees and authorised for issue and signed on their behalf on 15 August 2017.


Chairperson


Board Member


Secretary

The notes on pages 17 to 32 form part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2017

	Notes	2017 £	2016 £
Net Cash Inflow from Operating Activities	17.	2,671,208	2,580,949
Investing Activities			
Purchase or investment in Non-Current Assets	(1,815,781)	(1,400,304)	
Social Housing Grant Received	82,133	141,293	
Proceeds on Disposal of Other Fixed Assets	6,287	11,252	
Net Cash Outflow from Investing Activities		(1,727,361)	(1,247,759)
Financing Activities			
Loan Advances Received	357,124	335,692	
Loan Redemption Payments	(432,732)	-	
Interest Received on Cash and Cash Equivalents	78,407	80,123	
Interest Paid on Loans	(309,288)	(318,497)	
Loan Principal Repayments	(193,291)	(641,866)	
Share Capital Issued	8	3	
Net Cash Outflow from Financing		(499,772)	(544,545)
Increase in Cash		444,076	788,645
Opening Cash & Cash Equivalents		10,931,441	10,142,796
Closing Cash & Cash Equivalents		<u>11,375,517</u>	<u>10,931,441</u>
Cash and Cash equivalents as at 31 March 2017.			
Cash		11,675,372	10,931,441
Bank overdraft		(299,855)	-
		<u>11,375,517</u>	<u>10,931,441</u>

The notes on pages 17 to 32 form part of these financial statements.

VIEWPOINT HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2017

	Share Capital	Restricted Reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1st April 2015	179	110,081	20,768,929	20,879,189
Issue of Shares	3			3
Cancellation of Shares	(14)			(14)
Transfers		(11,922)	11,922	-
Surplus for Year			1,759,161	1,759,161
Balance as at 31 March 2016	168	98,159	22,540,012	22,638,339
Balance as at 1st April 2016	168	98,159	22,540,012	22,638,339
Issue of Shares	8			8
Cancellation of Shares	-			-
Other comprehensive income - pension scheme			2,893,000	2,893,000
Transfer to revenue Reserve		(12,557)	12,557	-
Transfers		12,316	(12,316)	-
Surplus for Year			1,231,139	1,231,139
Balance as at 31 March 2017	176	97,918	26,664,392	26,762,486

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

The reserves opening balance at 1st January 2015 has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS102.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

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

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2015. A summary of the more important accounting policies is set out below.

Basis Of Consolidation

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The financial statements for Viewpoint Housing Association Limited present information about it as an individual undertaking and not about the group.

Revenue

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

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

Retirement Benefits

The Association participated in the Scottish Housing Association Defined Benefits Pension Scheme. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. The Association has moved from the Defined Benefit scheme to the Scottish Housing Association Defined Contribution Scheme.

The Association still has a liability for past service costs contributions to the Scottish Housing Association Defined Benefit Pension Scheme. The Association provides for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for a high quality corporate bond.

Viewpoint also participates in a second defined contribution scheme managed by Friends Life. All staff are eligible to join either the Friends Life or 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 contracted 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.

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 10. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Non-Current Assets

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

Office Premises	-2%
Furniture and Fittings	-33%
Computer & Office Equipment	-33%
Van	-33%

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

Social Housing Grant And Other Grants In Advance/Arrears

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

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

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

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

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Board of Trustees to exercise judgement in applying Viewpoint Housing Association Limited Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

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

Development Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

The Association has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In the judgement of the Board of Trustees, these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

In March 2017 the Association received details from the Pension Trust of the final valuation of the pension scheme at September 2015 and the Pension Trust's estimate of the Association's future past service deficit contributions. The Association has used this to provide the basis of the pension past service deficit liability in the financial statements. The Board of Trustees feel this is the best available estimate of the past service liability.

e) Loan stock

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

Financial Instruments - Basic

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

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2017			2016		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3.	8,221,993	6,981,884	1,240,109	8,134,807	6,633,972	1,500,835
Other Activities	4.	7,516,573	7,113,662	402,911	7,175,904	6,556,090	619,814
Total		15,738,566	14,095,546	1,643,020	15,310,711	13,190,062	2,120,649

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General		2017 Total £	2016 Total £
	Needs Housing £	Supported Housing £		
Revenue from Lettings				
Rent Receivable Net of Service Charges	1,023,596	4,024,961	5,048,557	4,994,642
Service Charges	185,593	2,473,377	2,658,970	2,711,215
Gross income from rent and service charges	1,209,189	6,498,338	7,707,527	7,705,857
Less: Rent losses from voids	16,455	97,440	113,895	116,815
Net Rents Receivable	1,192,734	6,400,898	7,593,632	7,589,042
Grants released from deferred income	77,236	551,125	628,361	545,765
Total turnover from affordable letting activities	1,269,970	6,952,023	8,221,993	8,134,807
Expenditure on affordable letting activities				
Management and maintenance administration costs	314,158	1,693,388	2,007,546	1,939,094
Service Costs	169,957	1,513,552	1,683,509	1,615,116
Planned and cyclical maintenance, including major repairs	164,429	663,013	827,442	840,901
Reactive maintenance costs	147,860	729,950	877,810	818,403
Bad Debts - rents and service charges	20,349	32,748	53,097	66,516
Depreciation of affordable let properties	272,970	1,259,510	1,532,480	1,353,942
Operating costs of affordable letting activities	1,089,723	5,892,161	6,981,884	6,633,972
Operating surplus on affordable letting activities	180,247	1,059,862	1,240,109	1,500,835
2016	458,034	1,042,801		

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2017	Operating Surplus / (Deficit) 2016
	£	£	£	£	£	£	£	£	£
Support Activities	-	-	204,087	-	204,087	-	402,550	(198,463)	(29,088)
Care Activities	-	-	-	7,252,206	7,252,206	92,080	6,478,224	681,902	716,456
Contracted out services undertaken for other RSLs	-	-	-	28,536	28,536	-	34,322	(5,786)	-
Registered Social Landlords	-	-	-	-	-	-	-	-	4,154
Other activities	-	-	-	31,744	31,744	-	106,486	(74,742)	(71,708)
Total From Other Activities	-	-	204,087	7,312,486	7,516,573	92,080	7,021,582	402,911	619,814
2016	-	-	268,002	6,907,902	7,175,904	107,685	6,448,405	619,814	

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.

	2017	2016
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	212,866	145,128
Pension contributions made on behalf on Officers with emoluments greater than £60,000	15,313	29,507
Emoluments payable to Chief Executive (excluding pension contributions)	92,218	82,721
Total Emoluments paid to key management personnel	313,585	266,745

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

	Number	Number
£60,001 to £70,000	2	1
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-

6. EMPLOYEE INFORMATION

	2017	2016
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	260	246
Staff Costs were:	£	£
Wages and Salaries	5,601,594	5,147,068
Social Security Costs	448,297	412,050
Other Pension Costs	189,935	230,406
Temporary, Agency and Seconded Staff	670,828	654,231
	6,910,654	6,443,755

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INTEREST PAYABLE & SIMILAR CHARGES

	2017	2016
	£	£
On Bank Loans & Overdrafts	<u>309,288</u>	<u>321,969</u>

8. SURPLUS FOR YEAR

	2017	2016
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	2,092,953	1,655,560
Auditors' Remuneration - Audit Services	19,501	18,461
Operating Lease Rentals - Other	2,795	-
Gain on sale of fixed assets	<u>(467)</u>	<u>3,869</u>

9. OTHER FINANCE INCOME / CHARGES

	2017	2016
	£	£
Unwinding of Discounted Liabilities	<u>181,000</u>	<u>121,000</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Care Homes £	Total £
COST			
As at 1st April 2016	61,612,769	9,814,324	71,427,093
Additions	1,315,547	178,193	1,493,740
Disposals	(543,034)	-	(543,034)
As at 31st March 2017	62,385,282	9,992,517	72,377,799
DEPRECIATION			
As at 1st April 2016	26,461,871	3,447,332	29,909,203
Charge for Year	1,532,753	256,393	1,789,146
Disposals	(538,802)	-	(538,802)
As at 31st March 2017	27,455,822	3,703,725	31,159,547
NET BOOK VALUE			
As at 31st March 2017	34,929,460	6,288,792	41,218,252
As at 31st March 2016	35,150,898	6,366,992	41,517,890

Additions to housing properties include capitalised development administration costs of £nil (2016 - £8,908) and capitalised major repair costs to existing properties of £1,493,740 (2016 - £699,750)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £2,016,168. The amount capitalised is £1,493,740, with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £1,493,740 and improvement of £nil.

The Association's Lenders have standard securities over Housing Property with a carrying value of £12,109,366 (2016 - £11,765,052).

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. NON CURRENT ASSETS (Continued)

c) Other Tangible Assets	Motor Vehicles £	Office Premises £	Furniture & Equipment £	Total £
COST				
As at 1st April 2016	156,505	883,156	1,554,485	2,594,146
Additions	45,166	-	276,875	322,041
Eliminated on disposals	(50,673)	-	(5,820)	(56,493)
As at 31st March 2017	150,998	883,156	1,825,540	2,859,694
AGGREGATE DEPRECIATION				
As at 1st April 2016	117,551	241,385	1,035,496	1,394,432
Charge for year	27,694	24,684	251,429	303,807
Eliminated on disposals	(50,673)	-	-	(50,673)
As at 31st March 2017	94,572	266,069	1,286,925	1,647,566
NET BOOK VALUE				
As at 31st March 2017	56,426	617,087	538,615	1,212,128
As at 31st March 2016	38,954	641,771	518,989	1,199,714

11. CAPITAL COMMITMENTS

	2017 £	2016 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	161,000	79,070

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

12. COMMITMENTS UNDER OPERATING LEASES

	2017 £	2016 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Other		
Not later than one year	2,795	2,795
Later than one year and not later than five years	10,480	13,275

Lease commitments have been restated under FRS102 to include the timing of the full payment due under the contract.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RECEIVABLES AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Loan to subsidiary	188,265	200,032

14. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Arrears of Rent & Service Charges	826,721	766,217
Less: Provision for Doubtful Debts	(373,009)	(266,812)
	453,712	499,405
Other Receivables	187,239	156,138
Amounts Due from Group Undertakings	126,736	133,011
	767,687	788,554

15. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank Overdrafts (secured)	299,855	-
Housing Loans	554,625	443,290
Loan stock	2,068,239	2,464,281
Trade Payables	482,973	718,574
Rent in Advance	409,112	417,759
Other Taxation and Social Security	120,392	110,952
Amounts Due to Group Undertakings	1,249,321	1,029,134
Other Payables	133,473	156,723
Liability for Past Service Contributions	431,000	453,000
Accruals and Deferred Income	1,023,814	785,558
	6,772,804	6,579,271

At the balance sheet date there were pension contributions outstanding of £18,005 (2016 £7,626).

16. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2017	2016
	£	£
Liability for Past Service Contributions	1,757,000	4,900,000
Housing Loans	4,856,470	5,060,848
	6,613,470	9,960,848
Housing Loans		
Amounts due within one year	554,625	443,290
Amounts due in one year or more but less than two years	435,104	423,126
Amounts due in two years or more but less than five years	783,879	958,102
Amounts due in more than five years	3,637,487	3,679,620
	5,411,095	5,504,138
Less: Amount shown in Current Liabilities	554,625	443,290
	4,856,470	5,060,848
Liability for Past Service Contributions		
Amounts due within one year	431,000	453,000
Amounts due in one year or more but less than two years	444,000	423,126
Amounts due in two years or more but less than five years	1,313,000	958,102
Amounts due in more than five years	-	3,518,772
	2,188,000	5,353,000
Less: Amount shown in Current Liabilities	431,000	453,000
	1,757,000	4,900,000

The Association has a number of long-term housing loans the terms and conditions of which are as follows:

Lender	Security	Effective Interest Rate	Maturity	Variable / Fixed
RBS	Standard Security over 659 properties	5.70%	2032	Fixed

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

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. STATEMENT OF CASH FLOWS

	2017 £	2016 £
Reconciliation of operating surplus to balance as at 31 March 2017		
Operating Surplus	1,643,020	2,120,649
Depreciation	2,097,185	1,900,204
Re-statement of Past Service Liability (note 26)	2,893,000	-
Amortisation of Capital Grants	(628,362)	(545,765)
Change in debtors	32,634	(139,308)
Change in creditors	(3,184,802)	(289,948)
Gain on sale of other fixed assets	(467)	(3,869)
Unwinding of Discount on Pension Liability	(181,000)	(461,000)
Share Capital Written Off	-	(14)
Balance as at 31 March 2017	<u>2,671,208</u>	<u>2,580,949</u>

18. DEFERRED INCOME

	Housing Properties Held for Letting £	Total £
Social Housing Grants		
Balance as at 1st April 2016	30,690,337	30,690,337
Additions in the year	82,133	82,133
Eliminated on disposal components and property	(143,333)	(143,333)
Balance as at 31st March 2017	<u>30,629,137</u>	<u>30,629,137</u>
Amortisation		
Balance as at 1st April 2016	16,936,318	16,936,318
Amortisation in year	549,063	549,063
Eliminated on disposal	(64,435)	(64,435)
Balance as at 31st March 2017	<u>17,420,946</u>	<u>17,420,946</u>
Net book value		
Balance as at 31st March 2017	<u>13,208,191</u>	<u>13,208,191</u>
Balance as at 31st March 2016	<u>13,754,019</u>	<u>13,754,019</u>
Other Grants		
Balance as at 1st April 2016	1,725,318	1,725,318
Balance as at 31st March 2017	<u>1,725,318</u>	<u>1,725,318</u>
Amortisation		
Balance as at 1st April 2016	20,053	20,053
Amortisation in year	401	401
Balance as at 31st March 2017	<u>20,454</u>	<u>20,454</u>
Net book value		
Balance as at 31st March 2017	<u>1,704,864</u>	<u>1,704,864</u>
Balance as at 31st March 2016	<u>1,705,265</u>	<u>1,705,265</u>
Total grants net book value as at 31 March 2017	<u>14,913,055</u>	<u>14,913,055</u>

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

	2017 £	2016 £
Amounts due within one year	549,464	545,765
Amounts due after more than one year	14,363,591	14,913,519
	<u>14,913,055</u>	<u>15,459,284</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2016	168
Issued in year	8
Cancelled in year	-
At 31st March 2017	<u>176</u>

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

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2017 No.	2016 No.
General Needs - Built by Association	275	275
Supported Housing	<u>1,101</u>	<u>1,101</u>
	<u>1,376</u>	<u>1,376</u>

Housing Units owned by the Association but managed by another body:

Name of Provider	2017 £	2016 £
The Action Group	6	6
Garvald Glenesk Limited	1	1
Community Integrated Care	7	7
Carr Gomm Scotland	-	8

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY TRANSACTIONS

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

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their position to their advantage.

Governing Body Members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Governing Body Member has a connection is made at arm's length is under normal commercial terms.

Transactions with governing body members (and their close family) were as follows:

	£
Rent and factoring received from Tenants on the Committee and their close family members	18,510

At the year end total rent arrears and factoring owed by the tenant members of the Committee (and their close family) were £nil

Members of the Committee who are tenants	3
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22. DETAILS OF ASSOCIATION

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

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

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

23. GOVERNING BODY MEMBER EMOLUMENTS

Board of Trustees members received £1,025 in the year by way of reimbursement of expenses. (2016 - £220). No remuneration is paid to Board of Trustees members in respect of their duties in the Association.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. INVESTMENTS

	2017 £	2016 £
Investments		
Shares in subsidiary	11	11
Shares in Lomond Park Company Limited	100	100
	<u>111</u>	<u>111</u>

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

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

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

Viewpoint Housing Association provides funding assistance, management and development services to Viewpoint Scotland Limited, its wholly owned subsidiary, in relation to the development of capital projects in which the two organisations hold complementary interests. Viewpoint Scotland Limited also provides Viewpoint Housing Association with advisory services in connection with the same projects. During the year, Viewpoint Housing Association received £5,065 (2016: £4,587) in management fees from Viewpoint Scotland Limited, Viewpoint Housing Association Limited charged interest of £12,851 (2016: 13,841) on a loan to Viewpoint Scotland Limited. At 31 March 2017 the balance outstanding on this loan was £200,033 (31 March 2016: £211,798). At the year end the total amount due from this company was £ 326,768 (2016: £333,042). Interest of £408 (2016: £692 on the inter-company current account balance of £123,504 was charged to Viewpoint Scotland Limited at a rate comparable with that which is recieved on the Association's bank deposits.

The aggregate amount of capital and reserves and the results of Viewpoint Scotland for the year ended 31st March 2017 were as follows:

	2017 £	2016 £
Capital & Reserves	(23,829)	(32,579)
Profit for the year	<u>8,739</u>	<u>4,943</u>

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

General

Viewpoint Housing Association Limited participated in the Scottish Housing Association Pension Scheme (the scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. The Association has since moved to a defined contribution scheme but has a liability for the past service deficit in the defined benefit scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers 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 FRS102 represents the employer contribution payable.

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

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

All employers in the scheme have entered into an agreement to make additional contributions to fund the scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the statement of financial position date the present value of this obligation was £2188000 (2016 - £5353000). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of a high quality corporate bond with a similar term. This discount rate used was 1.06%.

The Association made payments totalling £115,626 (2016: £121,000) to the pension scheme during the year.

VIEWPOINT HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

Growth Plan

The Regulator has reviewed the recovery plan for the Growth Plan and confirmed that, in respect of the September 2014 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The next full actuarial valuation will be carried out as at 30 September 2017.

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 for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme.

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).

The Board of Trustees took the decision in July 2017 to withdraw from the Growth Plan. This had the effect of crystallising the employer debt on withdrawal. The amount paid by the Association was £102,772. This means that the Association no longer has any liability with regard to the Growth Fund.

26. OTHER COMPREHENSIVE INCOME

	2017	2016
	£	£
Remeasurement of past service deficit liability	2,893,000	-

As part of the transition to FRS 102 in March 2016 the Association recognised a liability for additional payments that the Association is required to make to Scottish Housing Association Pension Scheme (SHAPS) as part of the pension scheme's recovery plan. This resulted in the Association recognising a liability of £5.7m. Following the actuarial valuation of the scheme in September 2015 the Pensions Trust took the decision to substantially reduce the amounts payable by members as part of the recovery plan. The liability has therefore been remeasured and the adjustment of £2.893m taken to Other Comprehensive Income.